

Consultation on Balansys documents Luxembourg, November 12, 2019

The Luxembourgish Transmission System Operator (TSO) Creos Luxembourg and the Belgian TSO Fluxys Belgium and their respective regulators, ILR (“Institut Luxembourgeois de Régulation”) and CREG (“Commission pour la Régulation de l’Electricité et du Gaz”), have been working together since 2015 to integrate their national H-gas markets.

In that context, Balansys was created on the 7th of May 2015 at equal shares by Creos Luxembourg and Fluxys Belgium as common entity to perform the balancing activities in the integrated BeLux market. The regulatory documents for this common balancing area have been consulted and approved by ILR in 2015 and are currently into force in Luxembourg together with the transitional disposals allowing the operation of the integrated Belux market as long as the activation of Balansys for the Belgium market part is pending. With the approval of the compliance program by ACER on the 16th of October this year, a major milestone for Balansys to take over the balancing activities for the whole BeLux market area has been achieved. Before starting operations, the regulatory documents need to be submitted for approval by Balansys to the NRA’s in both countries after consultation. In Luxembourg, ILR is consulting and approving, while in Belgium, Balansys consults and submits the regulatory documents for approval to CREG.

The documents submitted to consultation in both countries are the same and are based on the regulatory documents for balancing services that were already consulted between 8 June to 10 July 2017 and approved by CREG in April 2018 under the condition that ACER would approve the compliance programme of Balansys. The following changes are proposed by Balansys:

1) Counterparty risk management

In order to protect Balansys from fraudulent shippers active on the European market, specific measures have been taken - which can be retrieved in the Balancing Agreement - that must ensure a stricter review and actions taken in every case where there is a deviation from the balancing agreement concerning invoicing and payment. One of these measures is the removal of the option for providing a cash deposit on the bank account of the Balancing Operator when giving a financial guarantee.

2) Invoicing

As currently applied by Fluxys Belgium, in its performance of the balancing operator role, Balansys proposes to communicate an overview of the consolidated invoices to the network users, including a summary indicating the balance to be paid to Balansys or to be reimbursed to the network user. So the summary of the invoices will have to be paid by the owed party.

3) Imbalance pooling

The Imbalance Pooling Service can henceforward be subscribed via the service request for the Imbalance Pooling Service in written (letter, fax, or e-mail) to the Balancing Operator by means of the dedicated service request form available on the Balancing Operator website.

4) Alignment of the definitions and clauses in the BA, BC and BP

Some definitions have been changed in the Balancing Agreement, Balancing Code and Balancing Program in order to be aligned with the definitions (e.g. Domestic point) and clauses (e.g. illegality) described in the regulatory documents of its Belgian TSO, Fluxys Belgium. In addition, the term “Network User” is from now on used as a coherent term in all Balansys’ regulatory documents.

5) Technical changes and material error corrections

CREG's decision on the proposed changes in the Balansys documents in April 2018, required some adjustments. Therefore, the Balansys documents were adapted accordingly adding, a.o. clarifications for the application of Force Majeure and suspension in the event of an incident or emergency.

As the consultation and approval process is aligned between Balansys and the NRA's in both countries, please also refer to ILR website¹.

The responses to this consultation will be shared between Balansys, CREG and ILR unless explicitly indicated as being confidential.

¹ ILR website : consultations in the field of natural gas are available under <https://web.ilr.lu/FR/Professionnels/Gaz-naturel/Commun/Consultations>