



MARKET CONSULTATION ON BALANCING TARIFFS IN THE BELUX AREA IN 2021

17 August 2020 – 4 September 2020

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1 INTRODUCTION

In accordance with CREG decision (B)150903-CDC-656G/29 and ILR regulation E15/38/ILR of 28 August 2015, Balansys shall introduce a proposal to CREG and ILR for approval, regarding the balancing tariffs applicable during the next balancing period (between 1st of January 2021 and 31st of December 2021).

In this context, a market consultation is organized on the proposed balancing tariffs applicable during the next balancing period.

The balancing tariffs consist of the neutrality charge and the small adjustments.

For the sake of clarity, the tariff proposal will be introduced by Balansys to CREG and to Institut Luxembourgeois de Régulation (ILR), regarding these tariffs and period.

2 LEVEL OF THE BELUX NEUTRALITY ACCOUNT

In accordance with CREG decision (B)150903-CDC-656G/29 and ILR regulation E15/38/ILR of 28 August 2015, the level of the BeLux neutrality account by 30 June 2020 shall be taken into account in order to determine the neutrality charge for the next tariff period.

End of June 2020, the BeLux neutrality account was standing at +117.592€.

In accordance with Commission Regulation (EU) No 312/2014 (BAL NC), the level of the BeLux neutrality account is published monthly on the website of Balansys:

<http://www.balansys.eu/contracts-tariffs/>

3 PROPOSED BALANCING TARIFFS FOR THE NEXT BALANCING PERIOD

Neutrality Charge

In accordance with article 29 of BAL NC, balancing activity must be financially neutral : *“the transmission system operator shall not gain or lose by the payment and receipt of daily imbalance charges, within day charges, balancing actions charges and other charges related to its balancing activities”*.

As the gas price has sharply fallen over the past few months, and if this trend continues for the next 6 months, the BeLux neutrality account should reach at the end of the year a largely negative amount, which had not been estimated last year. This is why it was decided to introduce during the month of August a revised tariff proposal for the end of the year 2020 with a neutrality charge equal to 0 €/MWh. Taking into account the level of the balancing neutrality account end June 2020 and this change of tariff proposal from 1st October 2020 (at least as from the CREG and ILR approval), the BeLux neutrality account should reach -426k€ by the end of 2020.

We therefore **propose to apply a neutrality charge of 0,006 €/MWh for 2021** (payable by market participants pro rata to provisional exit energy allocation on domestic exit points). If the trend observed the last 4 years continues in the future, we expect the BeLux neutrality account to reach 16k€ by the end of 2021.

Small Adjustments

Since October 2015, we observe an increasing trend for end-of-day settlements for causers. We interpret this as a sign that the market is confident that the BeLux market-based balancing system ensures that settlements will be done at a fair price. As the end-of-day market position does not jeopardize network operations, there seems to be no need at this stage to define a higher incentive for shippers to be closer to the equilibrium end-of-day. However, to prevent a further increase of the end-of-day settlements for causers, we therefore propose to maintain the **small adjustment for causers** at its current value of **3%**.

Concerning the **small adjustment for helpers** and willing to continue to incentivize the shippers to contribute to the reduction of the market imbalance, we propose to maintain its value to **0%**.

Those values are lower than the limit foreseen in article 22.7 of the BAL NC (10%) and can be reviewed in accordance with CREG decision (B)150903-CDC-656G/29 and ILR regulation E15/38/ILR of 28 August 2015.

This whole tariff proposal is without prejudice to the possibility to submit a reviewed tariff proposal in the future (at the time of the next tariffs proposal or during the next tariff period if necessary) in accordance with CREG decision (B)150903-CDC-656G/29 and ILR regulation E15/38/ILR of 28 August 2015.

4 INVITATION TO REACT

Balansys would like to invite all interested parties to submit any comments they may have on this document by email at following address: info@balansys.eu and this before 6.00 p.m. on 4 September 2020. We also ask you to specify in your response whether the content is to be treated as confidential or not. Unless otherwise mentioned, all comments will be treated as non-confidential. In case of a confidential response, please provide also a non-confidential version.