



Consultation 6 Report

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1. INTRODUCTION

As from 29 August 2022 until 16 September 2022, Balansys SA consulted the market on the proposed Balancing tariffs applicable for Calendar year 2023. In accordance with CREG decision (B)150903-CDC-656G/29, Balansys SA shall indeed introduce a proposal to CREG for approval, regarding the balancing tariffs applicable during the next balancing period (e.g. 1st January 2023 to the 31st December 2023), by 1st October 2022. This consultation has therefore been organised before such introduction.

2. CONSULTATION PROCESS

Balansys SA launched this market consultation by announcement of the proposed documents on its website - at the usual location for such consultations, supported by an announcement on the homepage - and via direct e-mailing to all duly registered market participants and associations. During the period from 29 August 2022 till 16 September 2022, stakeholders were invited to submit their written feedback and, if needed, seek additional information through bilateral contacts with Balansys SA. Taking into account the different comments received, Balansys SA submits for approval to CREG a tariff amounting to – 0.1 €/MWh for the neutrality fee.

3. OUTCOME OF CONSULTATION PROCESS

All comments received are listed and individually treated in the "Q&A" which makes part of the consultation report submitted to CREG – see appendices.

Feedback was received only from 1 representative organisation (FEBEG). The market reaction is globally positive and welcoming the proposed tariff for the negative neutrality fee (-0.1€/MWh), asking some transparency on the process described in the consultation document (new tariff without consultation if gas price continues to raise). FEBEG also asks for an absolute cap on small adjustments at 1€/MWh in view of the high gas prices observed, even though FEBEG supports the view that small adjustments are an effective mechanism to encourage balancing.

On the first question on transparency, Balansys can affirm that if exceptional circumstances bring the price of gas to unimagined heights, a (negative) decrease in the neutrality charge (therefore in favour of the market) can be discussed with the CREG and the ILR in order to take the appropriate measures to rectify the trajectory of the neutrality account, and this without having to consult on this modification. A rendezvous clause will be established with the regulators to prepare for this eventuality.

On the second question on an absolute cap on the small adjustment causer, Balansys understands that the high gas price indeed penalizes all market players, even those who try to reach equilibrium at the end of the day. This is why Balansys has launched an internal study to determine how these small adjustments could soften the effect of the high gas price for the "good performers" in terms of balancing position and penalize those who are most responsible of imbalances. This analysis will be presented in the coming weeks to regulators and will be subject to future consultation. Pending the result of this consultation, the small adjustment causers remains applicable as consulted. Indeed, despite the impact of this penalty, Balansys notes that the number and level of imbalances remain high.

4. APPENDICES

4.1 *Appendix 1: Market consultation – public material*

4.2 *Appendix 2: Market consultation – confidential material*

1. Market consultation – public material

- a. E-mail : invitation to submit comments
- b. List of documents in consultation
- c. Questions & Answers
- d. Printed copy of written comments

E-mail: invitation to submit comments



Market Consultation on Balancing Tariffs for 2023

Dear Customer,

Balansys is organizing a market consultation on the balancing tariffs applicable during the next balancing period (from 1 January 2023 to 31 December 2023). The consultation will take place **from 29 August to 16 September 2022**.

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

You can consult the document explaining the proposed adjustments [on our website](#).

In accordance with CREG decision (B)150903-CDC-656G/29 and IRL regulation E15/38/ILR, Balansys will submit a proposal to CREG and ILR regarding the applicable balancing tariffs for the next balancing period before 1 October 2022.

Therefore, we invite you to send your comments to marketing@balansys.eu by **Wednesday 16 September 2022 (close of business) at the latest**. Do not forget to mention whether the content is to be treated as confidential or not. Unless otherwise specified, all comments will be treated as non-confidential.

We thank you in advance for your cooperation and remain at your disposal if you need any further information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Marc Meyer", with a long horizontal stroke extending to the right.

Marc Meyer
Director

A handwritten signature in blue ink, appearing to read "José Ghekière", with a long horizontal stroke extending to the right.

José Ghekière
Managing Director

List of documents in consultation

The document is available on our website, via the following link:

<http://www.balansys.eu/market-consultation-from-29-august-to-16-september-2022/>

A blue graphic with a white central box containing text. The background features a network of white lines and dots. The text in the white box reads: "MARKET CONSULTATION FROM 29 AUGUST TO 16 SEPTEMBER 2022", "Balansys consults the market on the balancing fee for neutrality purposes and the values of the small adjustments for 2023. The market consultation is open from August 29, 2022 to September 16, 2022 on the following document:", and a bullet point with the link "Consultation on balancing tariffs 2023".

MARKET CONSULTATION FROM 29 AUGUST TO 16 SEPTEMBER 2022

Balansys consults the market on the balancing fee for neutrality purposes and the values of the small adjustments for 2023. The market consultation is open from August 29, 2022 to September 16, 2022 on the following document:

- [Consultation on balancing tariffs 2023](#)

Questions & Answers

Printed copy of written comments – Public



POSITION

Subject: FEBEG reaction to market consultation Balansys on balancing tariffs in the Belux area in 2023
Date: 16 September 2022
Contact: Luc Huysmans
Telephone: +32 496 59 54 15
Email: Luc.huysmans@febeg.be

Introduction

Balansys launched a consultation on 29/8/2022 on the balancing tariffs in the Balux area in 2023, which ends on 16/9/2022.

FEBEG wishes to thank Balansys for the opportunity to give our comments and suggestions on this consultation.

The comments and suggestions of FEBEG are not confidential.



POSITION



Remarks on the content of the consultation

1. Remarks on title 3. Proposed balancing tariffs for the next balancing period

- **Neutrality Charge**

Balansys aims to return the forecasted neutrality account in 2 years, by means of a negative neutrality charge of -0,1 €/MWh in 2023 (vs -0,021 €/MWh in 2022).

Moreover, if the gas price continues to raise and that has the consequence of deviating from the projected trajectory of the neutrality account, it is possible to introduce to the CREG and ILR a reviewed tariff proposal – based on this consultation – with an adapted neutrality charge.

We understand this would be an in-year change, without new consultation, in order to further reduce the neutrality charge. We would however like to have **more transparency on this measure**: what would be the level of the account from which the charge would be lowered? From what level of deviation is an adjustment of the neutrality charge required? How quickly would the new neutrality charge clear the account?

- **Small Adjustments**

The document explains that, since October 2015, the trend of increase of end-of-day settlements for causers continue, even with very high gas price.

Fluxys/Balansys interprets this as a sign that the market is still confident that the BeLux market-based balancing system ensures that settlements will be done at a fair price, and notes that there is no need at this stage to define a higher incentive for shippers to be closer to the equilibrium end-of-day.

FEBEG also supports the view that small adjustments are an effective mechanism to encourage balancing. However, in view of the high gas prices observed in recent months, we propose to introduce **an absolute cap on small adjustments at €1/MWh**.

2. Market consultation – confidential material

- a. Questions & Answers
- b. Printed copy of written comments
- c. List of bilateral meetings