



Balansys: Info session
22 January 2020

Brussels



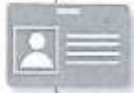
Online Broadcast
Welcome and thank you to our stakeholders
joining on-line today!

WELCOME TO FLUXYS

We are delighted to welcome you to our buildings and will do everything to make your visit pleasant and enjoyable.

SAFETY IS A PRIORITY FOR FLUXYS

Therefore may we ask you to follow a few instructions:



You have received a "Visitors" badge. Please make sure that this badge is visible at all times. When leaving, please return your badge to the receptionist.



In case of a building evacuation, carefully follow the instructions of your host.

If you become separated from your host:

- leave the building through the nearest emergency exit;
- do not use the lifts, instead use the stairs by following the green arrows;
- carefully follow the instructions that will be given to you by the safety staff at Fluxys.



May we kindly request you to respect the non-smoking rule in our buildings.

IN CASE OF EMERGENCY:

7100 = first-aid

7900 = all other incidents

RECEPTION:

Avenue des Arts 31: from 7:45am to 5:45pm

Rue Guimard 4: after 5:45pm

Fluxys S.A.
Avenue des Arts 31 - 1040 Brussels
Tel. 02 282 72 11

www.fluxys.com



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Belux Market Integration

Balansys

Market consultation Balansys

Contractual structure

As from 1st of June

Contact details and information

Wrap Up

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Belux Market Integration

Gas Target Model 2011

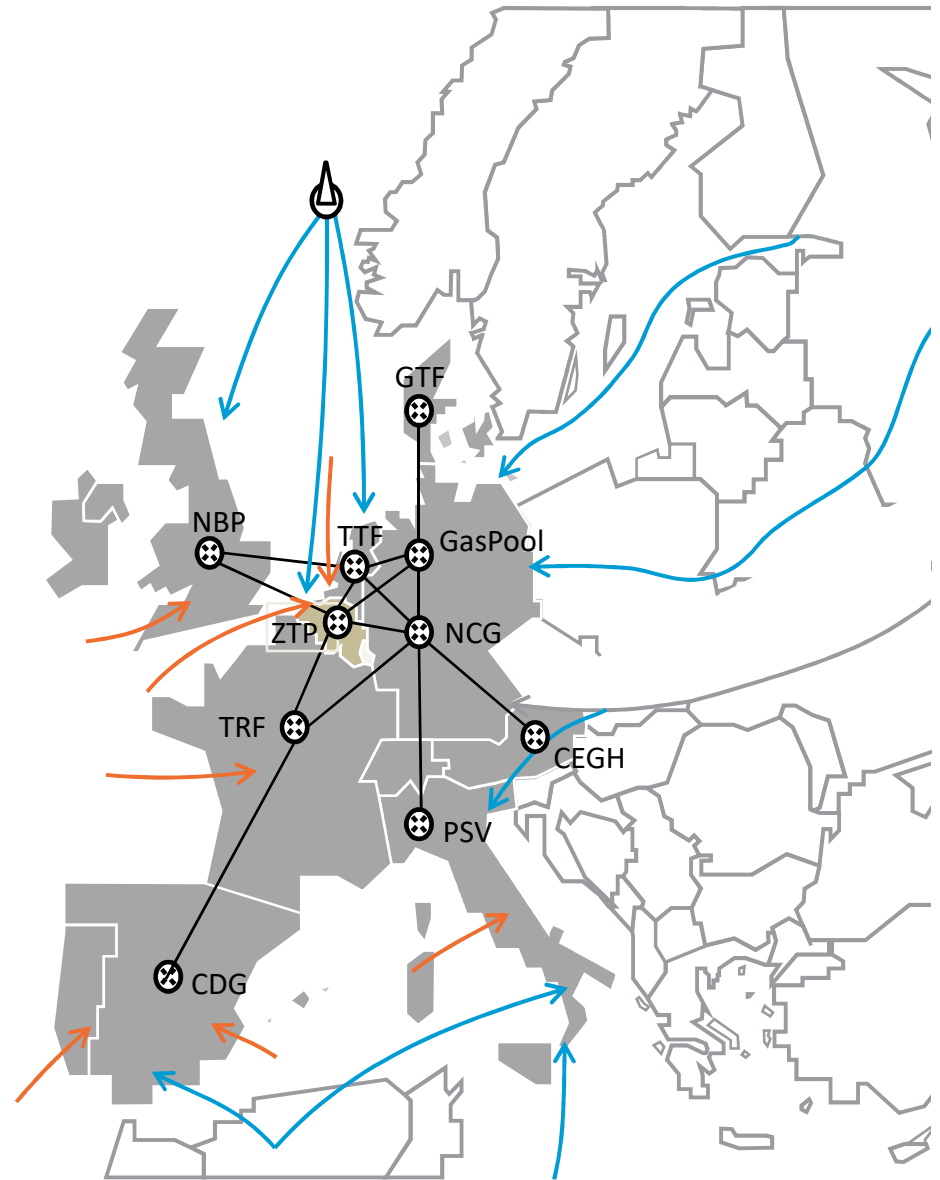
“The objective of an integrated and competitive European gas market that is sustainable, offers choice to customers and promotes security of supply is enshrined in the 3rd Package.”

“One of the key challenges in creating an integrated market is to put in place effective rules for facilitating cross-border trading and market integration between Member States.”

“Sufficient and accessible interconnection will promote liquidity in hub-based trading, which in turn will assist with the development of market-based balancing.”

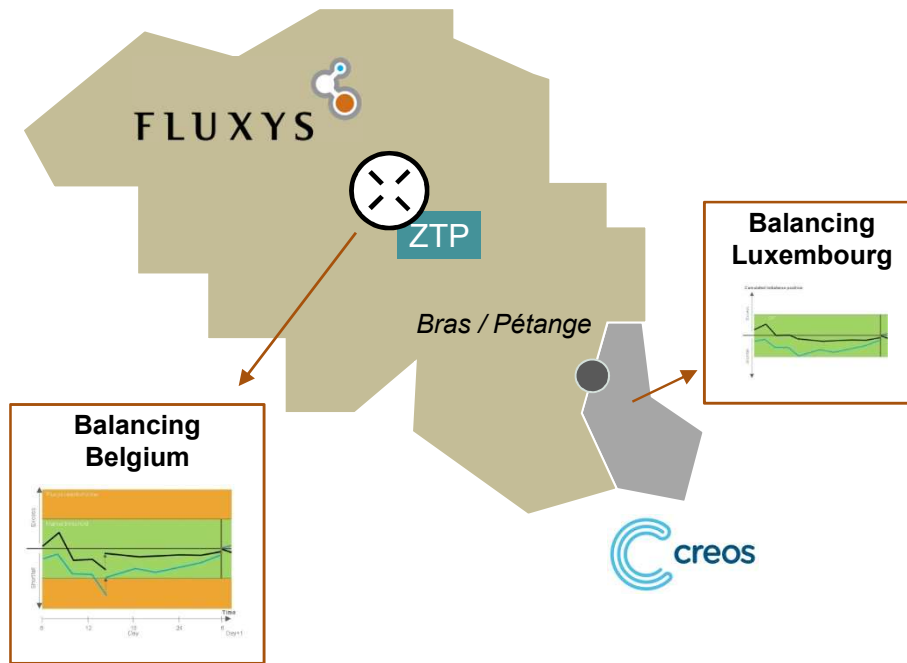
“The idea of the integrated energy market is to promote competition in the European wholesale markets and facilitate new entry to compete against the incumbents in supplying gas.”

→ Pipe
→ LNG

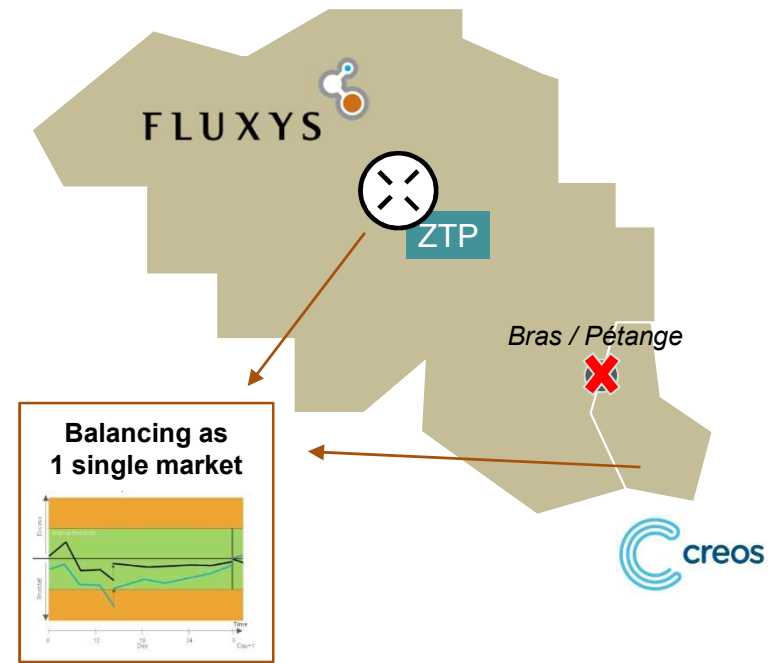


Belux Market Integration

Initial situation: 2 separate markets



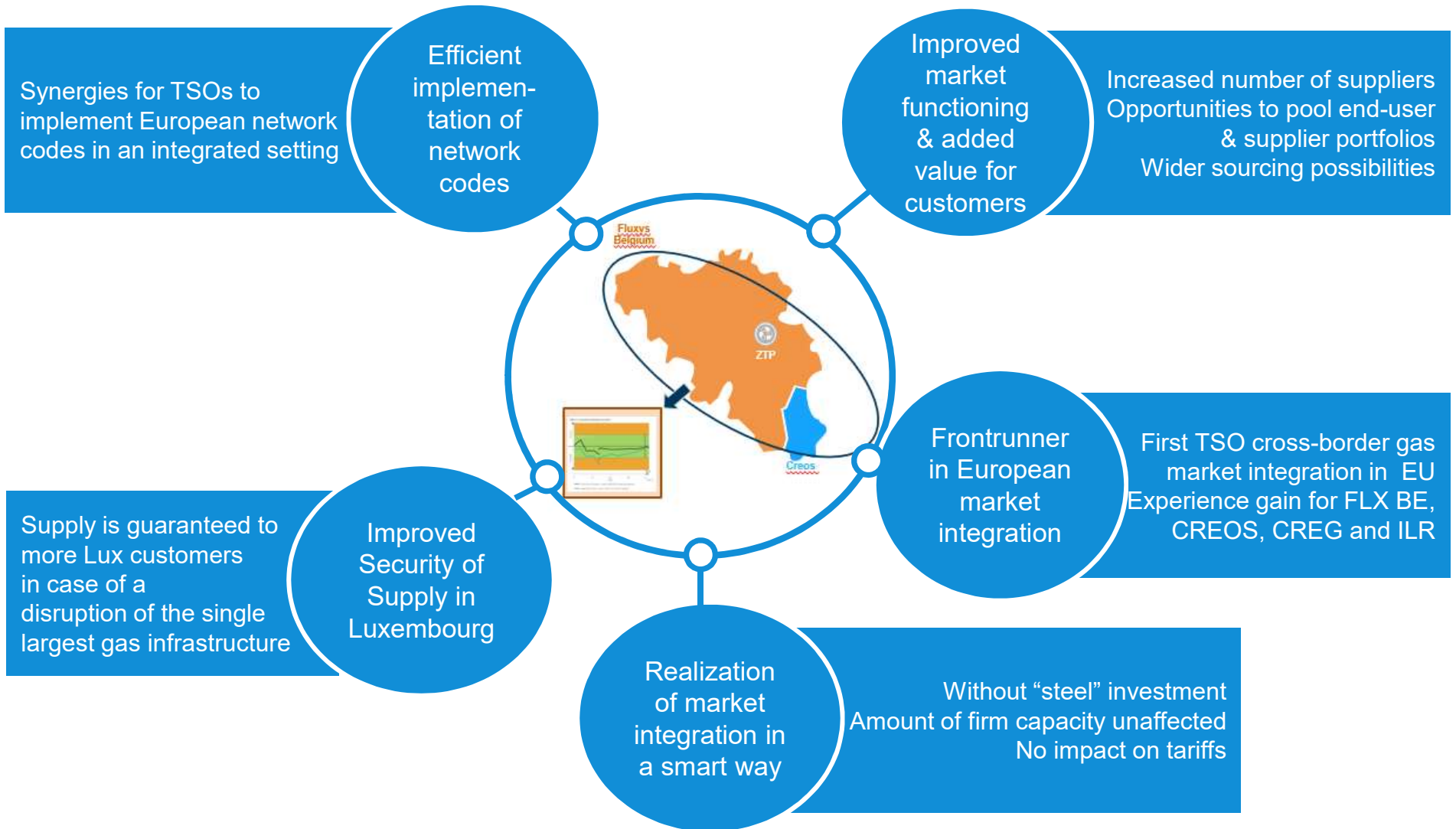
Q4 2015: integrated market



Creation of joint-venture: balancing company - Balansys

- Improved market functioning & added value for end users
- Fluxys Belgium, Creos and National Regulatory Authorities: good preparatory exercise for larger integration with other adjacent markets

Belux Market Integration: Benefits



Belux Market Integration

Phase 1: BeLux integrated market zone launched on 1/10/2015

- First cross border market integration in EU, uniting the H-gas market of Belgium and Luxemburg
- In this first transitory phase, Fluxys Belgium operates as Balancing operator for the BeLux Area

Phase 2: Balansys to become cross-border Balancing operator for the BeLux area

- Performance of the market-based balancing of the BeLux area
- Performance of regulatory tasks: drafting, designing and submitting of regulated documents and balancing tariff to both national regulators
- Concluding Balancing Agreements with Network

16 October 2019: ACER approves Compliance Program (needed to switch to Phase 2)

- Aiming at ensuring non-discrimination, equal treatment of market participants as well as preserving the confidentiality of commercially sensitive data
- All Balansys employees, Belgian/Luxemburg TSO's employees and subcontractors working for Balansys need to comply with Compliance Program

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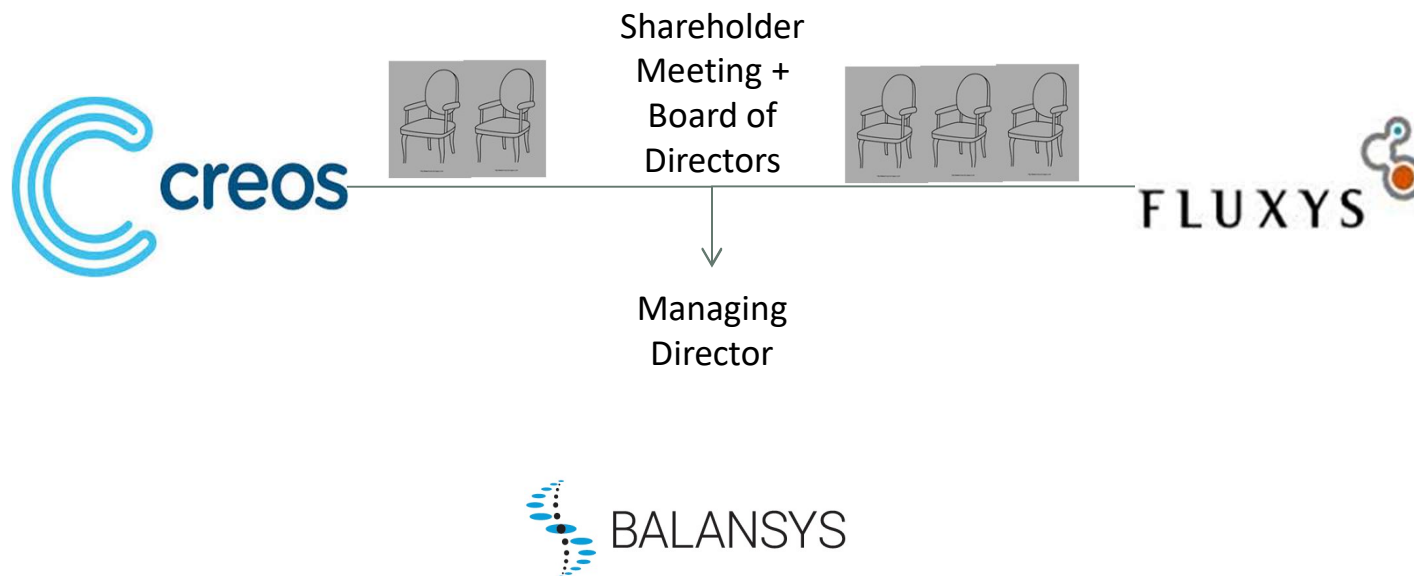
Contact details and information

Wrap Up

Balansys

Balansys is the vehicle enabling the functioning of the BeLux integrated market

- Balansys is a S.A. located in Luxembourg.
- Balansys is owned @ 50% each by Fluxys Belgium and Creos Luxembourg



Balansys

GOVERNANCE

BOARD OF DIRECTORS



Ilse
Guedens

Rafaël
Van Elst

Luc
Gossuin

Carlo
Bartocci

Marc
Meyer

Managing Director



COMPLIANCE OFFICER

Valérie
Vandegaart

complianceofficer.external@balansys.eu

Balansys: Roles and Responsibilities



TSOs



Except for commercial balancing, TSOs will still perform all activities i.e.:

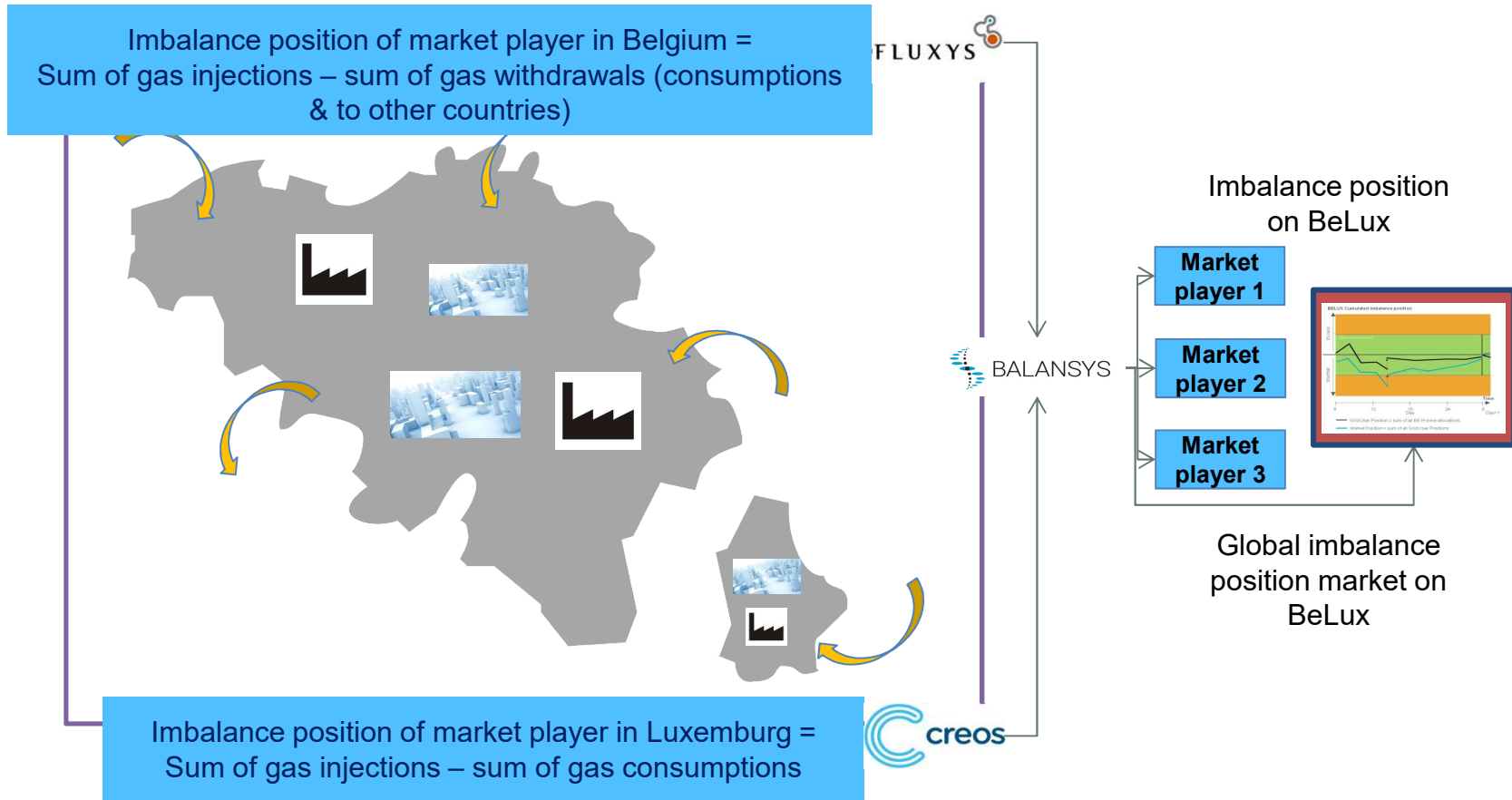
- Capacity management:
 - ❖ Commercialisation
 - ❖ Nomination handling
 - ❖ Allocations
 - ❖ Metering
- Network operational management:
 - ❖ Physical balancing
 - ❖ Incident management
 - ❖ Emergency measures

Balansys will perform tasks related to commercial balancing:

- 1 Aggregation of Network Users imbalance positions in Belgium and Luxembourg & communication of imbalance positions to Network Users
- 2 Gas transactions (sales & purchases) on exchange platform (for balancing purposes only)
- 3 Regulatory topics related to Balansys regulated documents, regulated balancing tariff and contacts with regulators on market-based balancing topics
- 4 Invoicing of balancing regulated tariffs, i.e. daily imbalance charges & neutrality charge

Balansys: Roles and Responsibilities

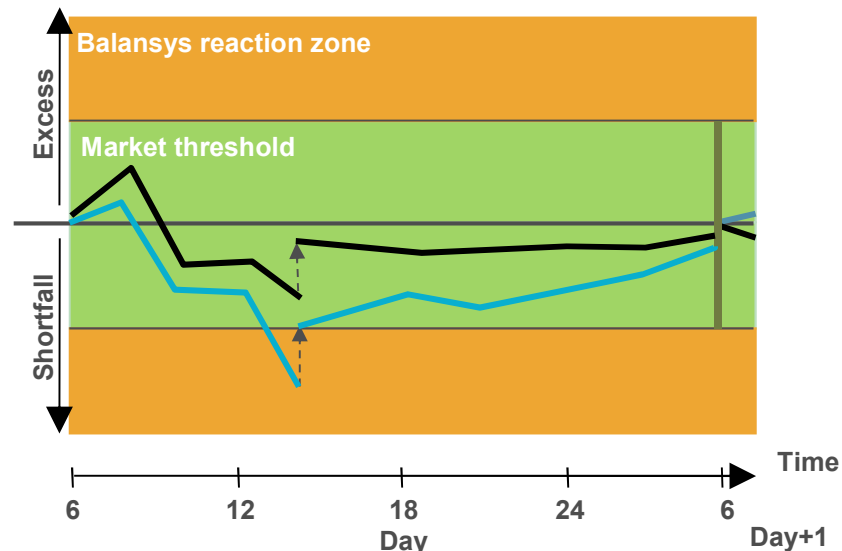
- 1 Aggregation of Network Users imbalance positions in Belgium and Luxembourg & communication of imbalance positions to Network Users



Balansys: Roles and Responsibilities

2 Gas transactions (sales & purchases) on exchange platform

Balansys will perform gas sales / purchases transactions in case the market players do not respect their obligation to remain within the limits defined by the balancing rules:

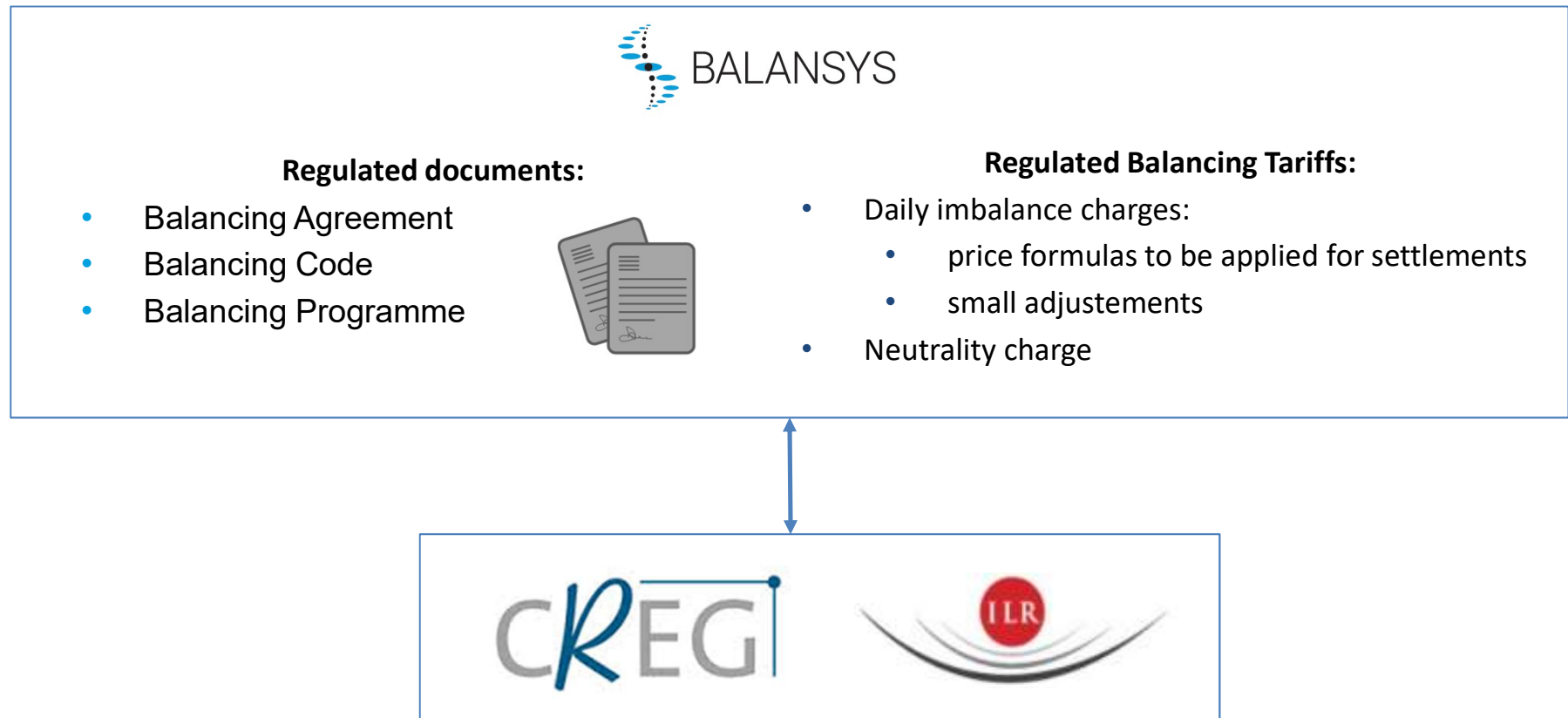


Balansys will perform these transactions on an anonymous platform on ZTP:

- Goal of these transactions is not trading, only compensation of residual balancing of the integrated BeLux area
- These transactions will also provide Balansys with a reference price for invoicing of quantities to market players for which such transactions had to be done, in accordance with the BAL NC

Balansys: Roles and Responsibilities

- 3 Regulatory topics related to Balansys regulated documents, regulated balancing tariff and contacts with regulators on market-based balancing topics

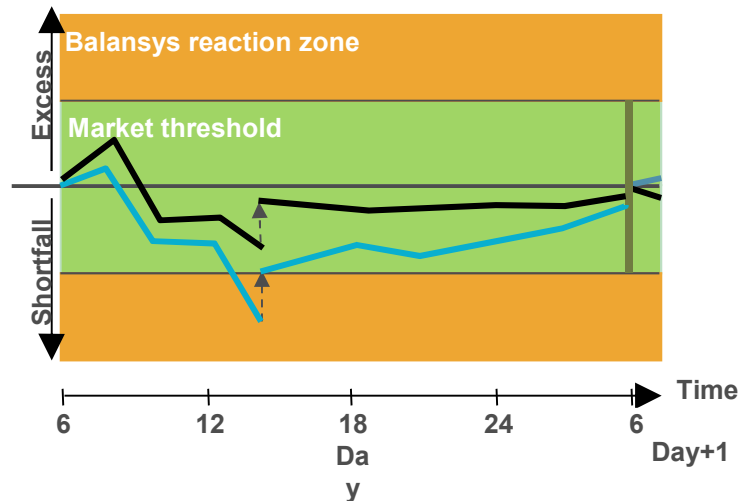


Balansys: Roles and Responsibilities

- 4 Invoicing of balancing regulated tariffs, i.e. daily imbalance charges & neutrality charge

Balansys to invoice 2 components to Network Users

1. Imbalance charges related to the within-day and end-of-day settlements of Network Users



2. Neutrality charge

Balansys: Roles and Responsibilities



Commercial front/back-office



Regulatory



Dispatching, balancing ops.



Invoicing details (annexes)



ICT



Compliance Officer
Valérie Vandegaart



Administration



Legal



Invoicing



Accounting



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Market consultation Balansys 12th of Nov till 11th of Dec

1. Counterparty risk management

- Stricter review and actions taken in every case where there is a deviation from the balancing agreement concerning invoicing and payment.

2. Invoicing

- Communication of 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.

3. Imbalance pooling

- The Imbalance Pooling Service can henceforward be subscribed via the service request in writing (letter, fax, or e-mail) to the balancing operator by means of the dedicated service request form.

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

- Alignment with the definitions in the regulatory documents of its Belgian TSO, Fluxys Belgium.
- The term “Network User” is from now on a coherent term in all Balansys’ regulatory documents.

5. Technical changes and material error corrections

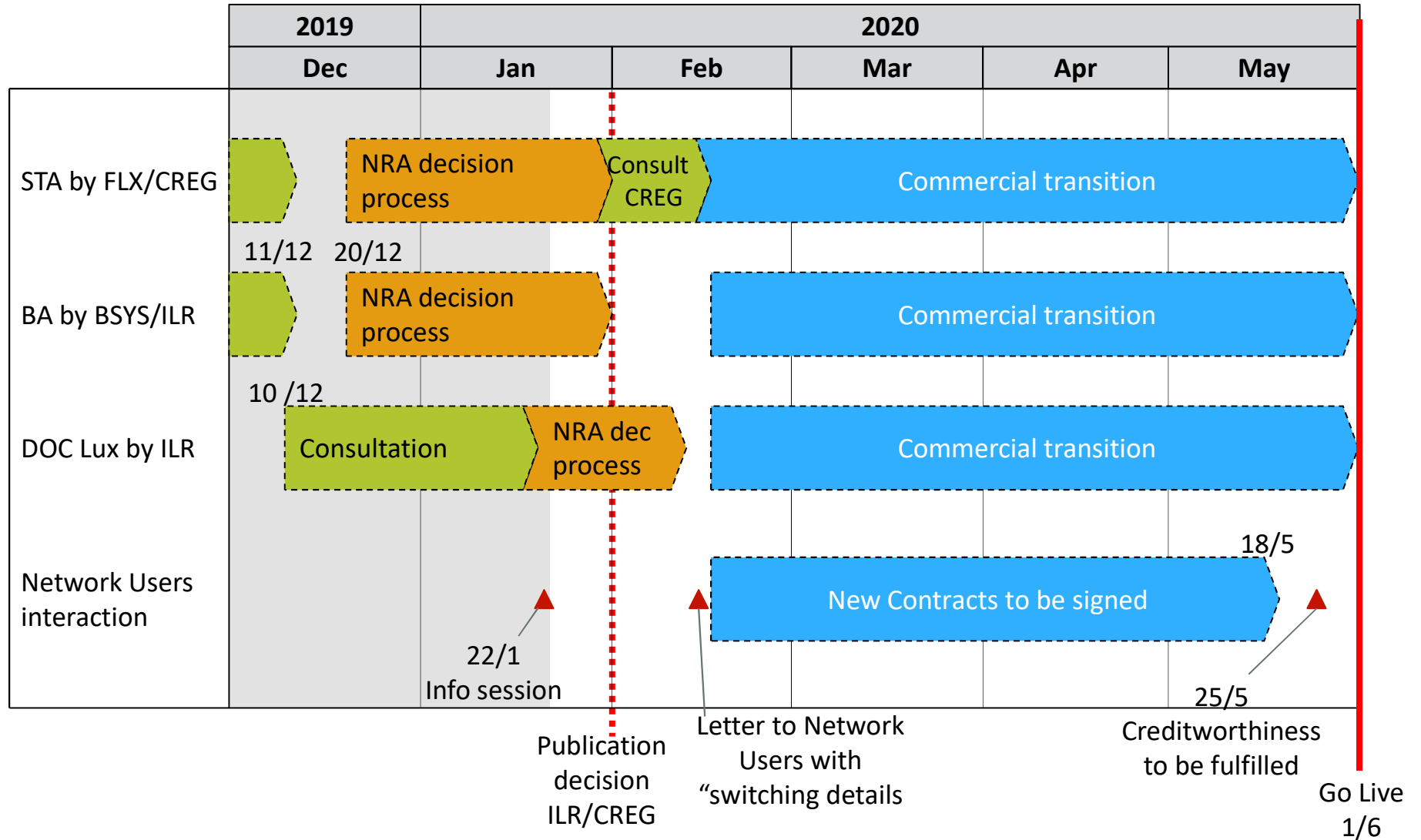
- Following the CREG’s decision on the proposed changes in 2018, some adjustments were required and added, a.o. clarifications for the application of Force Majeure and suspension in the event of an incident or emergency.

Market consultation Balansys 12th of Nov till 11th of Dec

Feedback received

Topic	Confidential	Questions / Comments by Stakeholders	Answers / Comments by Balansys
Technical changes	No	<p>§6.2 proposed addition of the following sentence: 'Force Majeure invoked by one or both TSOs that hinders the provision of Transmission Services by one or both TSOs.'</p> <p>The proposed wording lacks sufficient clarity and a TSO invoking a Force Majeure does not in itself constitute the cause of a FM event. The proposed wording does not tie to any objective criteria but opens space for a contract party's sole discretion. On this basis, we trust that the sentence will be deleted.</p>	<p>In order to clarify, the sentence has been changed accordingly: '... or, Force Majeure invoked by one or both TSOs under the STA and/or CCF that hinders the provision of Transmission Services by one or both TSOs.'</p>
Technical changes	No	<p>§6.6(ii) Proposed insertion of following wording: 'unless Network User is itself affected by an event of Force Majeure under the conditions of Article 6.1.'</p> <p>We suggest the proposed insertion is deleted on the basis that it would lead to uncertainty and potentially a prolonged legal process to demonstrate whether a Network User is affected, given that the impact of a FM on Network User could be indirect as well as direct and based on a number of variable factors.</p>	<p>As the addition is inserted in order to protect the Network User for events clearly described in Article 6.1, the insertion will not be deleted.</p>

Timeline



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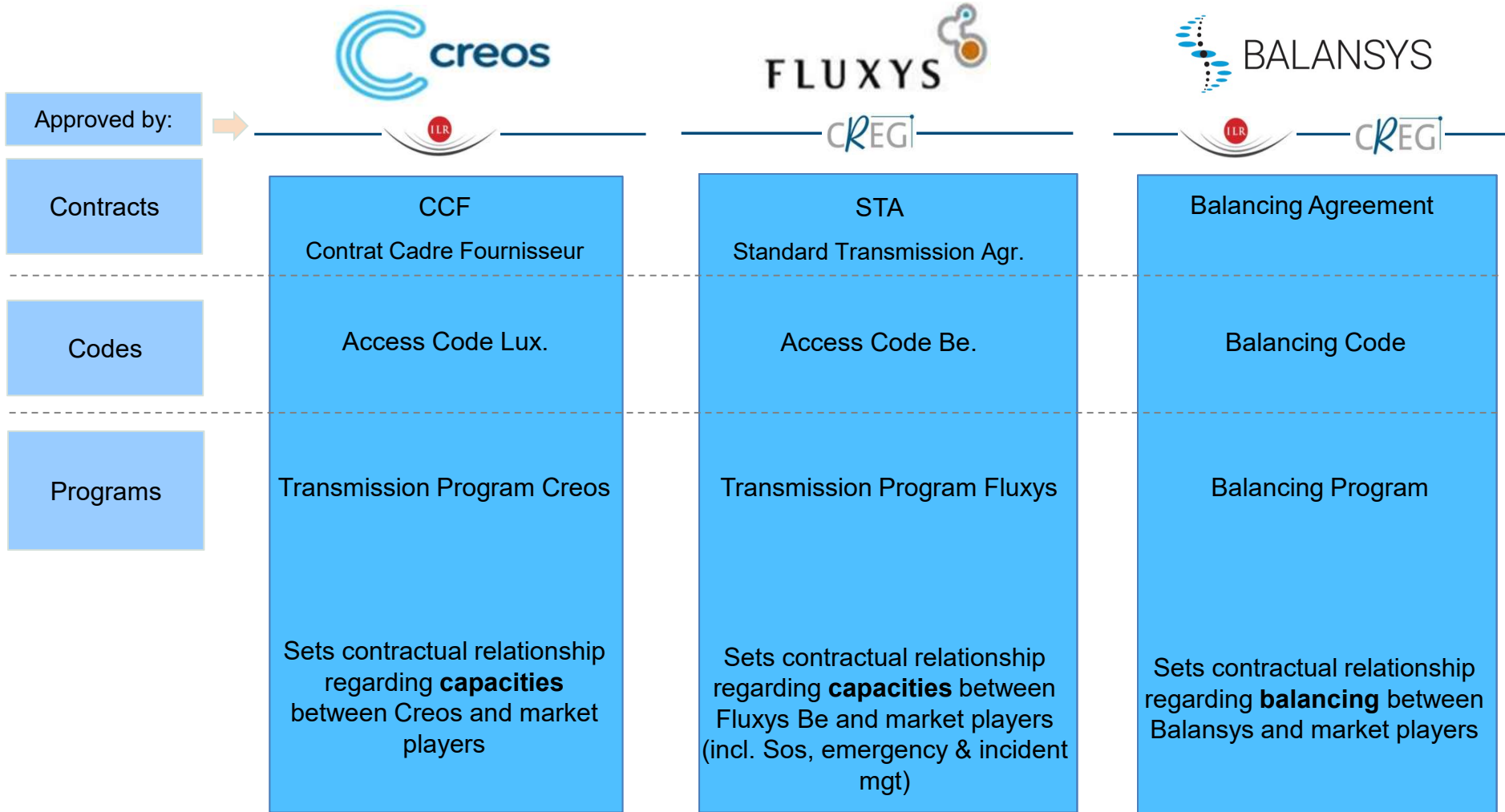
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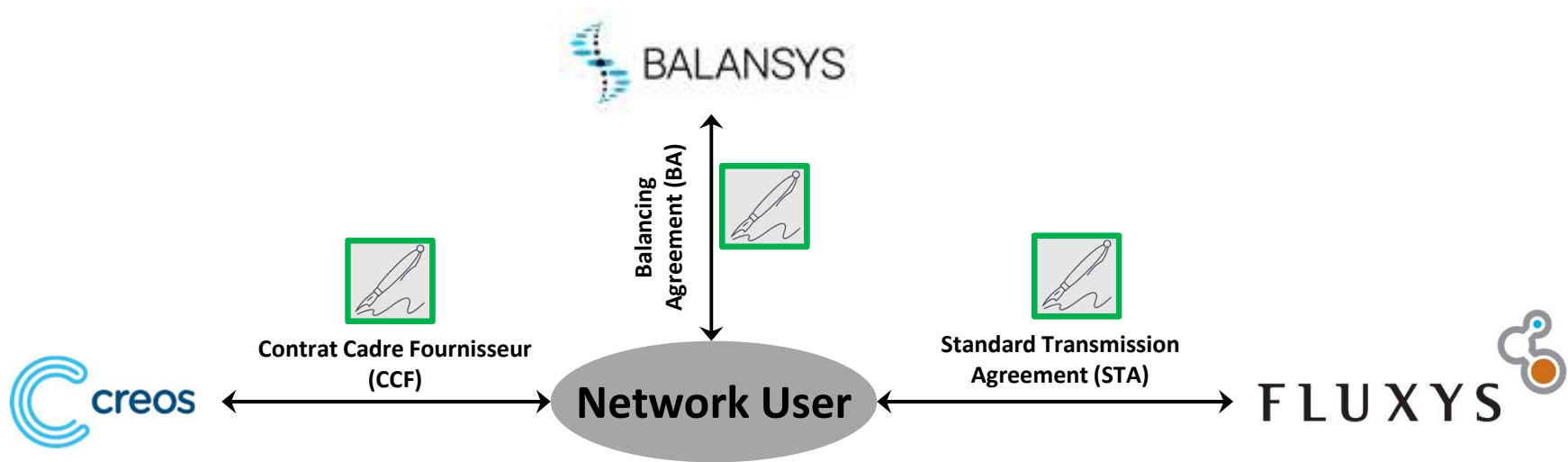
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Contractual structure



Contractual structure



Balansys Regulated documents:

- Balancing Agreement: framework agreement to be signed by all Network Users intending to be active within the BeLux balancing area
- Balancing Code: document linked to the Balancing Agreement detailing the operational aspects of the Balancing Agreement
- Balancing Programme: indicative commercial document detailing balancing regime & services

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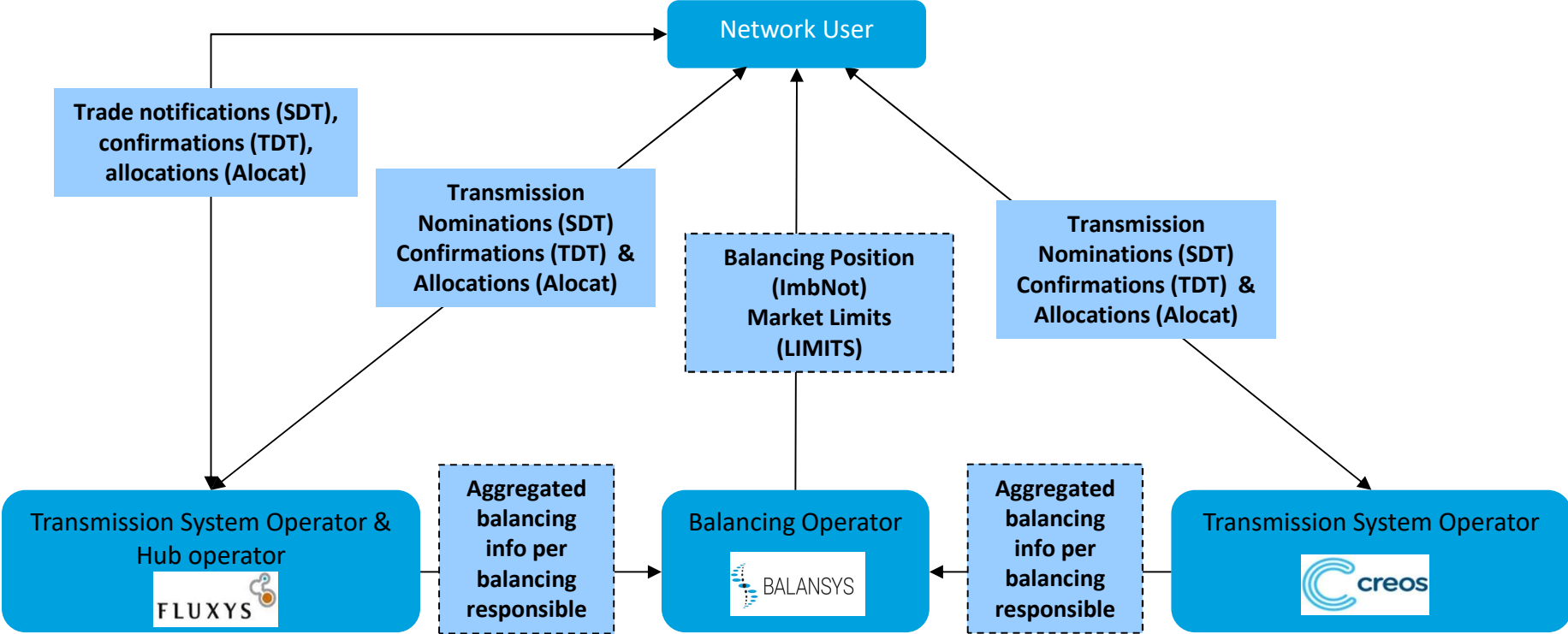
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As of 1st of June



As from 1st of June

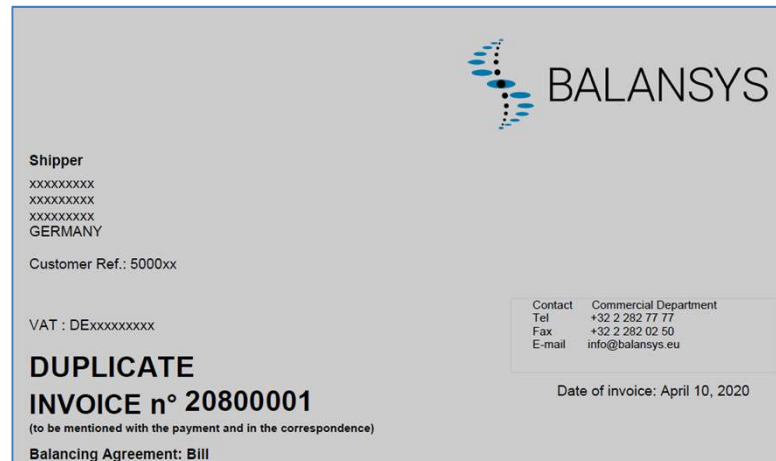
- Electronic Data Platform Balansys
 - New URL: gasdata.balancing.fluxys.com -> gasdata.balansys.eu
 - Users and historical data will be transferred



The screenshot shows the BALANSYS interface. At the top left is the BALANSYS logo. A blue button labeled "Transmission" is visible. Below this is a dark blue navigation bar with a right-pointing arrow and the word "Transmission". To the left of this bar is a vertical sidebar with the word "TRANSMISSION" written vertically. The main content area is divided into several sections:

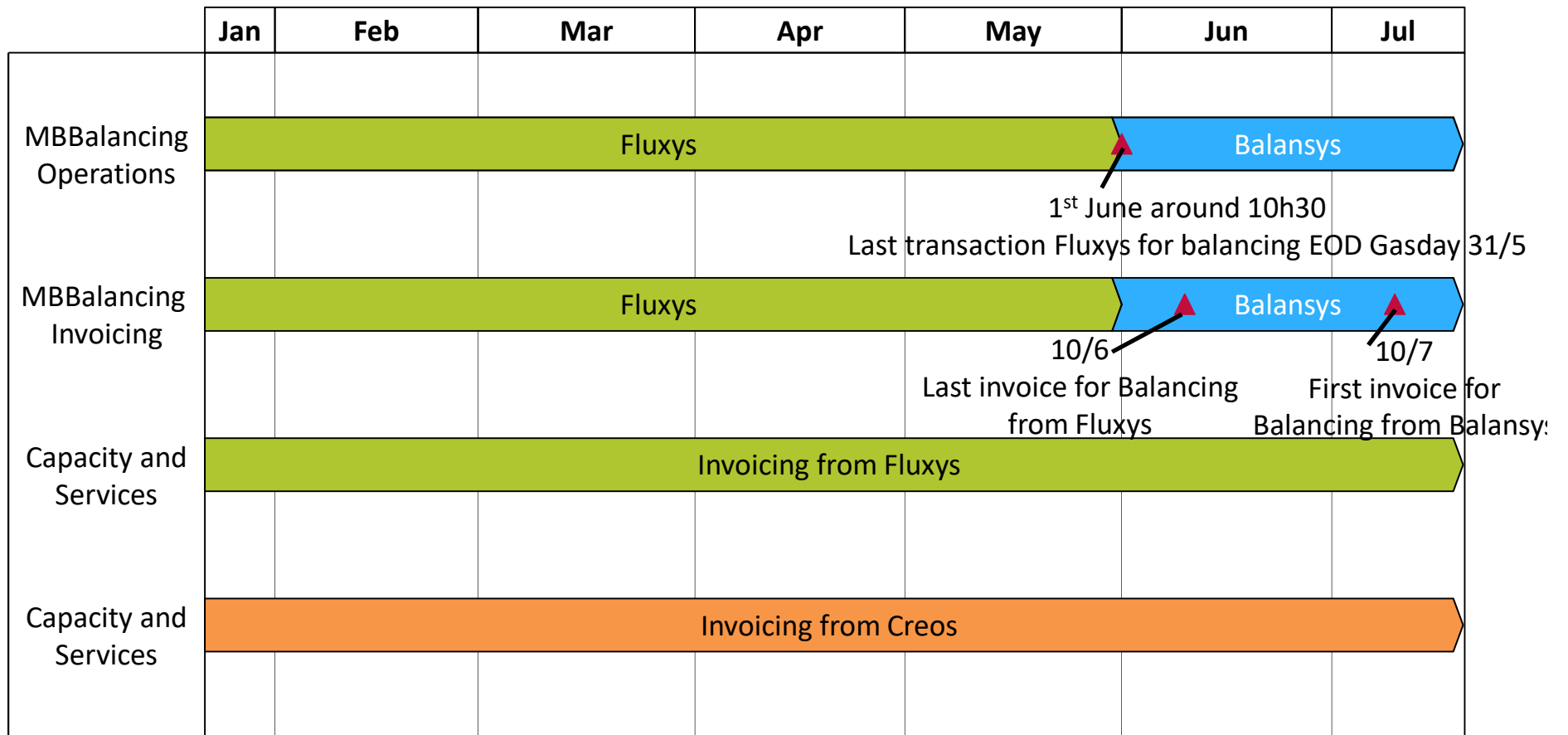
- Transmission**: This section of the Electronic Data Platform groups all transmission related reports and available data, both public and private (requires sign-in).
- Balancing and Allocations**: This section of the Electronic Data Platform gives access to both private and public data relating to market based balancing system and Allocations.
- Regulatory and contractual documents**: This section of the Electronic Data Platform gives access to all related documents.
- Remit Messages**: Publication according to Article 4(1) of Regulation (EU) No 1227/2011.

As from 1st of June



- Invoices: new look
 - Payment of invoices -> new bank account: IBAN LU58 0030 5451 3226 0000
 - First invoice around 10th July
 - Creditworthiness requirements to be fulfilled
 - Have an acceptable credit rating
Standard & Poor's or Fitch BBB+ or Moody's Investor Services Baa1
- or
- Submit a collateral of which the amount shall be at least equal to the sum of the:
 - Average amount of the net-off of the Balancing Monthly and self-billing Fee of the Network User
- and
- The Max amount of the net-off of the Balancing Monthly and self-billing Fee of the Network User

Balancing and Invoices



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As from 1st of June

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Wrap Up

Contact details and information - Mailboxes

- info@balansys.eu +32 2 282 77 77
 - General communication and Market consultations
 - Communication concerning amongst others the explanation of BeLux balancing model, contracting, registration in IT systems, EDP connectivity
- dispatching@balansys.eu +32 2 282 70 03
 - 24/7
 - Day-to-day operational issues
- contract.accounting@balansys.eu +32 2 282 78 07
 - Balancing position and settlements
- invoicing@balansys.eu
 - Invoicing
- complianceofficer.external@balansys.eu
 - Compliance program

Contact details and information – Electronic Data Platforms

- EDP Balansys:
 - Address: <https://gasdata.balansys.eu/>
 - Market Balancing Position
 - Network User Balancing Position
- EDP Fluxys:
 - Address: <https://gasdata.fluxys.com/>
 - Capacity/Nominations/Allocations/Metering/Flow Data
- EDP Creos
 - Address: <https://gasdata.creos.lu/>
 - Capacity/Nominations/Allocations/Metering/Flow Data

Contact details and information - Website

- <http://www.balansys.eu>
- New Section “Operational information”



HOME WHO WE ARE GOVERNANCE CONTRACTS & TARIFFS MARKET CONSULTATION NEWS CONTACT US



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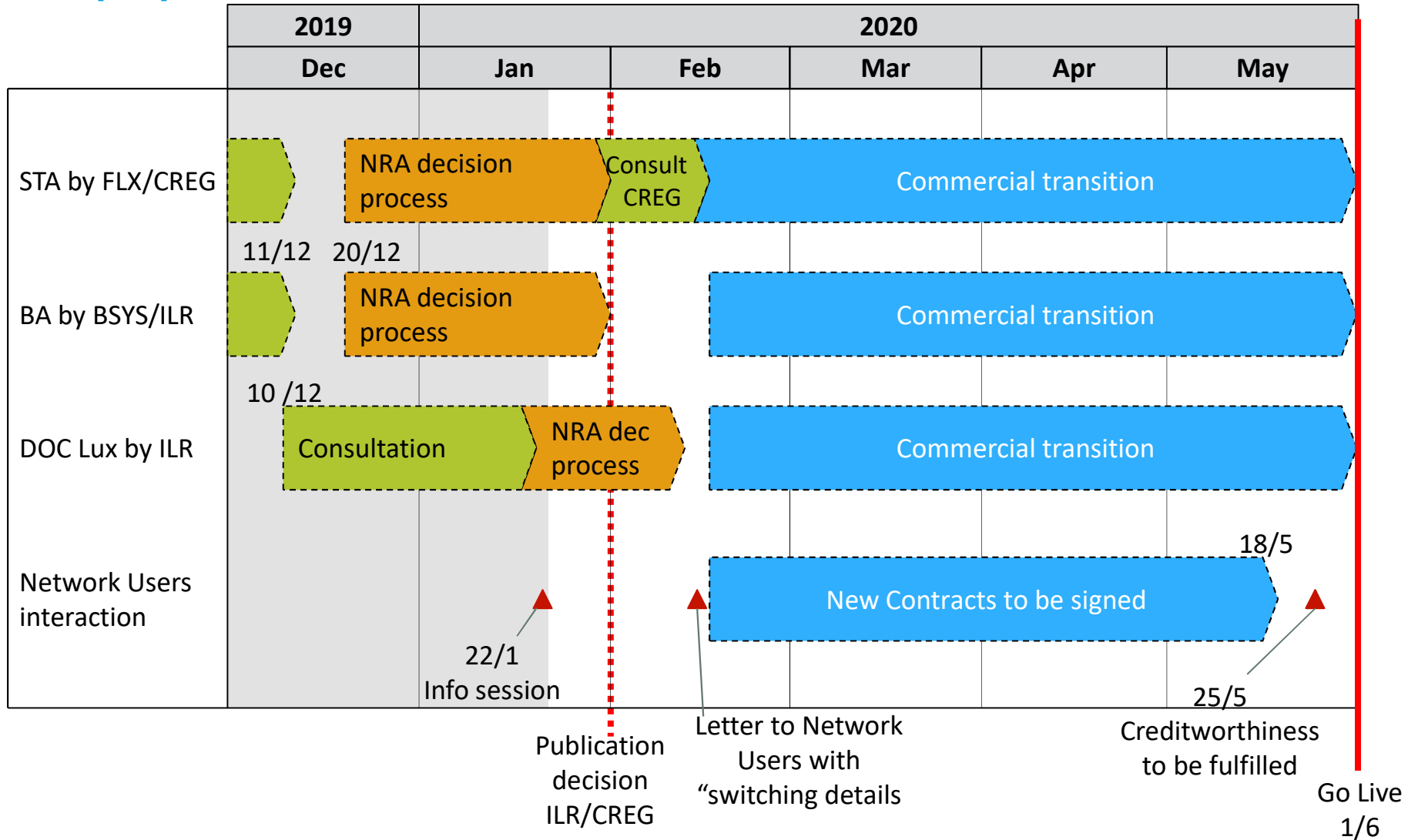
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Wrap Up

- Decision CREG/ILR on regulatory documents
 - New CCF, STA and BA will be sent to Network Users, to be signed before 18/5
- Individual letter will be sent to Network Users containing
 - Submission of creditworthiness requirements to be fulfilled before 25/5
 - Registered Network User contact details
 - Users rights for EDP Balansys
 - Invoicing and accounting details
 - Contact details Balansys
- Electronic Data Platform Balansys
 - Testing available mid February
- Balancing Position and Market Limits messages from Balansys
 - Testing available February - March

} Please verify

For any question, contact your Key Account Manager



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Werner Luyts
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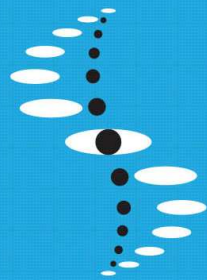
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Cedric Van Hoonacker
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info@balansys.eu or +32 2 282 777

Thank you!



BALANSYS

ZEEBRUGGE

POPPEL

BLAREGNIES