

# Consultation on Balansys Regulatory documents

Luxembourg, January 27, 2021

Balansys is proposing adjustments to its regulatory documents for balancing with a focus on (i) the minimum amount of the collateral, (ii) the review of the amount of the collateral, (iii) the monitoring of the financial exposure and (iv) some technical changes.

The consultation starts on 27 January and ends on 01 March 2021.

## **1. Minimum amount of the Collateral**

For all Network Users that have to provide a Collateral, the amount of the Collateral shall be at least equal to the sum of average monthly invoice and the maximum monthly invoice of the last 12 months. In case the results is lower than EUR 100.000, a minimum Collateral of EUR 100.000 is required. The introduction of this minimum provides a certain minimum financial guarantee for Balansys and is in line with what is applied in the surrounding markets.

To determine the minimum amount of the Collateral the net off from the Bill and Self-Bill is taken into account. For the sake of clarity, it is proposed to specify (i) that any months for which this nett off is equal or lower to zero, a zero (EUR 0) will be taken into account for the calculation of the Collateral and (ii) that Months without trades or nominations are not taken into account for the calculation of the minimum Collateral.

## **2. Review of the amount of the Collateral**

Currently, the review of the amount of Collateral that has to be provided was fixed each year in January, but the proposed changes will make it possible to do this when deemed necessary by Balansys.

## **3. Monitoring of the financial exposure**

In order to better protect itself against risks on non-payment and in response to the events that have occurred in various European markets, Balansys evaluated the measures mitigating its financial exposure and possible misconducts and investigated how to improve these measures. Balansys based itself, amongst others, on general practices in surrounding markets and taking into account recent developments in this regard between ACER and ENSTOG.

In order to be able to intervene more quickly when deemed necessary, it is now proposed that a Network User that is obliged to provide a Collateral has to maintain its Exposure below its Collateral at any time. If not, the TSOs are informed by Balansys and the TSOs have the right to suspend all or part of the Services of the Network User.

Both TSOs of the Belux area are in close cooperation to coordinate the actions that are taken in case of an exceeding of the Exposure compared to the Collateral. For the avoidance of doubt, the TSOs have announced that they don't have the intention to immediately intervene on all the aspects of the Services, but to be able to quickly detect and stop any possible misconduct by trading within the Belux-area. This can be done by Fluxys Belgium intervening on the outgoing (selling) trades as foreseen in their Standard Transmission Agreement Attachment 2 article 16.2.4. In case of a (possible) exceeding there will be close contact between the Network User, the Balancing Operator and/or the TSOs to coordinate on the necessary measures that will be taken and to maintain the Services as good as possible, with the aim to evolve to a system where the Network User can follow proactively their own exposure compared to the Collateral.

A cash deposit will be possible as a temporary solution to reduce the financial Exposure and prevent possible remediating actions from TSOs.

#### **4. Some technical changes**

Next to the abovementioned changes, several textual adjustments have been realized in order improve the readability of the text. Balansys also proposes to clarify the processing of personal data in compliance with GDPR in the Balancing Code.