

Consultation 8: Incentivizing the Network Users

Luxembourg, April 3rd, 2023

Balansys is proposing adjustments to its regulated documents in order to incentivize all Network Users to comply with their balancing obligations, the changes focus on:

- i. Introduction of Main Causer and Minor Causer concept;
- ii. Changes to the settlement methodology where
 - a. Introduction of an encouragement factor for Within-Day settlements
 - b. Differentiation of small adjustments between Main and Minor Causers

i. Introduction of Main and Minor Causers concept

Networks Users with a Network User Balancing Position in the same direction than the Market Balancing Position, in case of a Within Day Shortfall or Excess, will now be considered as Main Causer or Minor Causer, depending on their Network User Balancing Position. These concepts will be used for the Within-Day and End-of-Day settlements.

ii. Changes to settlement methodology

a. Introduction of an encouragement factor for Within-Day settlements:

The Within-Day settlements will take into account an Encouragement Factor. The Encouragement Factor will be applied to the gas price used to settle the Within-Day events. Its value will vary depending on the fact of the Network User is Main or Minor Causer of the Within-Day event.

b. Differentiation of small adjustments between Main and Minor Causers:

To not penalize Causers that are doing a proper balancing, the small adjustments are split into Small Adjustment for Main Causers and Small Adjustment for Minor Causers for both Within-Day and End-of-Day settlements.

Summary of the proposed changes.

As Small adjustments Within-Day, small adjustments End-of-Day and Encouragement factors will be published on Tariff Sheet after validation by the regulators. For the time being, Balansys envisages as indicative values the following ones. The market participants will have the possibility to react on these values in the consultation of the Tariffs that will be held at a later stage.

- Encouragement Factor for Main Causers: 10%
- Encouragement Factor for Minor Causers: 0%
- Small Adjustment Within-Day for Main Causers: 0%
- Small Adjustment Within-Day for Minor Causers: 0%
- Small Adjustment End-of-Day for Main Causers: 3%
- Small Adjustment End-of-Day for Minor Causers: 0%
- Small Adjustment End-of-Day for Helpers: 0%