

ELIA  
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Remuneration Mechanism  
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|                    |                |                     |                 |
|--------------------|----------------|---------------------|-----------------|
| Your message dated | Your reference | Our reference       | Date            |
|                    |                | TPA27990<br>DBA/DRE | 30 October 2019 |

Appendix(es)

Subject **Reaction to the Public Consultation on the CRM Design Notes**

Dear Madam,

We refer to Elia's invitation to react to the formal public consultation on the CRM Design Notes (Part 2).

Fluxys Belgium SA ("Fluxys") would like to thank Elia for being given the opportunity to react to the CRM Design Notes relating to, respectively, the **Prequalification and pre-delivery Monitoring** and the **Auction Process**.

Fluxys would like to draw Elia's attention to the following points:

1. Sections 3.4.3.1 "Grid Connection" and 3.4.3.3 "Network constraints (Fluxys, DSO)" of the Design Note on **Prequalification and pre-delivery Monitoring**

Fluxys understands Elia's concerns related to the execution and delivery on due date of the capacities contracted in the framework of the CRM Auctions.

Fluxys therefore welcomes Elia's design proposals with respect to the need of a prequalification process for the CRM Candidates as a process aimed at ensuring that the CRM Candidates fulfill the financial and technical requirements prior to being granted access to any CRM Auction.

In accordance with Article 91 of the Royal Decree of 23 December 2010 on the code of conduct relating to access to the natural gas grid ("Code of Conduct"), the process for connecting a new capacity, or "Additional Capacity" to the Belgian natural gas grid, entails the signing by both parties (i.e. the promotor of the project and Fluxys Belgium) of a tailor-made offer hereafter called "The Offer" (i) detailing the technical and financial requirements related to the execution of the connection, (ii) containing the Standard Connection Agreement for this new capacity, (iii) providing for an estimated duration until commissioning of the connection subject to permitting, (iv) triggering the formal (pre-)study, permitting and construction phases.

The Offer signed by both Fluxys and the concerned promotor, expresses the commitment of Fluxys to perform the due studies, file the required permit application and have the construction works leading to the commissioning of the connection executed. Nevertheless, the above commitment does not exclude that delays may be incurred in the permitting process, nor that potential suspensions may occur after the permits have been granted, which may impact the overall timing, leading e.g. to a commissioning date which may be later than initially foreseen.

As Elia will understand, Fluxys cannot be held liable for such delays or potential suspensions, since, once the permit application has been filed, Fluxys has no impact on timing of such a permitting process and on decisions taken in the framework of such a permitting process. In light of the above, Fluxys proposes to adapt the last sentence of the first paragraph of Section 3.4.3.3 as follows :

*"In this way, Elia requires, as an attestation of the feasibility of the connection before the start of Delivery Period, from the CRM Candidate a signed copy of The Offer to connect to the relevant network infrastructure, including agreed upon conditions for and timing of the connection (conditional offer subject to selection of the related capacity in the Auction algorithm is accepted)".*

2. Section 6.2 "Specific requirements for Additional Capacities" of the Design Note on **Prequalification and pre-delivery Monitoring**

Fluxys agrees with the pre-delivery monitoring principle, but would like to highlight that a suspension or cancellation of permit may still occur during the second phase of the pre-delivery monitoring period, that is after the first 25 months of this 48 months period.

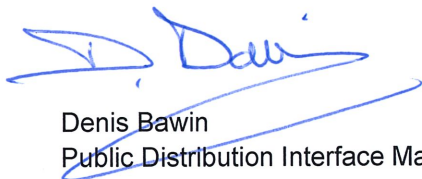
Nevertheless, based on its own experience in executing projects, Fluxys considers a monthly reporting to be excessive, not bringing added value whilst increasing too much the administrative workload. Therefore Fluxys believes a quarterly reporting to be fit for purpose.

3. Subsection entitled "External constraints on EDS combination" of Section 4.2.3 of the **Auction Process** Design Note

Fluxys underlines that possible future gas grid constraints, as well as the identification of projects considered as being mutually exclusive from the perspective of the natural gas grid, have to be included in the Auction algorithm in order to ensure the availability of the gas transport capacity.

We kindly ask Elia to duly take into account the above and we remain at Elia's disposal for any clarification if needed.

Kind regards,



Denis Bawin  
Public Distribution Interface Manager



Leentje Vanhamme  
Director Commercial Regulated