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**To:** Usersgroup

**Cc:** Rudy LENS ([Rudi.Lens@aperam.com](mailto:Rudi.Lens@aperam.com)); De Miguel Martinez, Luis; Paquot, Remy; Van Meerhaeghe, Fabrice; Burton, Marc; Viart, Marianne; Doux, Marjolaine

**Subject:** ArcelorMittal Aperam answer to the procedure of constitution of The strategic reserve

Dear Elia,

Arcelormittal and Aperam wanted to highlight some points on the strategic reserve that was relaunched recently for the years to come.

With this information, we find some important point to raise:

- For 2017 Arcelormittal has participated to the ICH auction and its bid was selected. This is valid for a calendar year of 2017 and therefore already locks the possibility to participate to the new SDR.

All the other services (R1, R3Flex, etc) have a duration of 1 month, allowing consumers to have full flexibility in their choice.

We find that exiting ICH is not supporting same level of flexibility, therefore imposing some kind of discrimination to our mills.

In order to guarantee a level playing field and avoid putting aside part of consumer we suggest to consider these approaches:

- Have the possibility for ICH participants to modify the ICH and make it stop the 30th of September if they are selected in SDR auction.
- Leave the ICH as it is, and split the SDR for winter 2017/2018 in two periods
  - From 1st of November to 31st of December
  - From 1st of January to end of March
- The Ministerial decree published that the strategic reserve will be for winter up to 2019/2020.

For an industrial, participating to an SDR scheme is very linked to the expected production forecasted.

Taking into account current economical volatility, it would be very difficult to offer our flexibility for a 3 year contract è 1 year is the preferable option.

Please take this into account for SDR consultation.

Best regards

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