

Collection of storage compensation

The law n°2017-1839 of 30th December 2017 ending the research and operation of hydrocarbons and setting diverse modalities concerning energy and environment provides in its article 12, the regulated third parties access to underground storages of natural gas.

Within this frame and according to article L.452-1 of the code of energy and CRE's deliberation of 22nd February 2018, GRTgaz is in charge as off April 1st, 2018, of the collection of storage's compensation among shippers using its network, and its transfer to storage operators.

The deliberation of March 27th 2018 of the CRE has fixed this storage term for the period April 1st 2018 to March 31st 2019.

The deliberation of March 14th 2019 of the CRE has fixed this storage term for the period April 1st 2019 to March 31st 2020.

Principles

This storage compensation is destined to compensate differences between authorized earnings of storage operators and their earnings from the marketing at auctions of their infrastructures.

The compensation is collected through a dedicated tariff term, so-called "Storage Term" (TS), integrated in the tariff of use of the transmission network of natural gas. Its level is determined annually with a deliberation of the CRE in order to take into account the results of auctions ordered by storage operators for concerned year.

This Storage Term is applied on the basis of each shipper which depends on the winter modulation of each consumer in its portfolio **connected to the distribution network**.

For the period April 1st 2018 to March 31st 2019, this term has been set by the CRE at TS = 297.1 €/MWh/d/year

For the period April 1st 2019 to March 31st 2020, this term has been set by the CRE at TS = 213.46 €/MWh/d/year

A given M-month:

Paid compensation by the shipper for the M-month = Shipper's basis of collection on M-month x TS/12

Nota Bene :

From 1st April 2018, and without the release of texts in preparation by the DGEC about contractual interruptibility, le basis of compensation is based upon firm capacity of clients connected to distribution network which has not declared itself « loadable without risk ».

The evolution of calculation methods of the collection will be reconsider and will be subject to additional information if these texts are released. The date of implementation of these possible new measures by the network operators can in any case occur before 1st April 2019.

All conditions of the collection and applicable rules to the storage compensation are supervised in the Transmission Contract in its Section C.

Basis of compensation collection

The basis of compensation collection for a given shipper is calculated as the sum of all modulation of consumer on distribution network in its portfolio:

$$Basis(shipper) = \sum_{\text{Consumers supplied by the shipper}} Modulation(Consumer)$$

For a given M-month, the basis of each shipper is calculated upon shipper's portfolio on the 1st day for the M-month.

The Modulation of each consumer is calculated as follows:

- For a consumer « with subscription » (T4 or TP tariffs on the distribution network):

$$Modulation = \max\left(CJ(MWh/j) - \frac{CAR(MWh)}{365}; 0\right)$$

With,

CJ: total daily capacity (sum of annual, monthly and daily capacity) subscribed by the shipper to the DSO for the consumer

CAR¹: annual consumption of reference, which is assigned by the DSO

- For a consumer which is « not with subscription » (T1, T2 and T3 tariffs on the distribution network):

$$Modulation = \max\left(A \cdot Zi \cdot CAR(MWh) - \frac{CAR(MWh)}{365}; 0\right)$$

With,

A¹: settlement coefficient between the consumption peak calculated by the TSO and the one calculated by the DSO on a specific balancing zone

Zi¹: coefficient used to calculate the consumption peak for a consumer depending on its profile and its reference weather station

CAR¹: annual consumption of reference, which is assigned by the DSO

Exception to the rule: are excluded from shipper's basis, consumers from its portfolio with following specifics:

- consumers declared "loadable without risk" to their DSO²,
- consumers with a P013¹ or P014¹ profile.

For these consumers:

$$Modulation = 0 \text{ MWh/j}$$

¹ According to methodology defined by the Groupe de Travail Gaz 2007 (www.gtg2007.com)

² Industrial clients having a CAR above 5 GWh that has declared "loadable without risk" in the survey led by the DSO and committing to decrease their consumption to the declared level in the survey. These clients must, in exceptional circumstances be able to decrease their gas consumption by 10% maximum of their daily average consumption within 12 hours during winter and without risk for the environment or their tools.

Back-up methods of compensation collection

Methods of calculation of the basis for the compensation collection are dependent on data transmission from DSOs, there are two specific cases:

- A. a DSO would not have data from historical supplier portfolio,
- B. a DSO would temporarily not be able to transmit needed data concerning consumers connected to his perimeter,

In these 2 specific cases, back-up methods of compensation collection has been defined.

A. Case of a DSO which have no data on historical supplier portfolio

Alternatives supplier on the DSO are subject to data transmission from the DSO to GRTgaz. If the DSO have no data on historical supplier portfolio, an alternative method is applied:

1. GRTgaz determines a CAR³ (Consommation Annuelle de Référence) for each PITD(s) on the DSO perimeter
2. A total CAR of the historical supplier is calculated as the difference between PITD's CAR and alternatives suppliers' sum of CAR on so-called PITD
3. For given M-month, consumers' Modulation supplied by the historical supplier on each PITD of the DSO is calculated as follows:

$$Modulation = CJA_totale(MWh/j) - \frac{CAR_totale(MWh)}{365}$$

With,

CJA_totale: total daily capacity (sum of annual, monthly and daily capacity) assigned to the shipper by GRTgaz on the PITD

B. Case DSO would temporarily not be able to transmit needed data concerning consumers connected to his perimeter

In this case, for all shippers supplying consumers on the DSO perimeter, the TS is applied every M-month on the sum of delivery capacity allocated on 1st day of the month on each PITD of the DSO.

$$Modulation = CJA_totale(MWh/j)$$

With,

CJA_totale: total daily capacity (sum of annual, monthly and daily capacity) assigned to the shipper by GRTgaz on the PITD

This alternative method is valid until the DSO is able to transmit needed data. When the DSO transmit needed data, GRTgaz applies a correction on affected bills.

¹ According to methodology defined by the Groupe de Travail Gaz 2007 (www.gtg2007.com)

³ CAR of PITD is determined by GRTgaz according to methodology defined by the Groupe de Travail Gaz 2007 (www.gtg2007.com)



[Storage compensation calculation aid](#)

Billing

The compensation collection is subjected to a dedicated bill issued on the behalf of storage operators to whom it is then put back.

This bill is sent to the shippers few days after usual transmission bill and is subject to the same payment conditions (in particular the period).

The first bill will be sent in May 2018.

Payment guarantee

The storage compensation collection is included in the payment guarantee perimeter of calculation as defined in Transmission Contract⁴.

For year 2018 solely, revisions of guarantee perimeter will take place in May and October, so that:

- May revision will contain one month of TS billing in the history of past 12 months
- October revision will contain two months of TS billing in the history of past 12 months

This allows GRTgaz to « smooth » the increase of the payment guarantee.

Afterward, the revisions will take place according to the usual modalities of the Transmission Contract.

⁴ article 9.1 - Section A of the Transmission Contract

Frequently Asked Questions (FAQ)

- How to access data (CJA, CAR, Profil, delestability)?
Only DSOs can provide data from single contractual points. GRTgaz receives only aggregated data by distribution shipper and is not able yet to publish those information in a structured way.
- How to take into account incoming or departing clients in the middle of the month?
In case a client change its supplier in the middle of the month, only the former supplier (which has the client in its portfolio on 1st day of the month) is invoiced by GRTgaz for this client. Thus, the former supplier should invoice the clients for this month and not the new one.
- How backdated subscription are taken into account?
DSOs transmit data of the 1st day of the M-month to GRTgaz at the beginning of M+1. Backdated subscription during the month are taken into account for the invoicing of current month. But if this subscription changes previous months, these changes are not taken into account (except on the specific case of a DSO which did not transmit any data and start doing it in sorting out previous months).
- How daily subscriptions are taken into account?
Data for the 1st day of the M-month transmit to GRTgaz by the DSOs take into account daily subscribed capacity for this day.
- How is handled the correction in case a DSO does not temporarily transmit data to GRTgaz and start doing it?
As long as the DSO does not transmit data, GRTgaz invoices shippers present on its perimeter on the basis of allocated delivery capacity (on this specific perimeter). So, during that period, these shippers are invoiced a greater amount than normal. When the DSO starts transmitting data and if it is able to transmit data from previous months, then GRTgaz applies a correction on coming invoices of affected shippers (the correction amounts to overpayments of previous months).
- Does the Transmission tariff-based contribution (CTA) apply to the storage compensation?
No, the storage compensation is not submitted to the Transmission tariff-based contribution which applies only to the downstream terms. On the other hand, it will be submitted to VAT.
- What is the difference between a site loadable and a site interruptible on the distribution network?
The industrial customer "loadable without risk" (cf index n°2 page 2) will be exempted from storage compensation. The GRD should send back new survey to update these data.
The text confirming the notion of interruptibility secondary which could serve to exempt the customers of the storage compensation in the future did not go out yet. The last consulted project planned that the customers could choose the level of capacity that they declare interruptible within 24 hours under reserve whether there are of at least 40 MWh/d and that they have an annual minimal consumption of 5 GWh (the number of eligible customers would be potentially higher).

- Why did the CRE apply a pro-rata of 9/12 on the total base used to calculate the Storage Term in the deliberations of March 27, 2018 and March 14, 2019?
The regulated income of a storer must be recovered over a calendar year (from January to December), while the Storage Term is defined at the beginning of a storage year (from April to March), when there are only 9 months left in the calendar year to recover the regulated income.