

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 compensation among shippers using its network, and its transfer to storage operators.

The deliberation n°2019-270 of 12/12/2019 of the CRE modified the formulas for calculating the storage compensation base for T4/TP distribution customers and announced its extension to consumer customers connected to the transmission network.

The deliberation n°2021-15 of 21/12/2021 of the CRE modified the formula for calculating the storage compensation base for T4/TP distribution consumer customers connected to the transmission network.

The deliberation n° 2021-15 of March 2021 of the CRE set this storage term for the period April 1st 2021 - March 31st 2022.

The deliberation n° 2024-22 of January 2024 of the CRE set this storage term for 4 years, with annual update.

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**.

This term is set by the CRE every year in the deliberation in effect.

A given M-month:

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

Basis of compensation collection

The basis of compensation collection for a given shipper is calculated as the sum of all modulations of consumer on distribution (and transmission as of April 1st, 2021) 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 transmission consumer of the network For a consumer on the transmission network and a subscription consumer (tariff T4 or TP) on the distribution network:**

Modulation = Average (2 lower Intermediate Calculations over 4 previous years)

With the Intermediate Calculation being defined as follows (same calculation as in the deliberation but with a name introduced for greater clarity):

$$Intermediate\ Calculation\ (N) = \max\left(\frac{Winter\ consumption}{151} - \frac{Annual\ consumption}{365} - Int; 0\right)$$

With:

Winter consumption: site consumption from November 1st N-2 to March 31st N-1

Annual consumption: consumption from November 1st N-2 to October 31st N-1

Int: interruptible capacity contracted by the customer and its shipper

In the case of a new customer connected in transmission, during the first year the Intermediate Calculation is obtained by the DSO on the basis of the estimated winter consumption and annual consumption communicated by the supplier. As soon as on April 1st a full year (from November to October) of consumption is known, the Modulation is equal to the Intermediate Calculation for that year. As soon as two complete years are known, the Modulation is the average of the Intermediate Calculations for those two years. The formula is normally applied from the moment that three complete years are known on April 1st.

By exception, the following are excluded from a shipper's basis

- Consumers in its portfolio connected to the transmission network whose Winter part, determined by applying the rules for determining profiles defined on the "Concertation de la CRE" website, is less than or equal to 0.50.
- Consumers in its portfolio connected to the distribution networks and having a profile P013 or P014

Thus, for these consumers:

$$Modulation = 0\ MWh/j$$

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

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

With,

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

Z_i¹: 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

Int: interruptible capacity contracted by the customer (see FAQ)

Exception to the rule: the consumers of its portfolio with a P013¹ or P014 profile are excluded from a shipper's basis.

For these consumers:

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

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 have been defined.

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

Alternative suppliers on the DSO are subject to data transmission from the DSO to GRTgaz.

If the DSO has no data on historical supplier portfolio, an alternative method is applied:

1. GRTgaz determines a CAR¹ (Annual Reference Consumption) 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 alternative suppliers' sum of CAR on so-called PITD
3. For given M-month, the Modulation of consumers supplied by the historical supplier on each PITD of the DSO is calculated as follows:

$$Modulation = CJA_total(MWh/d) - \frac{CAR_total(MWh)}{365}$$

With,

CJA_total: total daily capacity of transmission (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 month M on each PITD of the DSO.

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

With,

CJA_total: total daily capacity of transmission (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 transmits needed data, GRTgaz applies a correction on affected bills.

¹ According to the methodology defined by the Groupe de Travail Gaz 2007 (<https://concertation.cre.fr>)

¹ CAR of PITD is determined by GRTgaz according to the methodology defined by the Groupe de Travail Gaz 2007 (<https://concertation.cre.fr>)

Billing

The compensation collection is subjected to a dedicated bill issued on the behalf of storage operators (Géomethane, Storengy, Teréga) 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). **However, please note: payment must be made to a dedicated GRTgaz account**, separate from the one used for the conventional transmission invoice. A summary of the total amount to be paid will be attached for greater clarity.

Payment guarantee

The storage compensation collection is included in the payment guarantee perimeter of calculation as defined in Transmission Contract².

Frequently Asked Questions (FAQ)

For more information, see the webinars, presentations and Q&A on Storage Offsetting available on the GRTgaz website at : <http://www.grtgaz.com/acces-direct/clients/clients.html>.