BBLC Implicit Allocation Guidance Document

Department
BBL Company

Report
BBLC Implicit Allocation Guidance Document

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Our reference

Status
Final
Introduction

The BBLC Implicit Allocation Guidance Document together with Exhibit I of the BBL Company General Terms & Conditions (Implicit Allocation), sets out the rules that apply to the Implicit Allocation of Transmission Capacity IA.

In the BBL Company General Terms & Conditions (GTC) the terms defined shall have the same meaning when used in this BBLC Implicit Allocation Guidance Document.

BBL Company and partners in the Implicit Allocation process

BBL Company will appoint an Implicit Allocation Partner(s) (IAP) to offer Transmission Capacity IA on behalf of BBL Company in combination with an equivalent quantity of Gas.

BBL Company in cooperation with the IAP will also appoint an Implicit Allocation Platform (IAPM) to ensure that offered Transmission Capacity IA sold through the IAP is displayed in a clear and transparent manner.

The process involving both the IAP and IAPM for the purchase of Transmission Capacity IA through the Implicit Allocation is shown below.
Requirements for *Shippers* to be able to participate in the *Implicit Allocation* process

*Shippers* who wish to buy *Transmission Capacity IA* products through *Implicit Allocation* must:

1) Become a formal *BBL Company Shipper* and need to sign the *BBL Company General Terms & Conditions*
2) Conclude a contractual agreement with the *Implicit Allocation Partner*
3) Obtain access to the *Implicit Allocation Platform.*

**Transparency w.r.t. available capacity and products offered through *Implicit Allocation***

*BBL Company* will make *Transmission Capacity IA* products (see Table 1) available for sale through the *Implicit Allocation process*. *BBL Company* will offer a **maximum** of 75% of the available technical capacity via *Implicit Allocation*. All *Transmission Capacity IA* will be offered as **firm, unbundled** capacity.

After the monthly Prisma auction has taken place, *BBL Company* will offer an additional maximum of 75% of the remaining available capacity for *Transmission Capacity IA* that is available for the applicable month

All *Transmission Capacity IA* products offered through *Implicit Allocation* will be available for sale at the *BBL Exit Point* (firm forward flow) and *Entry Point Reverse Flow* at Bacton.

The quantity of *Transmission Capacity IA* that will be made available for sale through *Implicit Allocation* each *Gas Day* will be published in an up-to-date, actual overview on the *BBL Company Web Site*.

*BBL Company* makes sure that the *IAP* and the *IAPM* will also be provided with an up-to-date overview on available *Transmission Capacity IA* and the relevant capacity tariffs.

*BBLC* will offer following *Transmission Capacity IA* products via *Implicit Allocation*:

- Monthly, Quarterly, Seasonal, Annual

<p>| Table 1: Overview of tenors and relevant available Transmission Capacity IA |
|--------------------------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th><strong>Product Length</strong></th>
<th><strong>Implicit Allocation Offer</strong></th>
<th><strong>Restrictions</strong></th>
<th><strong>Example Purchase Curve</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>annual</td>
<td>Gas Year (GY)</td>
<td>8 front GYs</td>
<td>75%</td>
</tr>
<tr>
<td>6 monthly</td>
<td>2 contiguous quarters</td>
<td>8 front seasons (Or 8 front contiguous Qs)</td>
<td>75%</td>
</tr>
<tr>
<td>quarterly</td>
<td>calendar quarter</td>
<td>8 front quarters</td>
<td>75%</td>
</tr>
<tr>
<td>monthly</td>
<td>calendar month</td>
<td>8 front months</td>
<td>75 + 75% of the remaining available capacity after the monthly Prisma auction</td>
</tr>
</tbody>
</table>

*BBLC* will publish all available transmission capacity and all sold transmission capacity (via *Implicit Allocation* or via *PRISMA* auctions) on the *BBL Company Web Site*. 

3
Capacity tariffs for *Transmission Capacity IA*

*BBL Company* will publish the tariffs of *Transmission Capacity IA* for any potential product at the *BBL Company Web Site*. Tariffs of *Transmission Capacity IA* are in line with the *BBL Company* charging methodology. *Transmission Capacity IA* will be sold on a First Come First Serve base and therefore only involves the reserve price and no additional “surcharge”.

**Product compatibility between PRISMA products and Transmission Capacity IA**

*Transmission capacity IA* will not be offered at the same time as capacity on the *PRISMA* platform. There will be no overlap of capacity being offered at a certain moment in time to make sure no transmission capacity will be sold twice. Before the start of a *Prisma* auction all offered *Transmission capacity IA* will be removed for sale from the Third Party Communication Platform. Unsold transmission capacity can be offered for sale via *Implicit Allocation* again after the *PRISMA* auction has taken place.

*BBL Company* will provide a forward view on the *BBL Company Web Site* as to when *Implicit Allocation* will be suspended due to the *PRISMA* auction process.

**The matching process of Implicit Allocation**

*Transmission Capacity IA* may only be allocated by the *Implicit Allocation Partner* in tandem with and simultaneously to the execution of a *Gas Transaction* (either purchasing or selling) for a corresponding quantity of *Gas*. Furthermore following criteria must be met:

1) The purchase/sale of the *Gas* must be made between a seller/buyer of *Gas* (who is also client of the *Implicit Allocation Partner*) and the *Shipper*
2) The *Gas* product must be physically settled
3) The tenor of the purchased/sold *Gas* product must correspond directly with the tenor of the purchased *Transmission Capacity IA*
4) The volume of the *Gas* product must correspond directly with the volume of the purchased *Transmission Capacity IA*
5) The *Gas* product must be purchased/sold at a delivery point or hub within North West Europe, including delivery points and hubs in the UK, Belgium, France, The Netherlands and Germany.

The *Transmission Capacity IA* and the *Gas* product form the *Matched Product*.

The matching will result in two transactions:

- *Gas transaction* (Commodity deal between the *Shipper* and the seller/buyer of the *Gas* product)
- *Implicit Allocation Transaction* (*Transmission Capacity IA* between *BBL Company* and the *Shipper*)

**Miscellaneous**

Please be aware that *Transmission Capacity IA* products, *Gas* products and the conditions described in this *BBLC Implicit Allocation Guidance Document* may be amended by *BBL Company* from time to time.