

FIND OUT MORE ABOUT...

The locational spread

The locational spread is a mechanism that is part of the process of managing network congestion (see the document “The vigilance system and triggering of congestion management mechanisms” in the [Transmission toolbox](#)).

The principle of this mechanism is to call on the market to shift gas entries, initially made upstream of a limit, to downstream of this limit.

Participation in this mechanism is open to all shippers, but is conditional on the signature of a dedicated contract with NaTran and a membership to the Electronic trading platform, used between NaTran and Qualified Suppliers (support for calls for tenders): see the document “The locational product – contract” in the [Transmission toolbox](#).

A video tutorial to present the different steps to participate in Locational Spread is available [here](#).

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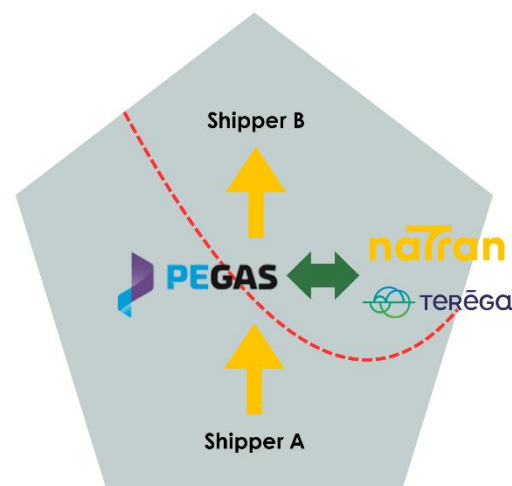


– How Locational Spread works & Timings

– How Locational Spread works

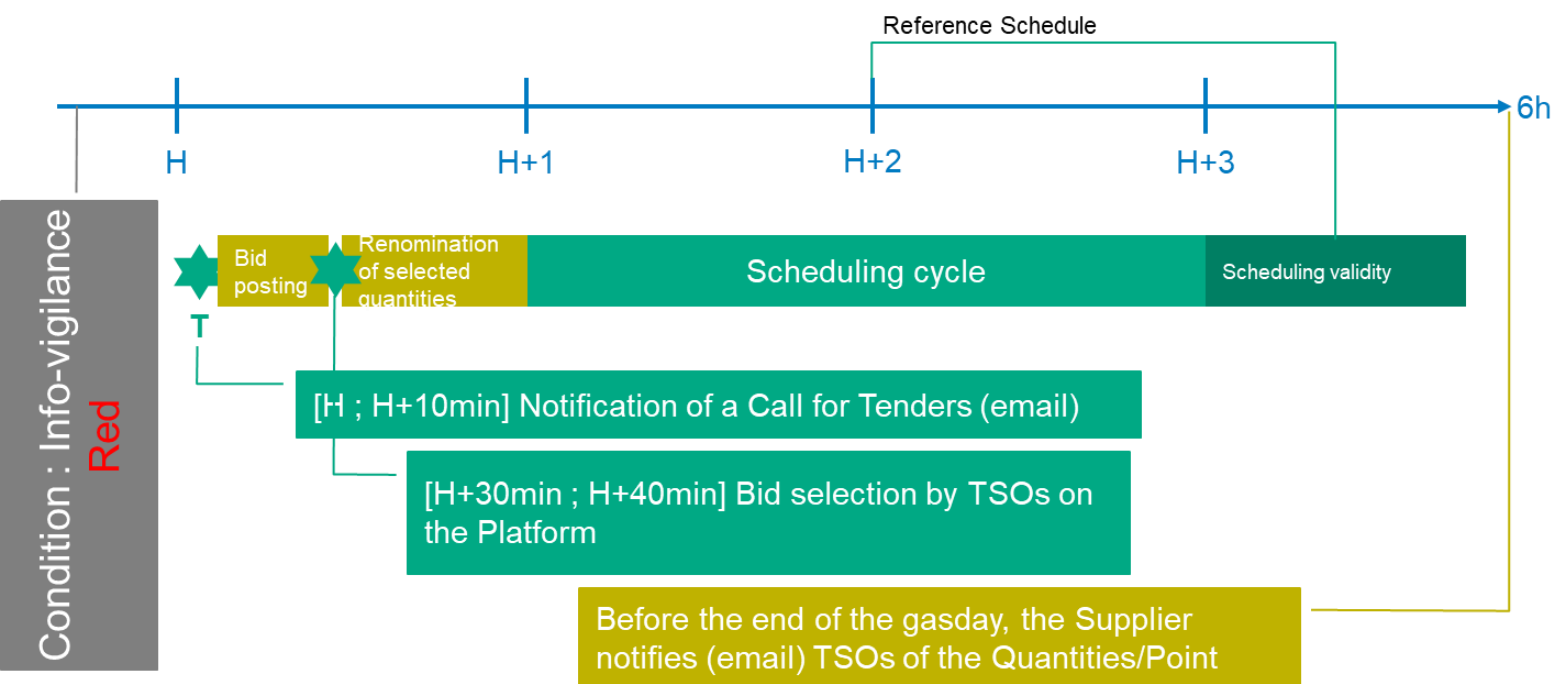
The concept of Locational Spread is to trigger a double Locational product within-day. The Locational product is a product associated with an obligation for the localization of the gas delivered or received.

In this case, the TSOs buy gas downstream of a limit, in exchange for a commitment by the seller to deliver this gas downstream, and sell the same quantity of gas upstream, in exchange for a commitment by the buyer to offtake this gas upstream.



– Timings

Calls to Locational Spread are only launched intraday. In addition, within the limits allowed by the network, calls are launched during working hours from 9 am (UTC+1).



– How a call for tenders is carried out

– Issuing the call for tenders

TSOs notify qualified suppliers (those who have signed the dedicated contract) of the need to use the Locational Spread by means of an email containing the following information:

- Gas Day
- Maximum time to submit bids
- Reference Program
- A range of the total volume requested by the TSOs
- Concerned EEX products and direction
- Eligible physical points associated with each EEX product



Call for Tenders: 2024-11-004
@
General Terms and Conditions - Version 2021-1 of 1st March 2021

Dear Sir/Madam,

We hereby inform you of NaTran and Teréga's requirement to use a locational product on 22-11-2024 under the following conditions

- Bid selection criteria : from 12:30 to 12:40
- Reference Scheduling : 14:00
- Demanded specifications:

Direction for NaTran	Buying	Selling
EEX product	NaTran –Teréga PEG Downstream	NaTran – Teréga PEG
Volume sought	Less than 80 GWh	
Network limit(s) reached	SN1	
Contractual points sought	IR0010, IR0006, IR0060, P5000SA, P5000NA, IT0005, IR0011, P5000CA, P5000NB, IT0002, IT0004	IT0001/03, PIRINEOS, LUSSAGNET

You can take part in this Call for Tenders via the EEX platform dedicated to locational products.

GRTgaz and Teréga will select the offers according to EEX's market rules.
It is recommended to the Qualified Suppliers to post the entire volumes offered in their Bids.

As a reminder, in the context of this Call of Tenders, Preferred Suppliers must :

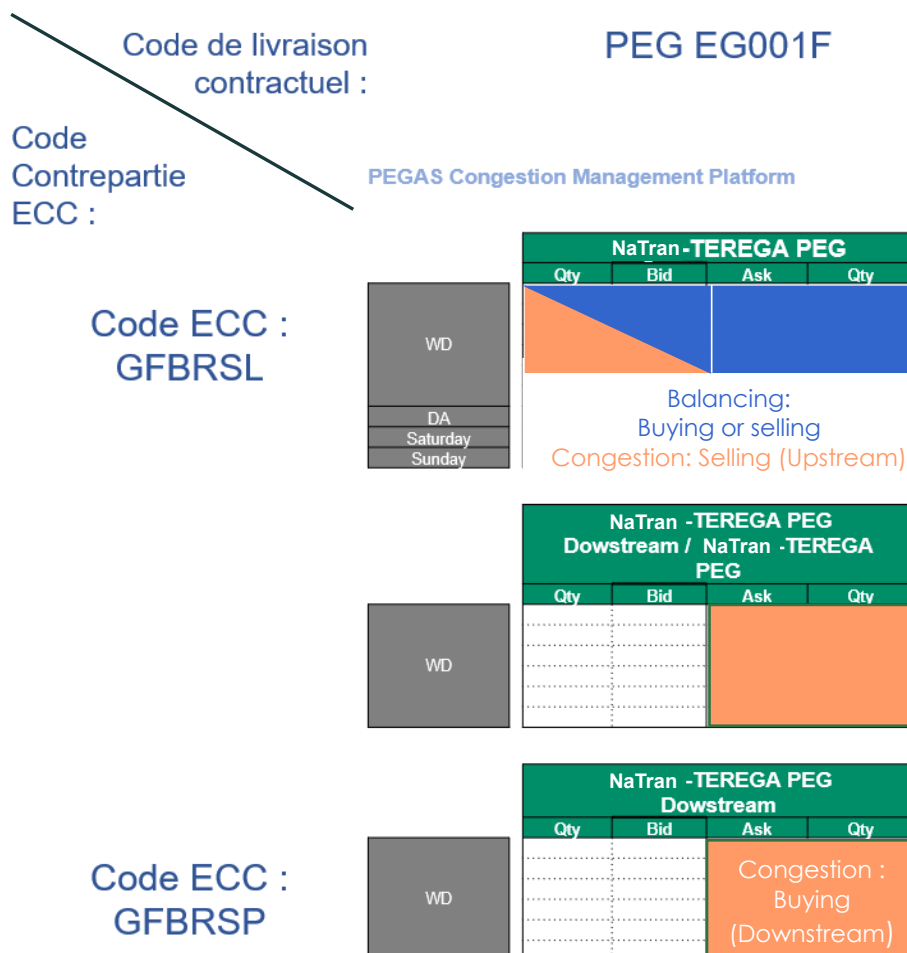
- ✓ change their requested quantities, to reflect their selected offer(s), before the full hour after the Call of Tenders
- ✓ notify NaTran and Teréga by email to the following generic address infovigilance@grtgazterega.fr by inserting the excel file made available in this e-mail renamed with your contract code and duly completed (contract code, direction for the TSOs, quantity for each PCR) by the end of the gas day.

– Submission of offers

Qualified suppliers must place their offers on the EEX platform on the order books dedicated to Locational products. Some specific rules are associated with these products:

- Only TSOs are allowed to select offers
- Iceberg orders are prohibited
- It is recommended to deposit all your volume before H+30 (start of selection by TSOs)
- TSOs select bids based on the price criterion at the time of selection
- Any offer of the supplier selected by the TSOs is firm and final.





Suppliers can submit several offers if they wish:

- on the upstream order book « NaTran-TEREGA PEG »
- and/or on the downstream order book « NaTran-TEREGA PEG downstream »
- and/or on the spread order book to submit upstream/downstream combined offers

To note: the locational product can also be launched for balancing purposes. In this case, it concerns only the NaTran-TEREGA PEG product either to buy or to sell.

– Supplier's obligations

– Renomination on the Locational Point(s)

The supplier has until the full hour following the transaction (H+1) to nominate the quantities/points he intends to deliver or offtake.



He may spread its commitment over one or more points provided that they are included in the list communicated by the TSOs, for the product concerned, by means of the invitation to tender email.

Even if the supplier intervenes upstream and downstream or even directly on the spread product, there are in fact two separate commitments, one upstream and one downstream, with their respective list of eligible points.

Downstream, in the case of a sale by the vendor (delivery):

$$NominationREC_{After} = NominationREC_{Before} + Quantité_{Localisée}$$

or

$$NominationDEL_{After} = NominationDEL_{Avant} - Quantité_{Localisée}$$

Upstream, in the case of a purchase by the supplier (offtake) :

$$NominationREC_{After} = NominationREC_{Before} - Quantité_{Localisée}$$

or

$$NominationDEL_{After} = NominationDEL_{Before} + Quantité_{Localisée}$$

The nomination on the physical points must result in **net scheduled quantities**, which implies for the supplier to have the adequate capacity on the Locational Point.

The reference schedule is the one published at H+2, i.e. 1 hour after the full hour following the transaction.

— Stability on the selected points until the end of the gas day

Once a supplier has made his renominations on his chosen points, he must not go back on these renominations until the end of the gas day. However, the supplier has the option of increasing his nomination in the direction of the commitment.

On the other hand, the points not chosen by the shipper are not subject to any obligation.

In the case of a sale by the vendor (delivery):

$$NominationREC_{After} \geq NominationREC_{Before} + Quantité_{Localisée}$$

$$NominationDEL_{After} \leq NominationDEL_{Before} - Quantité_{Localisée}$$

In the case of a purchase by the supplier (offtake):

$$NominationREC_{After} \leq NominationREC_{Before} - Quantité_{Localisée}$$

$$NominationDEL_{After} \geq NominationDEL_{Before} + Quantité_{Localisée}$$

— Notification of selected Locational Point(s)

The Supplier has until the end of the gas day to notify the TSOs of the Quantities per Locational Point that he wishes to offtake/deliver via the Excel file sent in the consultation email notification.



Name of the attachment : CodeContrat_Consultation_SL_date.xlsx

Conditions Générales : version 2018-1 du 1 novembre 2018

Bonjour / Hello,

Nous avons été sélectionnés par GRTgaz et Teréga dans le cadre de leur Consultation pour le produit localisé / We've been selected by GRTgaz and Teréga in the context of their consultation for the locational product.

Nous vous notifions par le présent courriel les caractéristiques suivantes de la transaction / We hereby notify you of the following features of the transaction:

Sens pour les GRT / Direction for TSOs	Achat (MWh) 25 C) / Buy (MWh) 25 C)	Vente (MWh) 25 C) / Sell (MWh) 25 C)
Volume de la transaction / Volume of the transaction	1000	300

Ces quantités seront nommées sur le(s) point(s) localisé(s) suivant(s) / These quantities will be nominated on the following locational point(s):

Code contrat / Contract code	Sens pour les GRT / Direction for TSOs	Type de point contractuel / Contractual point type	Libellé du point contractuel / contractual point name	Point contractuel / Contractual point	Quantité (MWh) 25 C) / Quantity (MWh) 25 C)
ACH0001	Vente des GRT / Sell from TSOs	PIR	DUNKERQUE	IR0006	200
		PIR	OBERGAILBACH	IR0010	
ACH0001	Vente des GRT / Sell from TSOs	PIR	OLTINGUE	IR0011	100
		PIR	VIRTUALYS	IR0060	
	-	PITL	PIRINEOS	PITL-PIRINEOS	
		PITL	PIRINEOS	PITL-PIRINEOS	
ACH0001	Achat des GRT / Buy from TSOs	PITS	LUSSAGNET	PITSE	1000
	-	PITS	LUSSAGNET	PITSL	
	-	PITS	CENTRE ATLANTIQUE	PS000CA	
	-	PITS	NORD-OUEST	PS000HA	
	-	PITS	NORD-EST	PS000HB	
	-	PITS	NORD-ATLANTIQUE	PS000HC	
	-	PITS	SUD-EST	PS000SA	
	-	PITS	SUD-ATLANTIQUE	PS000SC	
	-	PITTM	FOS TONKIN	IT0001	
	-	PITTM	FOS CAVAOU	IT0003	
	-	PITTM	MONTOIR	IT0002	
	-	PITTM	DUNKERQUE GNL	IT0004	
	-	PLCd	Bayet	LI1020	
	-	PLCd	Blénod	LI1022	
	-	PLCd	Martignes	LI1021	
	-	PLCd	Bouchain	LI1038	
	-	PLCd	Gennevillier	LI0545	
	-	PLCd	Combigolfe	LI1016	
	-	PLCd	SPEM Montoir	LI1017	
	-	PLCd	Cycofos	LI1010	
	-	PLCd	DK6	LI0733	
	-	PLCd	Point-Sur-Sambre	LI1009	
	-	PLCd	Montereau	LI1024	
	-	PLCd	Toul	LI1029	
	-	PLCd	Saint-Avoid	LI1012	

Help for filling the file:
Check that the quantity of the entered transaction is consistent with the locational quantities

All points are always present in the files.
The TSOs specify the points actually called in the call for tenders,

Penalties for non-compliance with obligations

Failure to comply with the above obligations exposes the supplier to the following penalties. These penalties are applied on each side where the shipper defaults, if the shipper has participated upstream and downstream.

Failure to comply with the notification obligation

$$Penalty = (25\% \cdot Price_{average} + \underbrace{|Price_{offer} - Price_{average}|}_{\text{Locational margin}}) \cdot Quantity_{offer}$$

Failure to comply with the Locational Quantity scheduling obligation

In the event of failure to schedule the Local Quantity, in whole or in part; of scheduling on an ineligible point; or of changing the scheduling in the opposite direction for the rest of the day, the following penalty formula shall apply.



$$Penalty = |Price_{offer} - Price_{average}| \cdot \max_i Quantity_{Locational\ in\ default\ i} + \frac{25\% \cdot Price_{average}}{Duration\ covered\ by\ the\ Locational\ Spread} \cdot \sum_{i=time\ of\ the\ first\ schedule\ controlled}^{End\ of\ the\ gas\ day} Quantity_{Locational\ in\ default\ i}$$

– Specific case of Highly Modulated Sites

Highly Modulated Sites are among the points eligible to participate in Locational Spread. However, several points apply specifically to these Sites:

- An authorization agreement for communication of the Site Program to the sender must be signed by any Site prior to its possible participation.
- NaTran would only disclose the Programme to the Site shipper and only in the event of a non-compliant movement that could give rise to a penalty for the shipper by linking it to the Localised Spread commitment.
- NaTran checks the reliability of the Site's latest programmes each time it calls up the Localised Spread. Only good-quality programmes make the Site eligible.
- The Site must modify its programme before the full hour following the Transaction (H+1).
- NaTran will carry out checks both on the programme and on consumption, which must comply with the programme.

– Notifications via Twitter

In order to maximise market participation in Locational Spread, a complementary notification system (push mode) is offered via Twitter:

- Notifications on the status of the infovigilance in progress from D-1, in order to allow participants to better anticipate.
- Notification of the launch of a call to Locational Spread on D-Day, in order to allow participants a better reactivity.

– How Twitter notifications work

NaTran offers signatories of the Locational Spread contract an additional channel of information on Locational Spread. NaTran will post the information on the private Twitter account « Infovigilance_TRF ».





Infovigilance_TRF

@InfovigilanceT

Information for participants in the Locational Spread mechanism for congestion management on the TRF. smart.grtgaz.com/fr/infovigilan...

France tetra.tigf.fr/SBT/public/Inf...

Notifications published via this account will be as follows:

Nb : Only the invitation to tender email is authentic and contains all the information required to draw up your offers. The present notifications are for information purposes only. The account is managed automatically, please do not reply to tweets or send a private message to this account.

1. Notification D-1 8 pm: « Red Alert from D-1 »

The feedback of the first year of operation shows that a red vigilance at 8 pm D-1 leads to a call to Locational Spread the next day in 70% of the cases. Consequently, the first alert is triggered on D-1 if at least one limit is red. The associated message is the following:

« A red alert has been reached for the next gasday (**JJ+1-MM-AAAA**). A locational spread could be launched in the morning. For more information please visit our websites : [t.co\SmartNaTran](https://t.co/SmartNaTran) or [t.co\Terega](https://t.co/Terega) »

2. Notification D-day: « Red Alert on D-day »

Starting on D-day, a limit in red has an even higher probability to result in a call to Locational Spread. Therefore, the following notification is associated with it:

« A red alert has been reached for the current gasday (**JJ-MM-AAAA**). A locational spread may be launched in the following hours. For more information please visit our websites : [t.co\SmartNaTran](https://t.co/SmartNaTran) or [t.co\Terega](https://t.co/Terega) »

3. Notification D-day : « Launch of a Locational Spread at H+30 »

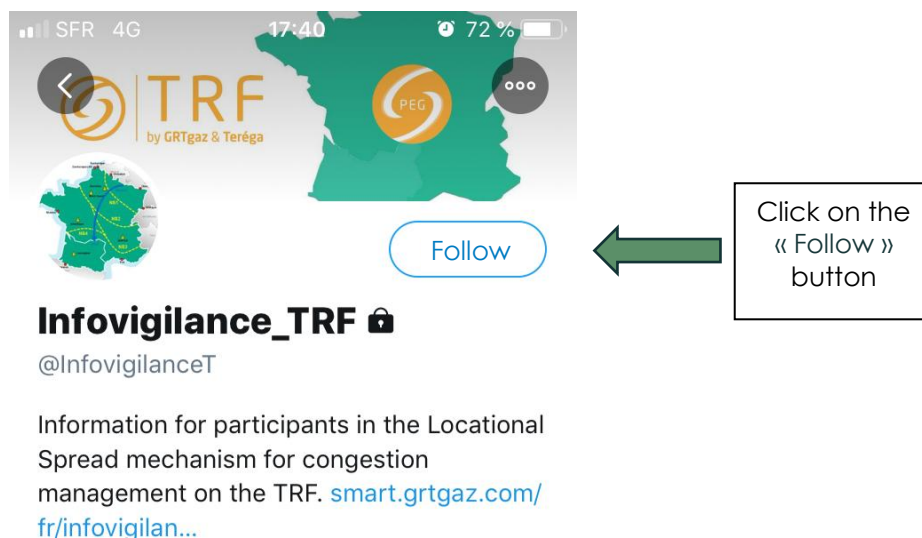
« A locational spread has just been launched, please initiate your orders on the locational platform. For more information on the demanded specifications please consult the Call for Tenders Email (ref : **AAAA-MM-XXX**). »

— Registration and configuration

In order to receive these notifications, it is necessary to proceed with the following steps:



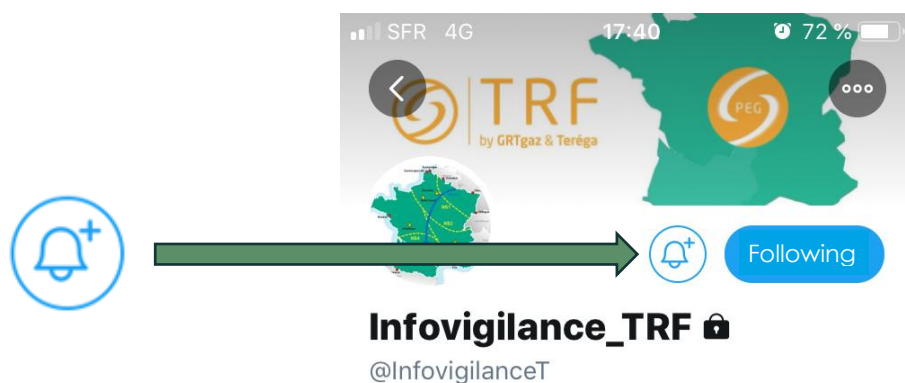
- Have a Twitter account and download the application on your smartphone.
- Search for the "Infovigilance_TRF" account and follow it.



- As this account is reserved for the signatories of the Locational Spread contract, once the subscription request has been made, it is necessary to wait for validation by NaTran:



- Finally, it is necessary to select the notifications for Infovigilance_TRF in order to receive a notification in case of publication of one of the three tweets mentioned before:



If it is not the default parameter, you need to allow Twitter notifications on your smartphone.

- To avoid unwanted notifications, you can set your preferences directly on the Twitter application:

