

## Febeliec answer to the Elia consultation on the modification of the balancing rules for 2020

Febeliec would like to thank Elia for this consultation on the modification of the balancing rules to enter into force in parallel with the terms and conditions for balancing service providers for mFRR in the course of 2020.

Febeliec wants to refer to its answers on the consultation on those terms and conditions for balancing service providers for mFRR, subject of a separate consultation, as a large part of the proposed modifications relate to the introduction of these terms and conditions.

Febeliec regrets strongly, as already expressed during the meetings of the working group balancing, the proposed abolition of the slow-start non-CIPU product that was put in place during the winter of 2018-2019 to cope with the unforeseen unavailability of a large part of the nuclear fleet in Belgium. At the introduction of that product, Febeliec was pleased that Elia made efforts to unlock this flexibility, in analogy with the slow-start CIPU product (that already existed before and that Elia will also maintain). Febeliec hoped, and still hopes, that this new product of slow start non-CIPU units would also be a trigger and first step towards the intraday and day ahead markets and the introduction of Transfer of Energy in those markets in the near future, thus unlocking additional options for demand response to enter those markets, yet still has not seen any advancements for implementation at this point. Febeliec has always stated in the framework of the Strategic Reserve that a strategic reserve bidladder where all available flexibility can be offered much closer to deliver/real time would be a useful product, as closer to real-time the certainty consumption and nomination volumes relevant for demand side response is crystallizing and much more volumes and capacity could be offered. The slow-start non-CIPU product was a first step into that direction. Febeliec does not understand why Elia proposes to abolish this product, as it is an extra tool in the Elia balancing toolkit, the development has been done (with involvement of all stakeholders and paid for by consumers) anyway, while Elia maintains the slow-start CIPU product, thus again removing the technology neutrality it always states to put forward.

On the R3Flex product, Febeliec wants to refer to its comments with respect to the proposed abolition of this product, also voiced in the consultation on the LFCBOA and LFC Means. For Febeliec it is very important that in 2020 but also consecutive years R3Flex remains part of the balancing means arsenal of Elia as the product is firstly already revised and has become much more stringent and thus valuable for Elia, while at the same time providing mFRR balancing reserves at a (substantially) lower cost than mFRR standard (as can for example be seen in the beginning of the winter 2018-2019). Febeliec also wants to refer to France, where a similar product has been prolonged after acceptance from the regulator as it has shown to provide ample value for money. Febeliec thus continues to urge Elia and CREG to be extremely cautious about the diminishing of R3Flex volumes in the mFRR mix and definitely any future abolition of the R3Flex product, to the detriment of the cost for the consumers.

Febeliec can only observe that Elia is advocating “technology neutrality” and “level-playing field” in its discourse, yet nevertheless always proposes modifications to balancing products that make participation of (individual) providers of demand side response and smaller generation units (non-CIPU) more difficult (Febeliec also wants to refer to the abolition of the ICH product in the recent past). Febeliec is gravely concerned by this evolution.

With respect to the document, Febeliec has questions regarding the added paragraph in title 7.1 on imbalance netting, as the formulation (in Dutch) is leading to confusion, as a diminishment of the limit leads to higher values.