

Subject: FEBEG comments on Elia's public consultation on the methodology for the dimensioning of the aFRR needs
Date: 2 July 2020
Contact: Jean-François Waignier
Phone: +32 485 779 202
Mail: Jean-francois.waignier@febeg.be

FEBEG thanks Elia for the organization of a public consultation on its study of the possible advantages and disadvantages of a new dimensioning methodology of its aFRR reserve capacity¹. Please find hereafter the comments of FEBEG in the framework of this consultation. The comments and suggestions of FEBEG are not confidential.

aFRR dimensioning design options

FEBEG would like to praise Elia for the very thorough consultation document, which is giving a very complete overview of the current methodology being applied, the needs to change it, the legal and regulatory framework that could be referred to, the benchmark of methods being applied by other European TSO's and literature review.

FEBEG also welcomes Elia's willingness to build an objective, less empirical, methodology to determine the real need for aFRR in the Belgian grid.

Selection of aFRR methodologies

FEBEG generally supports the methodologies proposed by Elia, but has some reservations, mostly regarding the way the simulated mFRR and the IGCC volumes that will be taken into account.

FEBEG endorses the use of a **probabilistic methodology**, as it provides the best equilibrium between accuracy and complexity and has the advantage of transparency.

Subject to the remarks hereafter, FEBEG also underwrites the use of **simulated activated aFRR** as sizing variable. This method allows to estimate aFRR needs by subtracting simulated mFRR activations from the LFC block imbalances. The simulated mFRR activations can in our view however never be an optimal mFRR activation, assuming a perfect foresight. It would clearly minimize the aFRR need under a false pretext and overestimate the effectiveness of the mFRR product. FEBEG prefers Elia to determine its needs based on realistic assumptions, and then to be clear on the percentage of the need that is to be covered by the aFRR product. Preference should therefore be given to a dispatch based mFRR activation, assuming realistic dispatch behavior. A potential

¹ https://www.elia.be/en/public-consultation/20200602_public-consultation-on-the-methodology-for-the-dimensioning-of-the-afrr-needs

additional advantage of this approach is that it could accommodate FEBEG's request for clear and transparent rules for the activation of mFRR².

If taking dispatch based mFRR activation does not lead to satisfactory results, FEBEG would prefer to keep the current sizing variable of residual LFC block imbalance variations, above taking an optimal mFRR dispatch in a simulated activated aFRR approach. These residual imbalance variations do correctly reflect the actual mFRR dispatch. Something that in that case could also be tested in the Proof of Concept.

FEBEG agrees taking a 5 minutes (or 1 minute) **sizing variable resolution**, and to test the impact of this choice in the proof of concept.

FEBEG is in favor of the proposal to eliminate the big imbalances that result from **forced outages of powerplants or relevant HVDC-interconnectors** from the data set (as it is the case in the current methodology) since it is the role of the FCR relayed by the mFRR to compensate them, even if, of course, aFRR equally contributes to this compensation.

FEBEG supports taking into account the **IGCC activated volumes** which constitute a reality in the past and certainly in the future. Until now, IGCC has never been directly accounted in the dimensioning due to the non-guaranteed capacity. FEBEG prefers however to take it into account explicitly, rather than not taking it into account and then applying an empirical 79% of the need. We fear that considering the full historic activated volumes might be too optimistic in view of the non-guaranteed nature of these volumes. FEBEG therefore welcomes the option of simulated IGCC activation rather than the history, as it allows to apply several sensitivities depending on what is assumed for the future (more or less availability and amplitude). We also reiterate our request to take realistic assumptions.

FEBEG upholds a **dynamic approach to the aFRR dimensioning**. We fear however that modulating the needs of aFRR on daily basis might not be useful and risks giving the market an unnecessarily fluctuating indication, whereas a weekly dynamic would probably be sufficient (similar to the German example where a weekly dynamic dimensioning is combined with a 4h granularity on the product that is procured).

Finally, FEBEG endorses a high **reliability level**. The choice for 99% itself seems arbitrary and should be better justified. Why not 99,5 % or 99,9% as in Germany? FEBEG considers that this is also something that could be further tested in the Proof of Concept.

² 'FEBEG comments on the market functioning rules for the compensation of quarter-hourly imbalances', FEBEG, 24 April 2020.

Regarding the Proof of Concept

FEBEG fully supports Elia in its intention to continue the study in a format of "Proof of Concept" as it allows to get a more practical insight in the consequences of the modelling choices.

With regard to the sizing variable, and as indicated above, if taking a dispatch based mFRR activation does not lead to satisfactory results, FEBEG would prefer to keep the current sizing variable of residual LFC block imbalance variations, above taking an optimal mFRR dispatch in a simulated activated aFRR approach – and therefore requests that this is taken up in the proof of concept.

Regarding the analysis on a simulated dispatch based mFRR activation, assuming realistic dispatch behavior, FEBEG would be interested in potential conclusions with regard to effectively implementing such strategies in the mFRR activation.

About the dynamic approach to the dimensioning, we would be interested to see the result of a weekly dynamic dimensioning, as it is currently the case in Germany.

FEBEG is looking forward to the results of this exercise.