CONSULTATION REPORT

Report on the public consultation regarding the Rules on the organization of the Transfer of energy and the FSP Contract DA/ID

17 December 2020

Contents

1. Introduction

Elia organized a public consultation from 19 October 2020 to 19 November 2020 regarding the Rules on the organization of the Transfer of energy and the FSP Contract DA/ID.

The purpose of this report is to consolidate the feedback received from the public consultation, while at the same time reflecting Elia's position on these reactions.

2. Feedback received

In response to the public consultation, Elia received the following non-confidential replies from the following parties:

- Centrica Business Solutions
- FEBEG
- Febeliec

All responses received have been appended to this report. These reactions, together with this consultation report, are available on Elia's website.

3. Instructions for reading this document

This consultation report is structured as follows:

- Section 1 contains the introductory context,
- Section 2 gives a brief overview of the responses received,
- Section 3 contains instructions for reading this document,
- Section 4 discusses the various comments received during the public consultation and Elia's position on them,
- Section 5 discusses the next steps,
- Section 6 contains the annexes of the consultation report.

This consultation report is not a 'stand-alone' document, but should be read together with the proposal submitted for consultation, the reactions received from the market participants (annexed to this document) and the final proposal.

Section 4 of the document is structured as follows with additional information on the content per column below.

Subject/Article/Title	Stakeholder	Comment	Justification
A	B	C	D

A. Subject matter covered by the various responses received.

B. Stakeholder providing the comment.
C. Description of the comment received.
D. Elia's arguments as to why a comment was or was not included in the final proposal.

4. Comments received during the public consultation

4.1 General comments

This section provides an overview of the general reactions and concerns of market players that Elia received to the documents submitted for consultation.

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
Consultation Process	*FEBEG*	FEBEG is extremely concerned and worried on how the consultation on ToE DA & ID is evolving both in terms of content as well as methodology. FEBEG considers that the way this issue has been handled/discussed/consulted in the (recent) past is problematic and is hoping that the all the stakeholders will, in the steps still to be taken, duly consider the problems and issues raised by other stakeholders and market parties. On the content, Elia and CREG did reject all the concerns put forward by FEBEG. On the methodology, FEBEG finds that its concerns are systematically ignored without any explanation nor sound justification. FEBEG also wonders why this consultation (and the reactions of market parties) do not deserve a dedicated time slot in WG Balancing nor a public exchange as other consultations usually do. Also, Elia did not communicate on the results of the consultation of August and FEBEG regrets it is no longer available on Elia website (see annex - Infographics) nor are the reactions of the market parties as well as Elia's answer to it.	Elia takes note of and regrets that FEBEG is not satisfied with the process. However, Elia is of the opinion that it has taken sufficient actions to consult the different market parties including FEBEG, and has provided explanations and justifications for its decisions. Specifically for ToE for DA/ID, 3 public consultations were held (study in 2019, consolidated design note during the summer of 2020 and the current public consultation of the ToE Rules and the T&C BRP) and several workshops were organized. Elia emphasizes that a reaction to all comments provided by market parties was given and that all comments were taken into consideration.

Implementation of Transfer of Energy for DA and ID markets	FEBEG	Again, FEBEG wants to emphasize that this market design has almost no benefits, is unfair, discriminatory, not technology-neutral and has no level-playing field. Detailed explanations can be found in FEBEG's answer to the consultation held in August. Almost no benefits: Partly, because a part of the customers' deviations will be counter-balanced by the BRP's resulting in a net volume regulated of 0 MW but a financial exposure at BRP side. Also, because those customers may freely choose a supply contract where they do have access to ID & DA market. Unfair because the current rules leave the underlying price and volume risks at the BRP's side. Discriminatory because the current regulated fallback price does not follow the principles put forward by CREG: BSPs will find that formula very attractive and have no interest in negotiating with BRPs as there will be no uncertainty at the moment of the activation. No negotiation will probably take place. Without level-playing field because some technologies (for instance generation units) cannot profit of a similar free option at the expenses of the BRPs.	Elia reminds that it duly justified (see study of 2019) the reasons to implement ToE for DA/ID with a cost-benefit analysis, concluding with the recommendation to implement ToE in DA/ID but to postpone the decision to implement some features that were considered as less efficient. A detailed response to each of the elements listed by FEBEG is presented in Section 4.2.
Implementation of Transfer of Energy for DA and ID markets	Febeliec	Febeliec would to thank Elia for this consultation on the rules for the organization of Transfer or Energy (ToE). As already replied during earlier consultations, Febeliec would like to point out that ToE in DA/ID is important to ensure that all market parties, in particular consumers, are able to capture as much value from market participation as possible. This implies that the success of ToE in DA/ID does not necessarily lie in the market volume that is applying this ToE solution, but rather in the better bargaining position that it gives consumers in order to be able to valorise their flexibility.	Elia thanks Febeliec for its appreciation and takes note of the position of Febeliec regarding the importance of ToE in DA/ID markets and the valuation of the success of ToE.

Implementation of Transfer of Energy for DA and ID markets	Centrica Business Solutions	CBS renews its support to and thanks Elia for the overall decision and implementation process of the DA/ID ToE: it will be a key enabler towards the next step of DR development in Belgium, and a key step to prepare the upcoming challenges and the need for additional capacity and flexibility in Belgium in the coming year.	Elia thanks Centrica Business Solutions for its appreciation and takes note of the position of CBS regarding the importance of ToE in DA/ID markets in light of the upcoming challenges.

4.2 Specific comments

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
Counterbalancing	FEBEG	FEBEG wants to emphasize its support for the principle that market parties should (to the extent possible) undertake beneficial activations for the grid. In this context, FEBEG regrets that Elia is not worried about counter-balancing issues as Elia will equally suffer from it. See Annex – Infographics. FEBEG prefers not to disregard this issue and put forward some solutions. One possible measure is to waive confidentiality for DA-ID activations and having a non-competition clause applicable for one year (as an example). Let's not forget that neighboring countries (Ex: TenneT) do not apply such a dogmatic confidentiality clause that could lead to issues for the grid's efficiency/security. Another possible measure is to split the activations in DA-ID into 2 clusters, one with Real-time balancing and one without it. The BRP would therefore know whether they should prevent counter-balancing. Question: Is counter-balancing considered as a non-issue by Elia? If not, which alternatives were considered? Feedback received during the consultation of the design note:	Elia first of all emphasizes that providing aggregated information is required to respect confidentiality in line Art. 19ter of the Electricity law. In addition, Elia stresses that the current proposal of the ToE Rules does not contain a change to these principles, and does not understand why an exception to these principles would need to be made specifically for the DA/ID market segment. Both proposals made by FEBEG are considered not suitable by Elia as both proposals jeopardize confidentiality. Elia furthermore reminds that it is the responsibility of the BRP to manage his balance responsibility and to perform the necessary actions to do so. These actions include taking the measures required to get a clear view on the position of its balancing perimeter. In this regard, Elia reminds the significant efforts made to facilitate BRPs to get a better view on the DSO allocations by publishing the last infeed measurements to the

		Amongst grid-users within a BRP, some are metered in real-time and, when not pass-through, the deviations are balanced in real-time in respect to the forecast. The decision to install a device on site allowing counterbalancing by the BRP is case by case per grid user (mostly driven by a cost-benefits analysis). To avoid counterbalancing, Elia sends an aggregated activated volume per QH per BRP (without details/ break-down per DPpg) which is important and valuable information for the BRP, although not completely matching reality. In this context, FEBEG wants to point out that a grid users' activation can be automatically counterbalanced by the BRP while it is not clear whether this activation is also covered by the counterbalancing notification message or not. The net result of the activation for the grid can hence be null i.e. an activation of a grid-user (requested by FSP) compensated by the counterbalancing (performed by BRP's) despite the counterbalancing notification message. It could be worthwhile to investigate the magnitude of this problem and possible remedies	Belgian DSOs and by providing quasi real-time estimations of DSO allocations. Elia thus considers that the planned notifications containing information regarding the total (i.e., aggregated) impact of activations of DP_{PG} in the perimeter of the BRP are sufficient to enable the BRP to meet its balancing responsibility. Moreover, Elia also reminds that, in line with Art. 16.2 of the recently consulted BRP Contract, BRPs have the right -under certain conditions- to deviate from a balanced position to support balancing the zone. As such, Elia observes that the global position of the zone and the imbalance tariff provide important incentives for the real-time actions taken by BRPs. These incentives are independent of the position of the perimeter of each BRP.
Notifications to the BRPsource	FEBEG	FEBEG does not consider pragmatic nor simple/user friendly -as stated by Elia- the fact that activated volumes are aggregated for all DPpg. Having the break-down per DP is necessary to avoid taking corrective measures as counterbalancing while it would not be necessary. FEBEG sees aggregation volumes as a contradiction leading to grid inefficiency/insecurity as well as creating additional complexity in balancing perimeters coverage… This is surprising because BRP coverage is put forward as a key challenge in the future in other Elia workshops (Real-time allocation of DSO points, MOG II, etc).	As discussed in detail in the above, Elia provides aggregated information to ensure confidentiality and considers that this aggregated information is sufficient to enable the BRP to manage his responsibilities. Elia further notices that the aggregation over multiple activated Delivery points is already applied today, and that the new proposal for notifying the BRP_{source} does not change anything in case there is only a single activation (including multiple delivery points). For instance, in case of the activation of an mFRR balancing energy bid, information regarding the activated volumes of the delivery points located in the perimeter of the BRP_{source} are currently aggregated before sending it to the BRP_{source}. The new proposal for informing the BRP_{source} is only

			an extension of the currently applied principle/mechanism that aims at (1) avoiding sending contradictory or confusing information to the BRP in case of multiple overlapping/simultaneous activations, and (2) protecting confidentiality.
Sub-metered processes	FEBEG	FEBEG already raised its concern about an activation on a process that could be compensated by another submeter under a similar headmeter (for instance, cold storage). Elia answered that this problem is identified and can be tackled. However, when reading both T&C ToE DA-ID and T&C BSP mFRR, it is far from being obvious which actions Elia will undertake for that. Question: Can Elia elaborate on the concrete means and actions it will undertake? Additional feedback from FEBEG received by Elia during the consultation of the design note: Suppose a grid-user activates a process being submetered and compensating such an activation by another submetered process (e.g. several cold storage submeters under one head meter). Looking at the headmeter, the activation would be neutral and the Supplier/BRP would at any time run the compensation price risk i.e. difference between fallback price and DA or ID. In the current mechanism, nothing would prevent a grid-user and/or FSP to perform such an activation any time the DA or ID is higher than the fallback price. This would leave a free option to the grid-users and FSP at the expenses of BRP/supplier while not helping the grid.	As indicated in the reaction to the consultation of the design note, the issue described by FEBEG will be addressed in a similar manner as for mFRR. Specifically, Elia performs monitoring to check whether an activation at a Submetering Delivery point has an overall effect at the level of the Access point. If this is not the case, a sound justification will be requested from the FSP. In case no sound justification is provided, Elia disqualifies the Delivery point. Art. II.2.4 of the FSP Contract DA/ID states the following in this regard (similar to Art. II.3.4 of the T&C BSP mFRR): “The FSP declares that an upward (respectively downward) activation of the DA/ID Flexibility Service at any Submetering Delivery Point has an overall effect of either reducing (respectively increasing) net offtake or increasing (respectively decreasing) net injection at the level of the Access Point. ELIA will request a sound justification to the FSP in case no visible effect at the Access Point is observed during an activation of the DA/ID Flexibility Service. If such a justification cannot be provided or remains insufficient, ELIA reserves the right to disqualify the Delivery Point from the DA/ID Flexibility Service after notification to the CREG.”

Baseline methodology	FEBEG	The baseline method X of Y is unfair for the supplier and the BRP. It can lead to a misestimation of the volumes activated and would leave that volume risk to the supplier and BRP. Factually, the impact of a grid-user activation is the difference between the DA nomination (read its energy sourced) and its realized off-take. In ToE DA-ID proposed scheme, the activation equals the difference between the baseline method X of Y and the realized off-take. Therefore, the difference between DA sourcing and the baseline method is a risk fully bore (and not possible to mitigate) by the supplier and BRP. FEBEG believes that using DA nomination (at least for TSO-connected DPpg where nomination per EAN per QH is mandatory) would get rid of this risk. For DSO-connected DPpg, FEBEG considers it unfair to be exposed to such a volume risk. Question: Why is the BRP exposed to the underlying volume risk as a consequence of an approximative X of Y baseline method?	Elia takes note of the comment and considers that modifications to the baseline could potentially be made after more experience regarding the High X of Y* baseline has been gained. In this regard, Elia will perform a study in 2021 to assess both existing and new baseline methodologies. Elia will welcome market participants to contribute to the analysis, for instance by proposing new baselining methodologies or modifications to existing baselining methods. At this moment however, there is no indication that the High X of Y* baseline methodology would systematically over- or underestimate the delivered volume of flexibility. Moreover, depending on the imbalance tariff, incorrect estimations (both an overestimation and an underestimation) of the delivered volume of flexibility can be either advantageous or disadvantageous for the Supplier and the BRP. Regarding the proposal made by FEBEG regarding the use of the DA nomination as a baseline, Elia is open to investigate this option in the study that will be performed in 2021. However, Elia reminds that such a system has been applied for SDR and has afterwards been removed in order to i) have a harmonized approach for all delivery points (including submetered delivery points and delivery points located in the distribution grid), and ii) to avoid incentives for the BRP to under or overestimate the baseline.

Activation combo and Multiple FSP functionality	Febeliec	On the proposed changes, Febeliec regrets that Elia will not implement the activation combo which would allow for a delivery point to provide two services within the same quarter hour. By this omission, Elia forces market players with demand side response to chose between markets, whereas such limitation does not exist for generation facilities. Febeliec cannot accept this discrimination and market barrier and thus ask explicitly to remove it by allowing an activation combo. The same applies to the fact that Elia does not allow a multiple FSP functionality on a single delivery point, which also forces market players with demand side response to select only one FSP in the only market (see above) they are allowed to valorise their flexibility, even more limiting their ability to valorise their flexibility as this does not allow them to select for every product that FSP that would give them the best value, but rather would have to select one single FSP for all products which would not necessarily allow them to optimize and maximize their flexibility valorisation, to the detriment of their revenue but also to market functioning. This could in the end even lead to a lock-in effect and the potential creation of dominant market positions. Moreover, it would not allow a grid user to work with an external FSP for one product, but be its own FSP for another product. While Febeliec understands that allowing multiple FSPs to act per delivery point might construe an additional complexity and might require additional developments, Febeliec cannot accept this market barrier. Febeliec appreciates that a contractual combo between DA/ID flexibility service and other services will be enabled, but where this might provide already some flexibility, it does not solve the abovementioned risk of lock-in effects and would be at best a partial solution for certain actors and/or situations.	Elia understands that market participants consider the activation combo functionality as a positive feature but reiterates its view regarding the activation combo functionality. Elia will re-assess the need for the activation combo functionality once a better view can be obtained on the volumes effectively participating to the DA/ID markets and the concrete needs of the stakeholders for such an activation combo. This re-assessment will be finalized at the latest 1 year after the entry-into-force of ToE for DA and ID markets. In the meantime, the proposed rules enable grid users/FSPs to valorize their flexibility in multiple markets via the contractual combo. However, at this moment, Elia is not convinced that this functionality will be effectively used, since: • The existing combo functionality between non-reserved and reserved mFRR has until now never been used • No concrete information has been provided by market parties regarding Delivery points that are currently providing mFRR/aFRR would also participate to the DA and ID markets Regarding the Multiple-FSP functionality, Elia also reiterates its viewpoint as explained in the public consultation of the **2019 study**. Specifically, market parties have not provided concrete insights regarding the need for this functionality. As such, Elia is of the opinion that the significant additional design, implementation and operational complexity (for Elia as well as for

			the DSOs, the grid users and the involved FSPs) cannot be justified at this point. In addition, Elia considers that market participants can valorize (part of) their flexibility via their Supplier, or can use sub-metering solutions. Finally, Elia does also not agree with Febeliec that enabling multiple FSPs to be active on a single delivery point would resolve the risk of a lock-in. This because Elia considers that the continuous alignment that would be needed between the GU and the FSPs could lead to a strengthening of the commercial conditions (e.g., exclusivity) requested by the first FSP active on the delivery point.
Combo activations	FEBEG	Art 12.4 3rd bullet point tackles the undesired situation where a DPpg would be activated both on mFRR and ToE DA-ID (for example). FEBEG fears that the proposed solution does not ensure a level-playing field between technologies. FEBEG calls Elia's attention to the need to align the way delivered volumes are computed between technologies. Take the example of a DPsu being synchronously offered and activated on DA market and mFRR STD. With the current mechanism, the DPsu first needs to be balanced in DA and the residual energy activated in mFRR STD. If the DPsu produces less than the sum of the requested energy on DA and mFRR STD, it will be in default on mFRR STD first and then on DA. To say it differently, the energy produced by the DPsu will be discounted by the DA nomination to control whether the mFRR STD activation was compliant. This is explained with DPsu baseline being last nomination sent. The mFRR STD penalty regime will consequently be applied first in the case that there is missing delivered energy. If Elia wishes to keep art 12.4 unchanged, then the baseline of last schedule sent for DPsu is discriminatory in FEBEG's opinion.	Elia recognizes that a level playing field between different technologies is important. As such, at the moment when the activation combo will effectively be implemented, Elia agrees that the rules need to be as technology-neutral as possible. However, Elia reminds that at this moment combo activations are allowed for DP_{SU} and not allowed for DP_{PG} (the motivation not to implement the combo functionality for DP_{PG} is discussed above). There is therefore no exact comparison possible. In this context, although it is not possible to exclude a priori that a Delivery point would not be used for two simultaneous activations, Elia considers that combo activations for DP_{PG} are not likely to happen as strict penalties will be applied. The consulted ToE Rules do provide the minimal necessary rules in order to avoid ambiguity with respect to the calculation of the delivered volume of flexibility in case a delivery point is

		To ensure a level-playing field, FEBEG's opinion is the following: In case of simultaneous activation DA-ID & mFRR, the activated volumes should be allocated in priority to 1/ DA-ID activation, 2/ mFRR non-contracted, 3/ mFRR contracted as it is already applicable for other technologies. Question: FEBEG is surprised. This comment (see infographics) was already shared in previous consultation and considered as valid by Elia. Elia argued nevertheless that it was not an issue as the functionality would not be implemented. Why is such a combo mechanism then described in the ToE rules? Why is it written in a way that no level-playing field will exist with other technologies (for instance, a generation unit being offered on DA & mFRR)?	still notified by an FSP for two separate products during one same qh. The aim of the rule in Section 12.4 is to avoid that the same volume of flexibility is counted twice (once for mFRR according to the rules applicable for mFRR activations and once for DA/ID according to the rules applicable for DA/ID activations), leading to incorrect volumes used for the perimeter corrections and the data exchange to facilitate the financial settlement between the FSP and the Supplier. Note that in such a situation additional deterrent sanctions apply for the FSP. Without the implementation of the activation combo functionality, the delivered volume of flexibility can either be allocated fully to mFRR or fully to DA/ID. The latter option would imply that the mFRR activation would be considered not compliant despite the fact that the volumes might effectively be delivered, and could lead to unnecessary suspension of Delivery points providing mFRR. In this regard, Elia prefers to avoid the risk of reducing the volumes available for mFRR. As an example, imagine Elia requests 5 MWh for mFRR, and that there is an activation of a Delivery point where the delivered volume of flexibility is calculated to be 7 MWh. Assume further that the FSP also notified this Delivery point for DA/ID. In this example, if the volume would be fully allocated to DA/ID, the Delivery point could be suspended from mFRR even though the volumes are effectively delivered. The delivery point would in this case still be suspended for the DA/ID flexibility service for a period of one month.

Combo SDR and other services	Febeliec	Febeliec also most strongly urges Elia and CREG to remove the exclusion of simultaneous participation to SDR and balancing services, as it would be strange that delivery points could participate to DA/ID and balancing, but not to any combination with SDR (and even more strange not to a combination of DA/ID and SDR, which would exclude delivery points completely from the market, which would be an aberration as price formation is done on those markets).	Elia refers to the discussion related to the provision of strategic reserves, and retakes its position that if a load behind a certain Delivery Point has participated in DA/ID or the balancing markets, it has proven to be in the market without the need for additional revenues from Strategic Reserves.
Multiple FSP functionality	Centrica Business Solutions	CBS understands the principle of having a unique FSP per DP across products, but underlines that the details of how conflicting situations will be handled by Elia remain unclear: in case an FSP wishes to add in ToE DA/ID a DP that is already engaged in aFRR or mFRR with another FSP (or vice versa), how Elia will detect the situation, inform the FSPs involved, and decide which FSP can remain active is unclear. -> CBS therefore asks Elia to further clarify and consult on the details of the process and rules that will allow to sort such situations out in a transparent and fair way.	In order for a FSP to offer a certain Delivery Point in the DA/ID service (and other balancing products) the Grid User has to give his permission in the Grid User Declaration. As mentioned in the Grid User Declaration Template, this Grid User Declaration is valid until the expiry date or until the submission of a new Grid User Declaration for the same Delivery Point. Nevertheless, Elia will contact the grid user and request clarity regarding which party will take up the role of the FSP in case two Grid User Declarations are received for the same Delivery point.
Single regime per delivery point	Centrica Business Solutions	Given that some assets are still not eligible to some ToE regimes (DPs with no exposure to imbalances in aFRR mainly), imposing a unique ToE regime across all products for the same DP creates a risk of blocking situations, where a DP could lose its ToE regime in place for a certain product to go to aFRR for example. -> CBS therefore asks Elia to consider removing this constraint and allow to have several ToE regimes per DP.	Elia considers this remark to be out of the scope for the current consultation (aFRR and not DA/ID). The principle of having a unique regime per delivery point is one of the fundamental principles of ToE and has not changed in the proposed ToE Rules. In addition, Elia also still has doubts regarding the usage of combo delivery points. At this moment, Elia has no specific indications of such delivery points.

			Nevertheless, Elia is open to analyze and further discuss issues such as the one indicated by Centrica Business Solutions, particularly if barriers for market participation can be removed.
Pass-through definition	FEBEG	From the redefinition of pass-through contract, the CREG intends to narrow the scope of pass-through to those customers that are only exposed to an imbalance price; hence, leaving the customers exposed to day-ahead and not to imbalance at the Transfer of Energy scheme. CREG mentions that this is the result of the upcoming entry into force of Transfer of Energy for DA & ID. • For activations on DA: FEBEG does not see the added value of narrowing the scope as a customer that makes an activation on the DA market would immediately benefit from it through its supply contract. FEBEG does not see the point in artificially waiving this DA exposure during the activation and complexifying the settlement process. This settlement would have been simple and crystal-clear, and limited to the couple customer-supplier/BRP. • The amendment imposed by CREG will bring additional complexity as there will be instead multiple settlement processes: Settlement BSP – Customer Settlement BSP – Supplier/BRP A correction of perimeter by TSO An ad-hoc settlement (specific to the activation) Customer – Supplier/BRP Questions: Who will compensate for the operational costs being incurred by this additional complexity? Can the conclusions of the cost-benefits analysis be shared with the market parties? - For activations on balancing market: The immediate effect of this amendment will be that the amount of customers where a bilateral agreement BSP-BRP is needed or where the regulated price formula is applicable will increase. Again, comparing with the current situation FEBEG does not see any added value for	The definition is adapted in accordance with the definition established by the CREG in the latest version of Decision B1677. Therefore, Elia transfers this comment to the CREG.

		the balancing market, BRP's/ Suppliers, the Customers, and nearly all BSP's. The complexity explained above also applies here. Assuming ToE DA-ID has an added value, it seems disproportionate to review the whole pass-through definition for balancing market products. - For activation on ID market: In the unlikely event a Customer does want to valorize its flexibility on ID market but choose a supply contract limited to DA exposure (ID and imbalance exposure contract are available on the shelf) and appoints a BSP to valorize its flexibility, FEBEG acknowledges that the current pass-through definition is not suited. FEBEG fears that a very specific case (can such a concrete case already be identified today, which would require this complex solution?) triggers a disproportionate answer namely applying a new pass-through definition to DA, ID & balancing market. Here, FEBEG can only recommend that CREG limits the amendments to ID activation only and/or that customers choose for a supply contract with exposure up to imbalance.	
Default Transfer price	FEBEG	FEBEG believes that CREG decisions 1677/2 article 2.2.x are no longer applicable. As the current proposal is clearly more beneficial for the FSP. More specifically, in CERG's response ("260-2020-PDE-FEBEG") to the Febeg letter concerning the ToE back-up formula ("2020-09-23_Febeg_creg_review_toe_back-formula"), the CREG wrote: La CREG tient tout d'abord à rappeler que le modèle privilégié par le législateur est celui du règlement contractuel de la rémunération de l'énergie transférée et que la solution par défaut ne s'impose aux parties que dans le cas où la négociation n'aboutit pas. Dès lors, la CREG invite les fournisseurs à mettre tout en oeuvre pour que les négociations avec les FSP aboutissent. The experience of Febeg members is that the BSPs are happy with the back-up formula and there is very limited room for negotiation, if any. With other words, the formula is too generous for BSPs, which is a breach of principle 3 of CREG decision (B)1677/2 of 27th March 2020, namely "Formule de prix encourageant la solution négociée".	This comment relates to the determination of the default transfer price. In accordance with the Art. 19bis of the Electricity law, the determination of the default transfer price is a competence of the CREG. Therefore, this comment is transferred to the CREG.

		Overall, FEBEG wishes to raise the following important question: Can Elia & CREG justify in which extent the proposed market design is fair, useful, non-discriminatory, ensures a level-playing fieldf and not in breach of principle 3 of decision (B)1677/2 decision. Feedback received during the consultation of the design note: FEBEG has commented numerous times on the inappropriateness of the fallback formula imposed by CREG for the grid-users participating to the ToE regime. This concern is even more important if the ToE is extended to the ID/DA markets. The fallback formula is not correctly designed for the profile of grid-users active on these markets. Why would a BRP / supplier be remunerated with a fallback formula largely based on forward prices in the very likely case where sourcing is made on high DA prices? The BRP will certainly be exposed to a loss on its sourcing corresponding to the difference between the DA price and the fallback formula. FEBEG disagrees with the rationale of leaving this price risk to the BRP's, especially in the current volatile context where a decent part of the sourcing is performed on DA market. As stated in the past, the application of the fallback formula has to be neutral for the BRPs and suppliers and reflect to the maximal extent possible their sourcing costs. In order to ensure a level playing field between all market parties, FEBEG highly recommends to adapt the fallback formula to the sourcing profile of the grid-users targeted by this extension.	
Free option to perform arbitrage between the default transfer price and the DA/ID price	FEBEG	Without level-playing field because some technologies (for instance generation units) cannot profit of a similar free option at the expenses of the BRPs. Feedback received during the consultation of the design note: FEBEG has serious concerns that the proposed scheme leaves a free option to the FSP at the expenses of the Suppliers and BRPs. A FSP will be able to arbitrate the current fallback formula with the DA or ID price. As soon as a DA	This comment relates to the calculation of the default transfer price and is therefore transferred to the CREG.

		or ID is higher than the fallback formula, the FSP is certain to lock a profit. On top of that, a FSP is the requesting party of the activation (as opposed to mFRR where Elia is) and consequently may request an infinite number of activations. With the ToE DA-ID proposed mechanism, the FSP has therefore a free option that he may activate without any limit.	
Penalties	Febeliec	Febeliec also opposes the proposed exclusion for a given quarter hour of simultaneous participation to balancing and DA/ID markets, as this severely limits the valorisation of flexibility and according to Febeliec is even an undue market barrier that does not exist for other flexibility (see above). The proposed penalty (exclusion for one month from the DA/ID flexibility service or even 3 months if another occurrence within 12 months of the first occurrence) seems extremely punitive for Febeliec as it is based on a unilateral decision by Elia to not develop a combo activation capability and does not exist for other sources of flexibility. For Febeliec, this is not acceptable as this could strongly jeopardize market participation of delivery points, especially as all actors will also have to undergo a learning curve. Moreover, if the event were to be the result of an action by the FSP, the concerned delivery point and related grid user might even not be aware in advance and could thus be severely punished for something outside their control, while it would also be very strange that ToE DA/ID would not be allowed, but that the same delivery point and related grid user could still continue to trade on the day ahead and intraday markets (unless it would be the purpose to also limit those transactions, which would be equal to disconnecting the delivery point altogether from the grid). The same applies to the additional rules regarding FSP notification. Febeliec insists that at least a grace period for any new participant is included, in order to avoid discouraging new actors due to beginner's mistakes, as is also applied in other penalty schemes by Elia.	Elia considers the penalties applicable in case of missing notifications not overly harsh. This for the following reasons: • The notifications provide essential information to BRPs. • The penalties related to missing notifications only apply in case of three missing notifications (including the involved delivery point) within a period of 90 days, and activations in the context of the DA/ID flexibility service are not expected to happen very frequently. Regarding the penalties applicable in case a delivery point participates within the same quarter hour in the provision of the DA/ID flexibility service and an aFRR or mFRR balancing energy bid, Elia is of the opinion that a sufficiently strict penalty is required. This to avoid that FSPs would have an incentive to try to valorize the same volume of flexibility twice (e.g., selling a volume of flexibility on the DA/ID market that has been reserved for providing balancing capacity).

Domain of application of Transfer of Energy	Febeliec	Febeliec also still regrets that the ToE regime is (only) applicable for an activation of demand-side flexibility for a delivery points on medium or high voltage with a positive net offtake on an annual basis. This scope should be extended to all delivery points, not only medium or high voltage and with a net offtake on an annual basis. As this criterion could exclude market parties from valorising their flexibility in DA/ID markets, it should be removed to avoid discrimination.	Elia takes note of the position of Febeliec. However, Elia reminds to be bound to Art. 19bis of the Electricity law and decision (B)1677 of the CREG, in which the condition that delivery points have to be have a net offtake on an annual basis in order to be eligible for the ToE regime has its origin. Regarding the extension of Transfer of Energy to low voltage Delivery points, Elia reminds that metering on a 15 minute basis and allocation of the actual metered volumes to the perimeter of the BRP are preconditions in order to apply the ToE framework.

5. Next steps

On the basis of the reactions received from market players, as set out in this consultation report, Elia will finalize its proposal to amend the Rules on the organization of the Transfer of Energy and its proposal for the FSP Contract DA/ID. The finalized documents are submitted to the relevant regulators on December 17th 2020. A non-confidential version of the consultation report will be published on Elia's website after the submission to the CREG.

After approval by the CREG, market parties will be informed regarding the final documents and the planned go-live.

6. Attachments

Contact

Elia Consultations
Consultations@elia.be

Elia System Operator SA/NV
Boulevard de l'Empereur 20 | Keizerslaan 20 | 1000 Brussels | Belgium

Rules on the organization of the Transfer of energy and the FSP Contract DA/ID

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Centrica Business Solutions (CBS) response to the consultation

19th November 2020

First, CBS renews its support to and thanks Elia for the overall decision and implementation process of the DA/ID ToE: it will be a key enabler towards the next step of DR development in Belgium, and a key step to prepare the upcoming challenges and the need for additional capacity and flexibility in Belgium in the coming year.

Regarding the proposed rules and FSP contract, CBS points out to Elia to points of attention on which further clarifications or investigation would be welcome:

(i) given that some assets are still not eligible to some ToE regimes (DPs with no exposure to imbalances in aFRR mainly), imposing a unique ToE regime across all products for the same DP creates a risk of blocking situations, where a DP could lose its ToE regime in place for a certain product to go to aFRR for example.
-> CBS therefore asks Elia to consider removing this constraint and allow to have several ToE regimes per DP.

(ii) CBS understands the principle of having a unique FSP per DP across products, but underlines that the details of how conflicting situations will be handled by Elia remain unclear: in case an FSP wishes to add in ToE DA/ID a DP that is already engaged in aFRR or mFRR with another FSP (or vice versa), how Elia will detect the situation, inform the FSPs involved, and decide which FSP can remain active is unclear.
-> CBS therefore asks Elia to further clarify and consult on the details of the process and rules that will allow to sort such situations out in a transparent and fair way.

POSITION

Subject: FEBEG's comments on ELIA's public consultation on the rules on the organization of the Transfer of Energy and the FSP Contract DA/ID
Date: 19 November 2020

Contact: Jean-François Waignier
Phone: +32 485 779 202
Mail: Jean-francois.waignier@febeg.be

FEBEG thanks ELIA for having the opportunity to answer ELIA's Public consultation on the Rules on the organization of the Transfer of Energy and the FSP Contract DA/ID in the context of the implementation of Transfer of energy (ToE) for the day-ahead and intraday markets[1].
The comments and suggestions of FEBEG are not confidential.

Introduction

FEBEG is extremely concerned and worried on how the consultation on ToE DA & ID is evolving both in terms of content as well as methodology. FEBEG considers that the way this issue has been handled/discussed/consulted in the (recent) past is problematic and is hoping that the all the stakeholders will, in the steps still to be taken, duly consider the problems and issues raised by other stakeholders and market parties.

On the content, **Elia and CREG did reject all the concerns put forward by FEBEG.**

On the methodology, **FEBEG finds that its concerns are systematically ignored** without any explanation nor sound justification. FEBEG also wonders why this consultation (and the reactions of market parties) do not deserve a dedicated time slot in WG Balancing nor a public exchange as other consultations usually do. Also, Elia did not communicate on the results of the consultation of August and FEBEG regrets it is no longer available on Elia website (see annex - Infographics) nor are the reactions of the market parties as well as Elia's answer to it.

Again, **FEBEG wants to emphasize that this market design has almost no benefits, is unfair, discriminatory, not technology-neutral and has no level-playing field.** Detailed explanations can be found in FEBEG's answer to the consultation held in August[2].

Almost no benefits: Partly, because a part of the customers' deviations will be counter-balanced by the BRP's resulting in a net volume regulated of 0 MW but a financial exposure at BRP side. Also, because those customers may freely choose a supply contract where they do have access to ID & DA market.

Unfair because the current rules leave the underlying price and volume risks at the BRP's side.

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[1] https://www.elia.be/en/public-consultation/20201019_public_consultation_on-the_rules_on_the_organization_of_the_transfer_of_energy
[2] 2020-08-31 FEBEG comments ELIA design note on ToE in DA and ID markets

Discriminatory because the current regulated fallback price does not follow the principles put forward by CREG: BSPs will find that formula very attractive and have no interest in negotiating with BRPs as there will be no uncertainty at the moment of the activation. No negotiation will probably take place.

Without level-playing field because some technologies (for instance generation units) cannot profit of a similar free option at the expenses of the BRPs.

FEBEG believes that CREG decisions 1677/2 article 2.2.x are no longer applicable. As the current proposal is clearly more beneficial for the FSP.
More specifically, in CERG's response ("260-2020-PDE-FEBEG") to the Febeg letter concerning the ToE back-up formula ("2020-09-23_Febeg_creg_review_toe_back-formula"), the CREG wrote:

La CREG tient tout d'abord à rappeler que le modèle privilégié par le législateur est celui du règlement contractuel de la rémunération de l'énergie transférée et que la solution par défaut ne s'impose aux parties que dans le cas où la négociation n'aboutit pas. Dès lors, la CREG invite les fournisseurs à mettre tout en œuvre pour que les négociations avec les FSP aboutissent.

The experience of Febeg members is that the BSPs are happy with the back-up formula and there is very limited room for negotiation, if any. With other words, the formula is too generous for BSPs, which is a breach of principle 3 of CREG decision (B)1677/2 of 27th March 2020, namely "Formule de prix encourageant la solution négociée".

Overall, FEBEG wishes to raise the following important question: Can Elia & CREG justify in which extent the proposed market design is fair, useful, non-discriminatory, ensures a level-playing field and not in breach of principle 3 of decision (B)1677/2?

Specific remarks

Counter-balancing of DA-ID activation

FEBEG wants to emphasize its support for the principle that market parties should (to the extent possible) undertake beneficial activations for the grid. In this context, **FEBEG regrets that Elia is not worried about counter-balancing issues as Elia will equally suffer from it.** See Annex - Infographics. FEBEG prefers not to disregard this issue and put forward some solutions.

One possible measure is to waive confidentiality for DA-ID activations and having a non-competition clause applicable for one year (as an example). Let's not forget that neighboring countries (Ex: TenneT) do not apply such a dogmatic confidentiality clause that could lead to issues for the grid's efficiency/security.

Another possible measure is to split the activations in DA-ID into 2 clusters, one with Real-time balancing and one without it. The BRP would therefore know whether they should prevent counter-balancing.

Question: Is counter-balancing considered as a non-issue by Elia? If not, which alternatives were considered?

System to inform BRP source

As a consequence of the previous point, **FEBEG does not consider pragmatic nor simple/user friendly -as stated by Elia- the fact that activated volumes are aggregated for all DPpg**. Having the break-down per DP is necessary to avoid taking corrective measures as counterbalancing while it would not be necessary. FEBEG sees aggregation volumes as a contradiction leading to grid inefficiency/insecurity as well as creating additional complexity in balancing perimeters coverage… This is surprising because BRP coverage is put forward as a key challenge in the future in other Elia workshops (Real-time allocation of DSO points, MOG II, etc).

Combo activations

Art 12.4 3rd bullet point tackles the undesired situation where a DPpg would be activated both on mFRR and ToE DA-ID (for example). FEBEG fears that the proposed solution does not ensure a level-playing field between technologies. FEBEG calls Elia's attention to the need to align the way delivered volumes are computed between technologies.

Take the example of a DPsu being synchronously offered and activated on DA market and mFRR STD. With the current mechanism, the DPsu first needs to be balanced in DA and the residual energy activated in mFRR STD. If the DPsu produces less than the sum of the requested energy on DA and mFRR STD, it will be in default on mFRR STD first and then on DA. To say it differently, the energy produced by the DPsu will be discounted by the DA nomination to control whether the mFRR STD activation was compliant. This is explained with DPsu baseline being last nomination sent. The mFRR STD penalty regime will consequently be applied first in the case that there is missing delivered energy.

If Elia wishes to keep art 12.4 unchanged, then the baseline of last schedule sent for DPsu is discriminatory in FEBEG's opinion.

To ensure a level-playing field, FEBEG's opinion is the following: In case of simultaneous activation DA-ID & mFRR, the activated volumes should be allocated in priority to 1/ DA-ID activation, 2/ mFRR non-contracted, 3/ mFRR contracted as it is already applicable for other technologies.

Question: FEBEG is surprised. This comment (see infographics) was already shared in previous consultation and considered as valid by Elia. Elia argued nevertheless that it was not an issue as the functionality would not be implemented. Why is such a combo mechanism then described in the ToE rules? Why is it written in a way that no level-playing field will exist with other technologies (for instance, a generation unit being offered on DA & mFRR)?

Submetered process

FEBEG already raised **its concern about an activation on a process that could be compensated by another submeter under a similar headmeter** (for instance, cold storage). Elia answered that this problem is identified and can be tackled. However, when reading both T&C ToE DA-ID and T&C BSP mFRR, it is far from being obvious which actions Elia will undertake for that.

Question: Can Elia elaborate on the concrete means and actions it will undertake?

Baseline method

The baseline method X of Y is unfair for the supplier and the BRP. It can lead to a misestimation of the volumes activated and would leave that volume risk to the supplier and BRP. Factually, the impact of a grid-user activation is the difference between the DA nomination (read its energy sourced) and its realized off-take. In ToE DA-ID proposed scheme, the activation equals the difference between the baseline method X of Y and the realized off-take. **Therefore, the difference between DA sourcing and the baseline method is a risk fully bore (and not possible to mitigate) by the supplier and BRP. FEBEG**

believes that using DA nomination (at least for TSO-connected DPpg where nomination per EAN per QH is mandatory) **would get rid of this risk.** For DSO-connected DPpg, FEBEG considers it unfair to be exposed to such a volume risk.

Question: Why is the BRP exposed to the underlying volume risk as a consequence of an approximative X of Y baseline method?

Pass-through definition

From the redefinition of pass-through contract, the CREG intends to narrow the scope of pass-through to those customers that are only exposed to an imbalance price; hence, leaving the customers exposed to day-ahead and not to imbalance at the Transfer of Energy scheme. CREG mentions that this is the result of the upcoming entry into force of Transfer of Energy for DA & ID.

- **For activations on DA**: FEBEG does not see the added value of narrowing the scope as a customer that makes an activation on the DA market would immediately benefit from it through its supply contract. FEBEG does not see the point in artificially waiving this DA exposure during the activation and complexifying the settlement process. This settlement would have been simple and crystal-clear, and limited to the couple customer-supplier/BRP.

- **The amendment imposed by CREG will bring additional complexity as there will be instead multiple settlement processes:**
  Settlement BSP – Customer
  Settlement BSP – Supplier/BRP
  A correction of perimeter by TSO
  An ad-hoc settlement (specific to the activation) Customer – Supplier/BRP

  Questions: Who will compensate for the operational costs being incurred by this additional complexity? Can the conclusions of the cost-benefits analysis be shared with the market parties?

- **For activations on balancing market**: The immediate effect of this amendment will be that the amount of customers where a bilateral agreement BSP-BRP is needed or where the regulated price formula is applicable will increase. Again, comparing with the current situation **FEBEG does not see any added value for the balancing market, BRP's/ Suppliers, the Customers, and nearly all BSP's.** The complexity explained above also applies here. Assuming ToE DA-ID has an added value, it seems disproportionate to review the whole pass-through definition for balancing market products.

- **For activation on ID market**: In the unlikely event a Customer does want to valorize its flexibility on ID market but choose a supply contract limited to DA exposure (ID and imbalance exposure contract are available on the shelf) and appoints a BSP to valorize its flexibility, FEBEG acknowledges that the current pass-through definition is not suited. FEBEG fears that a very specific case (can such a concrete case already be identified today, which would require this complex solution?) triggers a disproportionate answer namely applying a new pass-through definition to DA, ID & balancing market. Here, **FEBEG can only recommend that CREG limits the amendments to ID activation only and/or that customers choose for a supply contract with exposure up to imbalance.**

Annex – Infographics

elia.be/en/public-consultation

Applications Portal E-logistics Twizzit jao.eu Magellan ENTSO-E Transpare... Intraday Imbalance... Mon Lambermont -... Salesforce Intraday Peacockpit myworkandme

Closed consultations

01 October 2020 - 01 November 2020
Public consultation on integration of additional offshore capacity - mitigation measures

30 September 2020 - 30 October 2020
Public consultation on Elia's findings regarding the design of a scarcity pricing mechanism for implementation in Belgium

22 September 2020 - 20 October 2020
Public consultation on Day-Ahead Balance Obligation of BRPs

16 September 2020 - 16 October 2020
Public Consultation on Core Long Term Capacity Calculation Methodology

15 September 2020 - 15 October 2020
Public consultation on the test plan

15 September 2020 - 15 October 2020
Public consultation on Smart Testing methodology

01 September 2020 - 01 October 2020
Public consultation on the study on pay-as-bid vs. pay-as-cleared remuneration for mFRR & aFRR capacity

28 August 2020 - 25 September 2020
Formal public consultation on the CRM Functioning Rules

24 August 2020 - 21 September 2020
Strategic Reserve: input data for determining the volume for winter 2021-2022

01 July 2020 - 31 August 2020
Public consultation on the impact of the Belgian control block on the Deterministic Frequency Deviations in Europe

24 July 2020 - 24 August 2020
Public Consultation on Channel/Core CACM 44: Fallback procedures

10 June 2020 - 10 July 2020
Public consultation on Elia's proposal to unilaterally terminate the appointment as access holder and/or balancing responsible party

Combo

- Febeliec asks to remove the exclusion of simultaneous participation to SDR and balancing services/ DA/ID flexibility services
  - Elia refers to the discussion related to the provision of strategic reserves, and retakes its position that if a load behind a certain Delivery Point has participated in DA/ID, it has proven to be in the market without the need for additional revenues from Strategic Reserves.
- In case of a Combo activation (e.g., mFRR and DA/ID), **FEBEG argues to calculate and correct the perimeter based on ToE DA-ID (and not mFRR) rules** in order to provide strong incentives to provide the flexibility needed to balance the grid and to ensure a level-playing field with the Generation units. FEBELIEC argues that the **proposed penalty in case of a Combo activation is extremely punitive**.
  - Elia acknowledges that in case the activation combo would be implemented, it is important to ensure a level playing field with generation units. However, Elia emphasizes that the combo functionality will currently not be implemented. In this regard, the activation control for mFRR remains unchanged, while penalties are put in place to incentivize FSPs not to perform combo activations. In case a combo activation would nevertheless occur, the Delivered volume of flexibility needs to be calculated. In line with the calculation of $mFRR_{supplied}$ (used for the activation control of mFRR), the baseline applicable for mFRR will be used for the calculation of the Supplied volume of flexibility.
  - Elia takes not of the opinion of Febeliec. However, the position of Elia is that, as long as the combo functionality is not foreseen, a sufficiently strong penalty is required to avoid that FSPs would try to valorize a certain volume of flexibility twice at the expense of creating a risk for the system (e.g., selling a volume of energy on the ID market that has been reserved for providing balancing capacity).

Title of presentation 6

Notifications

- **FSP Notifications**: FEBELIEC considers the penalties applied in case of missing notifications too harsh (i.e., 30 days suspension for DPs for which 3 notifications have been missed or provided too late). FEBELIEC proposes to allow re-admittance of suspended delivery points after a new communication test is successfully completed, and to consider a period of grace for new market participants.
  - Elia does not perceive these penalties to be overly harsh for the following reasons:
    - the notifications provide essential information to prevent BRPs from counterbalancing (and hence introducing imbalances in the system).
    - the penalties related to missing notifications only apply in case of three missing notifications (including the same Delivery point) within a period of 90 calendar days.
    - Elia expects the number of activations to be limited.
  - Elia does not support re-admittance of suspended delivery points after a new communication test because missing notifications are not necessarily due to technical problems.
- **Notifications to the BRP_{source}**: FEBEG has a concern regarding grid users that are metered and balanced in real-time. Given that the notifications provide information regarding the aggregated activated volume (and hence not per DP), the BRP might counterbalance an activation of a GU that is metered and balanced in real-time. FEBEG encourages Elia to investigate the magnitude of this problem and possible remedies.
  - Elia is required to provide aggregated information to ensure confidentiality (as stipulated in Art. 19ter of the Electricity law).

Title of presentation 4

Other remarks

- FEBEG has a concern regarding situations where **a grid-user activates a process being submetered while compensating such an activation by another submetered process** (e.g. several cold storage submeters under one head meter).
  - The issue described by FEBEG will be addressed similar as for mFRR. Specifically, Elia monitors to see if an activation at a Submetering Delivery point has on overall effect at the level of the Access point. If this is not the case, a sound justification will be requested from the FSP. In case no sound justification is provided, Elia disqualifies the Delivery point.

- FEBELIEC **requests clarifications regarding the coverage of the Opt-out agreement as well as the role of the CDSO**
  - Elia takes note of these requests for clarification and will pay attention to this while adapting the ToE rules.

- FEBELIEC further argues that the **scope of ToE should be extended to all delivery points, not only medium or high voltage points that have a net offtake on an annual basis.**
  - Regarding the condition of net offtake, Elia reminds to be bound to Article 19bis §2 of the Electricity Law and CREG's decision 1677. Taking into account the existing legislative and regulatory framework, Elia currently only applies ToE to delivery points with a net-offtake character.
  - Regarding the extension of ToE to low voltage point, Elia reminds that metering on a 15' basis is a prerequisite for ToE.

Title of presentation 7

FEBELIEC vzw/asbl
BluePoint Brussels, Bld. A. Reyerslaan 80, 1030 – Brussel/Bruxelles
Tel: +32 (0)496 59 36 20, e-mail: febeliec@febeliec.be, www.febeliec.be
RPR Brussel - TVA/BTW BE 0439 877 578

Febeliec answer to the Elia consultation on the rules for the organization of Transfer of Energy

Febeliec would to thank Elia for this consultation on the rules for the organization of Transfer or Energy (ToE). As already replied during earlier consultations, Febeliec would like to point out that ToE in DA/ID is important to ensure that all market parties, in particular consumers, are able to capture as much value from market participation as possible. This implies that the success of ToE in DA/ID does not necessarily lie in the market volume that is applying this ToE solution, but rather in the better bargaining position that it gives consumers in order to be able to valorise their flexibility.

On the proposed changes, Febeliec regrets that Elia will not implement the activation combo which would allow for a delivery point to provide two services within the same quarter hour. By this omission, Elia forces market players with demand side response to chose between markets, whereas such limitation does not exist for generation facilities. Febeliec cannot accept this discrimination and market barrier and thus ask explicitly to remove it by allowing an activation combo.

The same applies to the fact that Elia does not allow a multiple FSP functionality on a single delivery point, which also forces market players with demand side response to select only one FSP in the only market (see above) they are allowed to valorise their flexibility, even more limiting their ability to valorise their flexibility as this does not allow them to select for every product that FSP that would give them the best value, but rather would have to select one single FSP for all products which would not necessarily allow them to optimize and maximize their flexibility valorisation, to the detriment of their revenue but also to market functioning. This could in the end even lead to a lock-in effect and the potential creation of dominant market positions. Moreover, it would not allow a grid user to work with an external FSP for one product, but be its own FSP for another product. While Febeliec understands that allowing multiple FSPs to act per delivery point might construe an additional complexity and might require additional developments, Febeliec cannot accept this market barrier.

Febeliec appreciates that a contractual combo between DA/ID flexibility service and other services will be enabled, but where this might provide already some flexibility, it does not solve the abovementioned risk of lock-in effects and would be at best a partial solution for certain actors and/or situations.

Moreover, Febeliec also most strongly urges Elia and CREG to remove the exclusion of simultaneous participation to SDR and balancing services, as it would be strange that delivery points could participate to DA/ID and balancing, but not to any combination with SDR (and even more strange not to a combination of DA/ID and SDR, which would exclude delivery points completely from the market, which would be an aberration as price formation is done on those markets).

Febeliec also still regrets that the ToE regime is (only) applicable for an activation of demand-side flexibility for a delivery points on medium or high voltage with a positive net offtake on an annual basis. This scope should be extended to all delivery points, not only medium or high voltage and with a net offtake on an annual basis. As this criterion could exclude market parties from valorising their flexibility in DA/ID markets, it should be removed to avoid discrimination.

Febeliec also opposes the proposed exclusion for a given quarter hour of simultaneous participation to balancing and DA/ID markets, as this severely limits the valorisation of flexibility and according to Febeliec is even an undue market barrier that does not exist for other flexibility (see above). The proposed penalty (exclusion for one month from the DA/ID flexibility service or even 3 months if another occurrence within 12 months of the first occurrence) seems extremely punitive for Febeliec as it is based on a unilateral decision by Elia to not develop a combo activation capability and does not exist for other sources of flexibility. For Febeliec, this is not acceptable as this could strongly jeopardize market participation of delivery points, especially as all actors will also have to undergo a learning curve. Moreover, if the event were to be the result of an action by the FSP, the concerned delivery point and related grid user might even not be aware in advance and could thus be severely punished for something outside their control, while it would also be very strange that ToE DA/ID would not be allowed, but that the same delivery point and related grid user could still continue to trade on the day ahead and intraday markets (unless it would be the purpose to also limit those transactions, which would be equal to disconnecting the delivery point altogether from the grid). The same applies to the additional rules regarding FSP notification. Febeliec insists that at least a grace period for any new participant is included, in order to avoid discouraging new actors due to beginner's mistakes, as is also applied in other penalty schemes by Elia.