

Subject: FEBEG comments on ELIA's public consultation on a modification of the methodology to determine the balancing capacity in the ELIA LFC block

Date: 11 October 2022

Contact: Jean-François Waignier

Telephone: +32 485 77 92 02

Mail: jean-francois.waignier@febeg.be

---

FEBEG thanks ELIA for having the opportunity to react ELIA's Public consultation on a modification of the methodology to determine the balancing capacity in the ELIA LFC block<sup>1</sup>.

The inputs and suggestions of FEBEG are not confidential.

## General Feedback

FEBEG acknowledges the exceptional nature of upcoming winter. In this situation, we understand – and can support – the need to implement a quick fix and amendment of the LFC Means. However, we consider this quick fix as an incomplete and temporary solution. We are still convinced that FRR procurement should be dynamic, robust over time and safeguard the grid security at any time.

## Specific feedback

The world of energy is in constant evolution and is impacted by countless factors such as geopolitics, fuel prices, regulatory adaptations, shift in the energy mix, unavailability in the generation fleet, etc. For these reasons, FEBEG believes that assumptions made on the dimensioning of reserves, including TSO sharing agreements and their respective availability should not be taken lightly, indeed it is risky to be too dependent from neighboring countries and sufficient safety margins should be taken into account. While it is true that the coming winter is expected to be a challenging one, reviewing the assumptions to correctly dimension FRR needs should not be restricted to this winter only. Critical situations can also happen beyond the winter period. It is always possible to face at the same time high consumption, extreme intermittency on renewables, low generation availability, etc while surrounding countries would be simultaneously be exposed to same events. Relying on TSO sharings should be done only when those sharings are available in reality. By nature, this cannot be a static exercise.

---

<sup>1</sup> [https://www.elia.be/en/public-consultation/20220920\\_public-consultation-on-a-modification-of-the-methodology](https://www.elia.be/en/public-consultation/20220920_public-consultation-on-a-modification-of-the-methodology)

FEBEG wishes to again emphasize on the long-term visibility needed to enable the market to be adequate when it comes to means and needs. Implementing a solution only valid for this winter will not provide enough certainty nor give an appropriate investment signal. One can notice that FRR procurement (LFC BOA) has decreased in the recent past – which seems counter-intuitive with the increase of intermittent generation – and that some flexibility has left the market as a result of this. It is a fear that FEBEG expressed multiple times in its position paper and we can only notice that it became a reality. Such an evolution is very unfortunate and FEBEG believes that a stable and regulatory framework is a prerequisite to mitigate that risk. We like to remind ELIA specifically on the clear concerns put forward by FEBEG (and other market parties) regarding the reduction of the volume for aFRR with 28 MW. The reduction to 117 MW has given a negative signal towards the market and increased the already high level of regulatory uncertainty.

Finally, FEBEG wants to call ELIA's attention on the publication of the Critical Grid Situation indicator. Upcoming winter will undoubtedly raise operational challenges with huge financial exposures. In this context, it is of utmost importance that ELIA publishes transparently the Critical Grid Situation indicator on its website at the very least 3 days in advance. We remind that this will be a new process to be handled by operational teams and each shifter will need to be trained. Anticipation will be key to make it happen.

## Conclusion

FEBEG acknowledges and can support the need to implement the Critical Grid Situation indicator in the LFC means as a quick-fix. However, we also like to look further and not only focus on a short term quick-fix to tackle issues on FRR procurement for the coming 5 months. We consider even more important to improve the FRR procurement methodology on the longer term. The dynamic FRR procurement, as proposed by ELIA in previous and ongoing consultations, appears to be a more appropriate tool and a more robust methodology providing longer term visibility to market participants. The Critical Grid Situation indicator should consequently be a permanent criteria integrated within this robust methodology to define dynamically the FRR procurement. And this for the simple reason that relying on TSO sharings should be done only when those sharings are available in reality. By nature, this cannot be a static exercise.