

## CONSULTATION REPORT

**Report on the public consultation regarding the Terms and Conditions for the Outage Planning Agent (T&C OPA), Terms and Conditions for the Scheduling Agent (T&C SA) and the Rules for Coordination and Congestion Management in the framework of the phase 1 of iCAROS project as well as the planning of the implementation of the scope of iCAROS phase 2**

23th October 2023



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# 1. Introduction

Elia organized a public consultation from 6 June 2023 to 25 August 2023 regarding the Terms and Conditions for the Outage Planning Agent (T&C OPA), Terms and Conditions for the Scheduling Agent (T&C SA) and the Rules for Coordination and Congestion Management in the framework of the phase 1 of iCAROS project as well as the planning of the implementation of the scope of iCAROS phase 2.

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:

- *Belgian Offshore Platform (BOP)*
- *Centrica*
- *Eneco Energy Trade BV*
- *FEPEG*
- *FEBELIEC*
- *Zandvliet Power N.V.*

All responses received have been appended to this report. These reactions, together with this consultation report, will be made 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 the list of the parties who sent a response to the public consultation;;
- Section 3 contains instructions for reading this document;
- Section 4 summarizes the various comments received during the public consultation and ELIA's position on each of them;
- Section 5 includes some complementary adaptations of the T&C SA and T&C OPA due to necessary clarification or alignment with other contracts;
- Section 6 describes the next steps that will follow public consultation;
- Section 7 contains the annexes of the consultation report.

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

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

<b>Subject/Article/Title</b>	<b>Stakeholder</b>	<b>Feedback received</b>	<b>ELIA’s view</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>

- A. Subject covered by the question(s)/feedback(s) received.
- B. Stakeholder having provided the question/feedback.
- C. Question/feedback received by the stakeholder.
- D. ELIA’s answer to the question/feedback received, including the reasons why ELIA has or has not taken the stakeholder’s feedback into account in the final proposal.

## 4. Comments received during the public consultation

### 4.1 General comments received during the public consultation

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

Subject	Stakeholder	FEEDBACK RECEIVED	ELIA'S VIEW
<i>General comment</i>	<i>BOP</i>	<p>As more and more renewable generation will be introduced into the electricity system, they gradually become the standard type of generation assets. Revisions and new procedures are to be designed to maximize the benefits of the renewable generation assets instead of limiting their use by trying to force them within a framework originally designed for fully controllable and plannable assets.</p> <p>While Elia has demonstrated in the past to use available tools and measures appropriately and proportionately, the current version of the documents lacks clear language outlining the situations, limitations and thresholds that are to be respected in applying the described tools and measures. From a legal perspective, there is little to no protection for the grid user / OPA / SA from misuse by Elia. We request that such principles are properly reflected in the documents.</p> <p>Operational planning and scheduling are tools for Elia in the context of congestion management, and this should be reflected in the documents and in their design:</p> <ul style="list-style-type: none"> <li>- Firstly, it needs to be made explicit in the relevant T&amp;Cs that these tools will indeed only be used for congestion management, and not for balancing purposes, for example. Certain mechanisms described in the documents made available in the public consultation flirt with this distinction.</li> <li>- Secondly, the fact that the tools serve Elia's congestion management, implies that the obligation of the OPA or SA should not be construed as providing perfect forecasts of availability and production, as such obligation is not required for congestion management. In addition, it is also not adapted to the technical reality of weather-dependent assets. The OPA and SA should provide sufficiently accurate forecasts (the accuracy of which can be controlled ex post taking into account due</li> </ul>	<p>Elia agrees with BOP statement about the increasing share of renewable generation but also recalls the challenges the TSO will face due to the expansion of renewable generation on the grid and insists on the necessity to receive accurate information to be able to ensure the management of the grid operational security as it is required by the European and national legal frameworks.</p> <p>Concerning the iCAROS framework, Elia reminds that the processes described in the framework of the OPA and SA contracts concerns the safeguarding of the grid operational security which is ensured by Elia according to the modalities described in the Rules for Coordination and Congestion Management. This document was consulted simultaneously with the T&amp;C OPA and T&amp;C SA and is also subject to approval by the regulator. This means that the use of must-run/may-not-run/RD energy bids and return to schedule by Elia is strictly governed by the rules defined in the Rules for Coordination and Congestion Management and, for very specific cases and only for the use of RD energy bids, by the LFC BOA. The reference to these documents is already made in the SA/OPA contracts and has been added more explicitly in some articles to increase the market parties confidence in the use of the means to ensure the grid operational security.</p> <p>Elia does not agree that the frameworks of the OPA and SA contracts do not fit for weather dependent assets. While the contracts are drafted in a technology neutral way, they take into account particularities of assets, among which renewable -wind production assets, and recalls for this two important design elements:</p>

		<p>diligence criteria) for Elia to perform its congestion management, but any changes and errors in the forecasts, especially for weather-dependent production, are not to be penalized directly or indirectly in the OPA / SA procedures (e.g. via rejection of change requests or non-remunerated return-to-schedules and this independently of weather conditions such as storms). The OPA / SA terms and conditions now treat different types of generation assets (weather-dependent vs predictable and linear) that are in a different forecasting situation identically and without any objective justification, which in our opinion does not comply with the general principle of equal treatment.</p> <p>BOP also repeats its general message that any limitations imposed on grid users regarding power offtake or injection are to be considered as a service and must thus be remunerated, in accordance with the EU Electricity Market Regulation 2019/9431 (the “Electricity Market Regulation”). Also, non-market based interventions are only to be introduced after a thorough investigation and a robust justification of its need and effectiveness, supported by extensive data analysis, and are only to be applied as last resort options with a transparent ex-post justification and reporting of its use to the parties involved (BRP/producer...).</p> <p>The current status of the iCAROS design phase 1 and its elaboration in the documents under consultation is, in our view, not sufficiently discussed and has not sufficiently advanced to close phase 1 and to formally approve the proposed terms and conditions and rules. BOP urges Elia to extend the discussions in a new series of workshops with the stakeholders and based on a major update of the proposals following the input from this public consultation and an extensive investigation and justification of the need for new congestion management measures</p>	<ul style="list-style-type: none"> <li>• Elia first reminds the fundamental link between a Return to Schedule (RTS) request and the Congestion Risk Indicator (CRI) level i.e. a RTS can only be requested in case of High or Medium CRI level in the concerned electrical zone as described in the Rules for Coordination and Congestion Management. As the CRI levels are determined as from day-ahead and published by Elia, the risk for a SA to be exposed to a RTS is transparent and known in advance in most of the cases. As a consequence, any deviations from the last validated schedule provided at RD GCT are fully allowed in the direction of a Low CRI. These rules are applicable to all types of units and allow to anticipate if variations of production after RD GCT, whatever the reason (change of forecast, late ID trade), will be possible.</li> <li>• Weather dependent generation resources are of course to be considered as non-coordinable in the upward direction so that a RTS will never be requested in the upward direction i.e. these units will never be requested to increase their power production (as it is of course not possible in the absence of wind/sun).</li> </ul> <p>Elia does not agree with BOP on the remuneration of any limitations imposed on grid users regarding power offtake or injection and refers to the European Methodology for coordinating operational security analysis (in accordance with Article 75 of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation) as well as to the national Code of Conduct to justify the possibility to use such non-remunerated limitations.</p> <p>Elia is surprised by BOP statement that the design of phase 1 has not been sufficiently discussed as Elia has organized, since the design was consulted end 2017, several workshops with market parties in which the major elements such as return to schedule and gate closure time were presented and debated. In order not to jeopardize the go live of iCAROS phase 1, Elia will not re-open the discussions about the full iCAROS phase 1 design and can only allow some minor fine-tunings at this stage. However, Elia will of course assess each market parties’ concern expressed in this public consultation.</p>
Executive summary	FEBEG	FEBEG is disappointed with the way the discussions and the process have evolved in recent months, and unfortunately also with the content of the documents under consultation. The proposed design appears to be a step backward for FEBEG’s	Elia does not agree with FEBEG that the iCAROS design is no longer a balance approach and reminds that iCAROS phase 1 brings a major evolution contained in this package deal i.e. the freedom of dispatch. While today production units

	<p>members compared to the current situation as it imposes additional obligations on SAs and OPAs without that it was demonstrated that this would be needed, or without providing corresponding benefits. Therefore we feel we are no longer in a balanced approach which was the purpose of the historical so-called “package deal” mentioned by Elia in the document.</p> <p>In this global agreement, which was supported by all stakeholders, FEBEG members agree to evolve from a market based approach to a cost based one for congestion remuneration. In a European context, where this is certainly not the standard, FEBEG feels there is little appreciation for this agreement and a lack of balance in the final T&amp;C proposals.</p> <p>For this reason the design proposals will need to evolve and be improved but to re-equilibrate Elia’s proposals ad minima following corrections are needed before an implementation can be considered:</p> <ul style="list-style-type: none"> <li>- Remove unjustified administrative penalties for inconsistency between OPA/SA if OPA/SA can demonstrate to have acted correctly</li> <li>- Ensure full coverage of all costs when activating RD bids (incl 100% of startup cost when of application – also in case of over-delivery)</li> <li>- Provide transparency on RTS activations and ensure RTS activations are only send to the SA’s under rare conditions, otherwise remuneration of costs might have to be considered</li> <li>- Set penalty factors at zero in the beginning of the iCAROS phase 1 implementation – penalty factor to be increased, in combination with an improved tolerance band, only when it can be demonstrated this is required to have correct behaviour – mere removal of benefits when the deviation occurs in favour of the SA takes away all possible incentive to not deliver the RD bid</li> <li>- Take necessary steps to align GCT with mFRR in the future or - at least - give the possibility to amend the bids after GCT (such as proposed for mFRR)</li> </ul>	<p>can be “blocked” as from day-ahead by the so called “red zones”, “Freedom of dispatch” will allow market parties to grab all market opportunities until RD GCT independently on the risk of congestion in the Belgian electrical zones. Elia would like to insist on the high impact of this approach on its operational process to safeguard the operational security. This means that Elia absolutely needs sufficient time after RD GCT to assess the need of remedial actions in case a grid security issue occurs as well as very reliable redispatching activations to ensure that these issues can be solved.</p> <p>Concerning the 5 points mentioned by FEBEG, Elia answers these in details further in this consultation report but mentions below the main elements:</p> <ul style="list-style-type: none"> <li>- Elia reminds that data completeness and consistency controls are introduced to support the split of OPA and SA roles and ensure that correct data are provided to Elia in order to safeguard the operational security of the grid. In case an inconsistency between the data provided by the OPA and the SA is detected by Elia, a correction of this inconsistency is possible by the SA and the OPA. This correction process is facilitated via the notifications sent to market parties by Elia as soon as inconsistencies are detected. Only inconsistencies that are not solved by the OPA and/or SA will finally lead to an incentive. Elia has put everything in place to trigger and facilitate the correction of inconsistencies by the concerned parties including the application of incentives <u>as last resort</u> (and after several occurrences of non-corrected inconsistencies) because good data quality, the main objective of the controls, is a prerequisite for a correct assessment of the operational security. The ultimate goal of Elia is to have high quality data and no inconsistency incentives. Given the incentive is per party, the incentive in case the same party takes the role of SA and OPA will be applied only once.</li> <li>- Components of cost-formula can be added in the annex in case they respect the cost-based criteria stated in Annex 6 of the SA contract. Opportunity and investment costs do not respect these rules and will be rejected as reasonable cost elements.</li> </ul> <p>While existing today, Elia has decided to remove the overdelivery control following FEBEG’s comment and considering complexity related to the identification of start-up costs due to explicit bidding and relatively low frequency of start-up to solve operational security issues.</p>
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<p><i>General comment</i></p>	<p><i>FEBEG</i></p>	<p>It is important to recall that market parties and Elia reached a package deal, which was, at the time, considered a fair compromise by all stakeholders. However, there was, at that moment, no notion of implementing stricter penalties. FEBEG considers the current rules, described in the consultation documents, to be disproportionate (in the negative sense for the BRPs) and thus, it does, for FEBEG, no longer correspond to the initial, more balanced, agreement. The package deal did not include provisions for such penalties and FEBEG believes that Elia has deviated from the agreed-upon terms by introducing new elements. This raises concerns regarding future agreements and the potential difficulty in reaching a balanced and fair market design for all market parties.</p> <p>FEBEG is of the impression that the design presented in the consultation documents is primarily optimized to serve Elia's interests, which comes at the expense of BRP, SA, and OPA. Elia added various elements, without having demonstrated the need, and some of which were not even presented during the workshops, resulting in an imbalanced design that favours Elia.</p> <p>FEBEG members attended the multiple workshops and gave honest feedbacks during those presentations as well as during bilateral exchanges and we deeply regret those comments were mostly discarded and not included in the documents</p>	<p>Elia does not agree with FEBEG and reminds that the package deal foresees the introduction of freedom of dispatch (authorizing the updates of schedules until RD GCT without Elia's validation except in 3 precise situations) which is a major benefic evolution for the market parties compared to the current situation (where all additional market activities in congested areas are blocked) with a high impact on Elia's processes. Elia also reminds that the introduction and existence of incentives related to RD activation controls were described in the initial iCAROS design note and during all subsequent iCAROS finetuning workshops, and the existence of incentives hasn't been questioned or considered at that time as a violation of the package deal. This being said Elia recognizes that while incentives are necessary to keep a certain level of incentive to correctly perform the activation, their purpose is not to be over-penalizing.</p> <p>Concerning the additional elements not presented during workshops, FEBEG only mentions below one element related to the control of start-up which is actually already part of the current SA contract and was only clarified and detailed in this updated SA contract for iCAROS phase 1. Elia answers to this specific point further in this consultation report.</p>



		<p>under consultation.</p> <p>While FEBEG has previously raised concerns about the absence of a comprehensive design note, it is deeply regrettable that additional elements have been included without proper presentation during the workshops, this is even more problematic given the very high importance of the iCAROS project and the additional questionable issue of the consultation deadline being in the middle of summer.</p>	<p>Finally, Elia recalls that several presentations have been made to market parties with an explanation of the design as well as an explanatory document for the public consultation. While Elia understands market parties comment about the period of public consultation, Elia still reminds that the iCAROS public consultation started already on the 6<sup>th</sup> of June with the provision of the documents in English and extended the deadline until the end of August.</p>
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## 4.2 Specific comments received during the public consultation on all documents

<b>Subject</b>	<b>Stakeholder</b>	<b>FEEDBACK RECEIVED</b>	<b>ELIA'S VIEW</b>
<i>Provision of information for demand facilities</i>	<i>Febeliec</i>	<p>Febeliec has only a limited number of comments on the documents under consultation, as most of its concerns and comments were already treated during the working group meetings and related discussions with Elia. Given the exemption for demand facilities in phase 1 of iCAROS, Febeliec strongly requests in the framework of iCAROS phase 2 to clarify especially for OPA on which level demand facilities have to provide the relevant information (site level, level of the individual installation, asset level, ... as the document mentions that a technical facility equals a technical unit equals a factory on an industrial site, which is of course in integrated sites less obvious), although this presumably and according to the discussions with Elia should at this point not be very different from the practices regarding outage planning which have been in place for many years. Nevertheless, it is important to have a clear understanding of the level of granularity required, so that industrial consumers can efficiently provide the required information</p>	<p>Elia first thanks Febeliec for its participation to the different workshops related to iCAROS and provision of valuable feedbacks. Elia confirms that the level on which demand facilities will have to provide the information will be detailed in the framework of the phase 2 after discussion with the market parties.</p>
<i>Incentives</i>	<i>Febeliec</i>	<p>Febeliec in general agrees that penalties should apply if a service provider does not respect the availability plan, the schedule or the redispatch bids as provided by the service provider itself. However, regarding inconsistencies between the data provided by the SA and OPA, Febeliec understands the approach of Elia to apply penalties to both parties as it is indeed difficult for Elia to identify the responsible party for such inconsistency, yet Febeliec insists that a penalties are not applied unduly, specifically in cases where it is clear that no intentional elements were in play.</p>	<p>Elia reminds that data completeness and consistency controls are introduced to support the split of OPA and SA roles and ensure that correct data are provided to Elia in order to safeguard the operational security of the grid. In case an inconsistency between the data provided by the OPA and the SA is detected by Elia, a correction of this inconsistency is possible by the SA and the OPA. This correction process is facilitated via the notifications sent to market parties by Elia as soon as inconsistencies are detected. Only inconsistencies that are not solved by the OPA and/or SA will finally lead to an incentive. Elia has put</p>

			<p>everything in place to trigger correction of inconsistencies including the application of incentives as last resort because good data quality, the main objective of the controls, is a prerequisite for a correct assessment of the operational security. Ex-post discussion remains also always possible in the framework of the rules regarding disputes described in the specific and general conditions of the contract.</p>
<p><i>Scope and obligations</i></p>	<p><i>FEPEG</i></p>	<p>FEPEG acknowledges that iCAROS phase 1 only applies to injection units with a capacity of 25 MW or above, and it recognizes that this obligation is not intended to be imposed on all TSO-connected delivery points in iCAROS phase 1. However, this raises two significant concerns.</p> <p>First, while iCAROS rules aim to efficiently manage grid functionality and detect potential congestion issues, exempting large demand facilities from iCAROS obligations hampers the accurate identification and minimization of congestion. It is important to note that asset owners with units located in frequently congested electrical zones are unable to seize market opportunities to the same extent as others due to Elia's filtering of balancing energy bids. FEPEG refers to its previous response to the consultation on improving data for congestion prediction, emphasizing the need for a level playing field for all grid users.</p> <p>Second, the introduction of concepts such as (i) Gate Closure Time (GCT) and (ii) associated inability to update schedules &amp; RD energy bids, (iii) Return to Schedule (RTS) and (iv) the multiple enforced penalties in iCAROS phase 1 disproportionately affects injection units greater or equal to 25 MW with obligations. FEPEG finds this discrimination unacceptable (resulting from i, ii, iii and iv) and urges Elia to ensure equal treatment for all units, regardless of technology or voltage level. Demand facilities connected to high-tension voltage do not face those multiple obligations and restrictions. Injection units should have similar treatment while both should in harmony contribute to grid security and congestion reduction by submitting Day-Ahead (DA) and Intraday (ID) schedules. Similarly, units included in the scope of phase 1 of iCAROS should have equal rights and be able to seize the same market opportunities as units not targeted by this phase. It is crucial to establish a level playing field that allows all units, regardless of their characteristics or targeted scope, to participate on equal terms and benefit from the same rights and opportunities within the market design. FEPEG underlines that a fair and non-discriminatory market design for all market participants and grid users should be a priority.</p> <p>Whereas already today other obligations lay upon production units &gt;25MW vs</p>	<p>Elia first reminds that the current European and national legal framework allow to impose different requirements on production (and storage) facilities compared to demand facilities concerning the provision of data related to outage planning, scheduling and redispatching. Given the current operational needs of Elia and in discussion with market parties, and in accordance with existing legal framework, Elia opted for a phased approach for the iCAROS project, and so the initial focus on the technical facilities with a maximum power larger or equal to 25 MW, was agreed with the market parties to be extended to all technical facilities in later phases of the project given that data requirements for these units in a transitory phase can be covered through other data processes and to avoid a very significant and impacting evolution if all phases had to be implemented together. The extension of the scope to technical facilities with a maximum power between 1 and 25 MW is foreseen in the next phase of the iCAROS project.</p> <p>Concerning the participation of large demand facilities in scheduling and outage planning processes, Elia first reminds that participation to outage planning is foreseen in the framework of the phase 2 of iCAROS. Concerning the participation of demand facilities to the scheduling process, Elia refers to last year study about the improvement of the quality of input data for congestion management where the added value of schedules for large demand facilities was analyzed and confirmed. As such the proposal of the timeline implementation of iCAROS phase 2 describes the necessary steps to allow the collection of the schedule information through the SA including the legal barriers for to be eliminated and the necessary evolution of the existing process where this information is collected (nomination per access point of BRPs).</p>

		<p>smaller production units or demand facilities, we understand and consider that today these differences are merely related to necessary transparency. However, in the proposed design the flexibility to use these production units (&gt; 25 MW) is further reduced (GCT, firm explicit bids) and an extreme penalty regime is added further exacerbating the burden, and this, without that is was demonstrated that this is necessary.</p> <p>Concretely, to eliminate the discriminatory situation we ask to improve the iCAROS phase one obligations, penalties and framework for the concerned capacities (&gt; 25MW).</p>	
<i>Roles</i>	<i>FEBEG</i>	<p>iCAROS allows for a full split of the roles of BRP, SA, and OPA. FEBEG recognizes this split and raises the following points for consideration.</p> <p>In cases where a grid user appoints different parties to fulfil the three roles, clear definitions of liabilities and an agreed-upon process for role assignment are essential. FEBEG seeks clarification on the process for appointing roles, particularly if one party refuses to only take over one of these roles, and associated drop procedures.</p> <p>Regarding liabilities, it is crucial to ensure that an SA is not held responsible for incorrect availability statuses submitted by an OPA, and vice versa. Inconsistencies between schedules and outage plans should be attributed to the faulty party rather than penalizing the other party. For instance, if the same company is responsible for both OPA and SA functions, an inconsistency should not result in a double penalty of 400 EUR (200 EUR for SA and 200 EUR for OPA).</p> <p>Clearly defined liabilities are necessary to facilitate the split of roles without creating barriers. These clarifications are lacking and are essential for a robust market design and legal framework.</p>	<p>Elia first reminds that a full split of roles is not yet introduced in the phase 1 of iCAROS project. In phase 1, the possibility of another party than the BRP taking up the role of OPA is already foreseen. Elia takes note of FEBEG comment about clarification of appointment procedures as it is indeed a key point to allow a full split of roles in the next phase of iCAROS, as already stated in the proposal of the timeline implementation of iCAROS phase 2.</p> <p>Concerning the inconsistencies control, Elia is neither able nor entitled to identify the responsible of the inconsistency. In case the OPA and the SA are the same party, inconsistencies between data should however be extremely rare and, at least, easy to correct when they are detected. Elia however understands FEBEG's point and will adapt the contract so that the incentive is not applied twice if the OPA and the SA are the same party given the incentive is allocated per party. Elia keeps nevertheless the right to reintroduce the initial incentive in the future if Elia observes that this adaptation leads to issue related to market playing field.</p>
<i>Specific framework for less flexible assets</i>	<i>FEBEG</i>	<p>The market design presented in the documents appears to overlook the unique characteristics of less flexible assets (such as nuclear or run-of-river amongst others). Given the specificities of lead time required for initiating starts or stops, the associated costs (and in the nuclear case the interactions with nuclear safety authorities). FEBEG suggests addressing this issue separately from the framework of OPA &amp; SA T&amp;Cs. It is important to develop a tailored approach that takes into account the distinct considerations and requirements associated with such assets.</p>	<p>First Elia highlights that some requirements from the OPA and SA contracts related to scheduling and outage planning are fully applicable to all facilities such as e.g. the provision of schedules and availability statuses. Concerning the provision of flexibility, the definition of an adapted coordinability level for these units is key to take their limited flexibility into account for the participation to the redispatching process and the possibility to perform a return to schedule. This coordinability level will be defined at the signature of the SA contract based on a discussion between the SA and the Elia contractual responsible.</p>

<i>Consistency checks</i>	<i>FEBEG</i>	The consistency checks to verify the consistency between outage plans and schedules should be done with some leniency in the early days of go-live since it can never be excluded that there are some small hiccups in the bigging of the implementation.	Elia takes note of FEBEG point and highlights the importance of the testing before iCAROS go-live to avoid as much as possible issues after the go-live. Elia also reminds that SAs and OPAs have the possibility to solve the inconsistencies when they are detected (Elia's notification in case such inconsistency is detected by Elia should be seen as a trigger for OPAs and SAs to correct inconsistencies) so that consistent data are provided to Elia and no incentives are applied.
<i>Contractual and testing</i>	<i>FEBEG</i>	Finally, FEBEG also draws attention to the significant contractual and testing work required before the go-live phase. Updating the annex with costing formulas and additional information, along with conducting communication tests, should be adequately planned and included in the overall roadmap.	Elia takes note of FEBEG attention point and refers to the common testing roadmap presented by Elia for the operational and IT related aspects. Elia will also launch, as soon as there is a regulatory approval of the final version of the regulated documents, the necessary contractual processes to sign the contracts even if the actual discussions about the update of the annexes can take place sooner.

### 4.3 Specific comments received during the public consultation on T&C OPA

<b>Subject</b>	<b>Stakeholder</b>	<b>FEEDBACK RECEIVED</b>	<b>ELIA'S VIEW</b>
<i>Definitions</i>	<i>BOP</i>	The Dutch definitions of DP_Pmaxinj and DP_Pmaxoff are identical. We assume this is a typo, as the first should refer to injections whereas the latter to offtake? We noticed the same issue with the definitions DP_Pmininj and DP_Pminoff	Indeed , these typo's have been corrected in the Dutch version of the OPA contract
<i>Definitions</i>	<i>BOP</i>	Definition #29 (Pmax Available): the last sentence "indien een Leveringspunt zowel vermogen kan injecteren als afnemen, is de richting met de laagste waarde het Pmax Available". We understood that this is not intended or applicable for offshore wind parks. Please confirm this in the consultation report and clarify the definition in the contractual documentation.	Indeed Elia confirms this is not applicable for offshore wind parks as it is intended for technical facilities having a limited energy reservoir. The definition has been clarified in this sense.
<i>Availability plan</i>	<i>BOP</i>	Art II.9.4 describes that the availability plan is automatically generated based on the final availability status of the ready-to-run procedure on Thursday Week -1 at 18:00. Any changes to the Availability plan after this deadline, require active approval of Elia. This timing might make sense for traditional and predictable production units, but does not seem fit for weather-dependent production units. Especially offshore, also maintenance is weather dependent. The maintenance schedules for offshore wind farms are only tentatively planned one week ahead, and subsequently confirmed on D-3 (or even D-2) with a final GO/NOGO decision	Elia reminds that it is important to have a view on any updates of availability statuses and Pmax available to ensure that the operational security of the grid can be safeguarded. Elia indeed plans the maintenance of its own assets based on the availability/unavailability of grid user's facilities so that any change of availability status should be assessed by the Elia's operator to ensure that the operational security can be preserved. Elia notes BOP's discomfort concerning the validation by Elia of a change of availability status and confirms that this validation process is made by Elia ac-

	<p>on D 1, depending on the weather forecasts. In the proposed approach the availability plans in case of large offshore maintenance (requiring a full outage) will always need to be manually evaluated for all offshore wind parks, at least once and often multiple times.</p> <p>The T&amp;Cs provide no comfort to the OPA that (i) a request will be dealt with as soon as possible (a ‘best effort’ obligation on Elia), (ii) will only be refused in case of serious grid issues where other market-based measures are not available, and (iii) Elia will provide sufficient justification in case of a refusal. We understand from Elia that it is indeed their intention to apply the approval process in such manner; it should therefore not be controversial to formalize this in the T&amp;Cs.</p> <p>In order to make the procedure suitable for weather-dependent assets, BOP suggests to integrate an automatic update of the availability plan for weather-dependent production without the need for a manual approval either for an extended period of time (e.g. until D-1 10:00) or in case the impact of the update is expected to be below a certain threshold in MW (e.g. 350 MW corresponding to the capacity of an offshore cable) or a combination of both (impacts of &gt; 350MW are automatically approved only until Thursday W-1, impacts of &lt; 350MW are automatically approved until D-1) . This will significantly reduce the amount of manual approvals to be handled by Elia.</p> <p>An alternative would be to already make the ‘congestion risk indicator’ public as of Thursday Week-1. This data is already available within Elia, as any refusal / acceptance of an updated Availability plan is based on the risk for congestion. Any Availability plan update could then be automatically approved as long as the CRI does not indicate any risk.</p> <p>The T&amp;Cs OPA do not go in much detail with regards to how change requests from the status “Unavailable” to the status “Available” (and vice versa) will be evaluated. There seems to be no link with the Congestion Risk Indicator, nor a best-effort obligation from Elia. The report on Congestion Management to the CREG does not provide sufficient comfort in this regard neither, as it focusses on Costly Remedial Actions or additional Remedial Actions after the closure of the Day-ahead Market, and approvals of rejections of availability plans are thus not included.</p> <p>Art II.9.10 stipulates that approval or rejection can occur up to 30 minutes before the respective quarter hour. For offshore wind farms, this could imply that a maintenance outage can still be rejected by Elia when the vessel (with the internal &amp; external teams and the spare parts) is already offshore.</p>	<p>According to the rules stated in the Article 6.5 and Article 4 of the Rules for Coordination and Congestion Management that explain the elements checked by Elia in case a change of availability status or Pmax available is requested by the OPA. The reference to the Rules for Coordination and Congestion Management has been added in the OPA contract. Elia also confirms that the validation will be performed as soon as possible but at the latest 24h after the request. As stated above, these 24h are necessary to ensure a correct analysis of the operational security and assess the possible impact on maintenances/works planned by Elia including the possible costs associated to a shift of these maintenances if possible and relevant. In case of rejection of a change request, Elia will also provide the reason of rejection in the message. Elia has added these elements in the OPA contract.</p> <p>Automatic acceptance of availability statuses represent a too high risk for the security of the grid as Elia needs to be aware of any updates in order to analyze the late changes that could have an impact on the operational security and its own maintenance plan. Any possible evolution of the process can be envisaged after some return of experience and discussions with the market parties and the regulator as long as the security of the grid is not endangered.</p> <p>As the first CRI computation requires the daily schedules available as from D-1 15:00, it cannot be used as an indicator before D-1.</p> <p>Concerning the remuneration in case of a requested change of availability statuses, Elia recalls the general principle stating that the party requesting a modification of previously agreed availability statuses has to bear the costs induced by the modification to the other party (if this one is accepted). A late modification by the OPA can induce e.g. a need for Elia to reschedule some maintenance works with associated costs.</p>
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		<p>This implies that Elia can unilaterally decide to reject any request that is inconvenient to Elia at a given situation. Possible negative impacts for the OPA cannot be verified.</p> <p>It is also unclear to BOP how the remuneration (referred to in Art II.9.9 &amp; Art II.11.3) works. It seems as if Elia can request compensation for having to approve a change in the Availability plan of an OWF, but an OWF cannot request compensation for having a change request rejected. Given that maintenance planning of an OWF is always done within the time period in which ‘manual approvals’ are required, this seems very one-sided.</p> <p>We insist on including transparent evaluation criteria, and a best-effort commitment in the T&amp;C OPA that will be used to approve or reject the status change request and that the OPA is properly informed about the reason for any rejection. In particular, the impact of a change request on grid safety (via the Congestion Risk Indicator) should be a key criterion, and this should be made explicit.</p>	
<i>Changes to the Availability Plan</i>	<i>BOP</i>	<p>Considering:</p> <ul style="list-style-type: none"> <li>• Change requests can be submitted until redispatch gate closure time (RD GCT) in order to alter the (automatically generated) availability plan (art II.9.7). This is 45min ahead of real time.</li> <li>• Validation of the change requests are manually validated or rejected by Elia not later than 30 minutes before the beginning of the quarter-hour (art. II.9.10)</li> </ul> <p>Can Elia guarantee a proper handling of change requests in a period of approx. 15minutes, the window between the RD GCT and 30 minutes before real-time? What happens in case Elia does not timely approves/rejects a last-minute change request submitted just before RD GCT?</p>	Elia guarantees that an answer to market parties will be provided in the timings indicated in the contract, as Elia anyways needs to consider the last information received at RD GCT to assess the operational security of the grid. However, Elia does not expect frequent change of availability status so close to real-time. Very late new planning of maintenance at OPA side should not be a frequent case. An extension or a reduction of an already planned maintenance seems more logical in this timeframe.
<i>Gate opening time for availability plan</i>	<i>FEPEG</i>	The Gate Opening Time (GOT) for submitting the availability plan should be extended beyond D-7, allowing OPAs to submit availability updates after the Ready-to-Run file, which is sent on Tuesday of Week-1 (The latest version of the technical guide refers to a GOT beyond D-7 while the T&C does not)	Elia has adapted the OPA contract to allow a GOT for submitting the availability plan for all days of week W as from Tuesday 18:00 in W-1. The validation timings have also been adapted in the contract.
<i>Update of availability status</i>	<i>FEPEG</i>	Elia's expectation of a maximum 24-hour lead time for accepting or refusing an update of availability status should consider that unavailability for today, D+1, and D+2 needs to be communicated as Forced Outage by OPA. If an unavailability request is made on day D at 15:30, Elia may confirm it by day D+1 at 15:30, meaning that OPA and SA cannot submit DA nominations for delivery up to D+2.	Elia has adapted the validation timings in the OPA contract for this specific case so that such a request is validated at the latest at D-1 10:00 to let enough time to the SA to submit a schedule for day D.

Communication for outage planning	FEBEG	Elia proposes a fully automated communication for outage planning using ECL, reserving the possibility to reject planned unavailability and tests for system security reasons. In this context, it is unclear why a test must be also requested by email. In addition, necessary tests are not always known 5 days in advance and may have to be planned on short notice, ie. as a follow-up to a technical malfunction.	If the OPA plans a test before the timings related to the availability plan, an email should be used to inform Elia as ECL is not available at this moment. Before submitting a Testing status, the OPA must always beforehand provide a test plan that should be approved by Elia, in agreement with the modalities described in the SOGL. Elia however reminds that the modalities related to the exchange of testing information will be reviewed in the framework of the phase 2 of iCAROS after discussion with the market parties (as included in the planning of iCAROS phase 2).
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#### 4.4 Specific comments received during the public consultation on T&C SA

Subject	Stakeholder	FEEDBACK RECEIVED	ELIA'S VIEW
Coordinability levels	Febeliec	Concerning coordinability, Febeliec understands that Elia only foresees two categories (coordinable, not coordinable) (in two directions), but nevertheless wants to specify that some of the assets on industrial sites are sometimes only to a limited extent coordinable and should thus under this setting be considered coordinable only while respecting certain strict technical constraints. Especially towards later phases, it might be needed to refine this concept or provide additional guidance for interpretation for demand facilities.	<p>Elia first specifies that the coordinability level is an intrinsic parameter of a technical facility corresponding to its ability to adapt its power injection or offtake upon request of Elia. This is then not a parameter that can fluctuate from day to day. In case some technical reasons limit the coordinability of a technical facility, these limitations are managed as follows in iCAROS design:</p> <ul style="list-style-type: none"> <li>• The limitation in terms of power flow direction is considered via the association of a direction to the coordinability level (the coordinability can be different in upward and downward direction)</li> <li>• The limitation in terms of ramping (up or down) necessary for a technical facility to modify its injection/offtake at the request of Elia is considered separately in the characteristics of explicit redispatching energy bids provided by the SA (e.g. via a full activation time longer than 12.5min)</li> </ul> <p>The coordinability level will be defined at the signature of the SA contract based on a discussion between the SA and the Elia contractual responsible. If the SA can technically prove that a technical facility cannot satisfy the requirement to be coordinable in at least one direction, the technical facility will be considered as fully non-coordinable in both directions. Elia specifies also that a non-coordinable technical facility can still provide some flexibility for redis-</p>
	Zandvliet Power	<p>Zandvliet Power, as owner of a CCGT (385MW) connected to the CDS grid of BASF Antwerpen – welcomes the possibility to comment on the consultation held by Elia on the T&amp;C OPA and T&amp;C SA. We first want to clarify the specific operational situation of our installation, in which we supply steam to the industrial facilities of BASF Antwerpen (Seveso site). Such steam supply results in a reduction of the electricity produced by the unit. Given the critical nature of steam supply for a Seveso site as BASF's, situations could occur where the steam supply from Zandvliet Power needs to have absolute priority, mainly for safety reasons. This (occasional) limitation on the coordinability of our unit was possible under CIPU with the status "limited coordinable". We noticed that this status is no longer foreseen under the T&amp;C SA.</p> <p>Considering the specific situation of Zandvliet Power's steam supply (mentioned above) and the very stringent framework foreseen for coordinable units (RTS obligation with high penalties, may-not-run situation with limited compensation</p>	

		<p>etc...) Zandvliet Power will most probably have to decide on a status of "non-coordinable". This as for situations where the steam supply has absolute priority (for safety reasons), the T&amp;C SA do not foresee any means to correctly handle this situation, nor waive the penalties that would occur in case of non-compliance with the Elia instructions (RTS, RD Energy Bid etc.)</p> <p>We regret that the stringent, penalty focused T&amp;C SA will lead to a situation where units – such as Zandvliet Power – will be forced to reduce their existing (but sometimes limited) flexibility and no longer be available to provide grid supporting services to Elia and the Belgian control area.</p>	<p>patching at the moment no technical limitations are present so that these facilities can still provide grid supporting services when there are technically able to do so.</p> <p>Finally, Elia confirms that this concept could be adapted in the framework of iCAROS phase 2 considering return of experience and additional cases to be taken into account such as demand facilities.</p>
	<p><i>FEBEG</i></p>	<p>FEBEG highlights the importance of considering that there are units which have multiple coordinability statuses within a given period. For example, a Combined Heat and Power (CHP) unit with steam demand on-site may have varying coordinability statuses, switching between coordinated (C) and non-coordinated (NC) during different time periods as steam must be supplied. Treating the coordinability status as a static parameter in OPA/SA annexes will most likely lead to a loss of flexibility for the system as units will be listed as non coordinable.</p> <p>We ask Elia that the C / NC status could be easier to adapt and be part of the daily bidding strategy. The OPA/SA annexes themselves should not be subject to dynamic modifications</p>	
<p><i>Daily schedule</i></p>	<p><i>BOP</i></p>	<p>The granularity of the daily schedule is 0.1 MW, on a quarter hour basis. The SA is required to continuously update this schedule (art II.6.3). Such requirements might make sense for traditional and predictable production units, but impose a significant workload for weather-dependent production units, as forecasts constantly change. Nor does it seem necessary from the point of view of forecasting congestion risk.</p> <p>In order to make the obligation reasonable and the workload manageable:</p> <ul style="list-style-type: none"> <li>• Please clarify in the T&amp;C that this granularity is not to be confused with a tolerance band for deviations from a schedule.</li> <li>• Continue working on the digitalization of communication processes, so that updates can occur automatically.</li> <li>• Please clarify in the T&amp;C that, in case continuous updates are not reasonable due to specific circumstances (e.g. the system for automatic updates is unavailable, updated weather forecasts are only available a few times per day,...), a minimum of 1 update per day should be maintained.</li> </ul>	<p>Elia indeed confirms that the granularity of 0,1 MW should not be seen as the precision expected from the schedule but as a granularity to provide the information via the dedicated channel.</p> <p>With the new tools and processes available at iCAROS go-live, automatic updates are already possible via the use of a B2B to exchange data with Elia via the external communication layer</p> <p>The schedule must represent the most accurate expected injection or offtake of a delivery point. The frequency of updates of the schedule (e.g. everytime a new weather forecast is available) is the responsibility of the SA as long as this rule is respected. In case of exceptional events impacting the provision of schedules, the SA needs to pro-actively inform Elia and use available back-up solutions to provide schedules.</p> <p>Finally, Elia reminds that a strict control of the schedule is only applied in case Elia requests a return to schedule. This control already includes a tolerance</p>



		As forecast errors are inherent in weather dependent production, and production forecasting is a difficult process, the obligation to continuously provide updates should be construed as a ‘reasonable effort’ obligation. In any penalty scheme relying on the schedules, forecast errors are to be accounted for by introducing appropriate tolerance bands.	band. For the specific case of the wind parks, a return to schedule can of course only be requested in the down direction (i.e. the unit needs to reduce its injection to return to its schedule or lower) meaning that a forecast error due to a (not controllable) reduced availability of wind will never lead to a financial incentive.
	<i>FEBEG</i>	It is important to avoid situations where schedules are rejected because it exceeds the contractual Pmax on a given quarter hour, especially in cases of extreme weather conditions.	Elia specifies that no rejection occurs in this case but the schedule is accepted with a warning sent to the SA. The annex 4B of the contract has been adapted accordingly. Elia expects however that the schedules respect the contractual Pmax indicated in the connection agreement/annex of the SA contract and that such situations should remain exceptional.
<i>Must-run and may-not-run</i>	<i>BOP</i>	From art. II.5.2 it is unclear to BOP under which conditions Elia can request a must-run or may-not run? Can Elia do so for any reason, and must it at all times be linked to system security (not only when the request is made after D-5, as per art. II.5.3)? If so, can this be clarified in the contractual documentation?  Can you also clarify how the formula in Annex 10 ensures cost-reflectiveness for an OWF? Or is this formula to be considered as a minimum, and can the OWF provide a different (i.e. higher) price quotation to Elia (art II.5.6)?	Elia confirms that must-run and may-not-run are only requested for system security reasons according to the rules described in the Rules for Coordination and Congestion Management. This has been more clearly expressed in the article II.5.4 of the SA contract.  Concerning the annex 10, Elia indeed confirms that it has to be considered as a minimum value as the actual remuneration of a may-not-run is based on an offer made by the SA to Elia, in accordance with the conditions set in the SA contract.
	<i>FEBEG</i>	The formula in Annex 10 for startup costs, involving a multiplication by 75%, raises questions – why only 75% of the start-up cost is being remunerated? Additionally, values such as the alpha component (20.83 EUR or 25 EUR), may not accurately reflect the real costs of the May Not Run (MNR). It is surprising that Elia has not updated these values to reflect current circumstances, such as the recent gas crisis. It remains therefore of utmost importance to be able to recuperate real and demonstratable costs if they prove to be higher than these fixed values.	In the framework of the phase 1 of iCAROS, the conditions for remuneration of must-run and may-no-run have not been changed compared to the current situation. An evolution of the must-run/may-not-run processes is however in the scope of the next phase of iCAROS project. Elia also specifies that the value indicated in Annex 10 is only a minimum value for the remuneration of a may-not-run as the actual remuneration is based on an offer made by the SA to Elia, in accordance with the conditions set in the SA contract.
<i>Storm event</i>	<i>BOP</i>	Art II.6.8 states that Elia can refuse an update of the Daily Schedule after a Sea Storm, however no conditions or evaluation criteria are mentioned. These conditions are not elaborated upon in the “Gedragscode” nor in the “T&Cs BRP”, so BOP would have expected them to be worked out in detail in the T&Cs SA.  Such criteria should, as a minimum, take into account whether or not a cut-in poses a congestion or a security risk, as well as a best-effort basis of Elia to deal	Elia has added some clarification in the article II.6.8 of the SA contract concerning the reason and timings of a possible rejection. In the framework of this article, Elia confirms indeed that a schedule can only be rejected in case an operational security risk is detected at the end of the storm event when the offshore power parks intend to restart their power production (in agreement with the Code of Conduct).

		with such requests as soon as possible and an (ex-post) reporting / communication obligation as to the reasons of a possible rejection.	
<i>Return to schedule</i>	<i>Centrica</i>	<p><b>Centrica kindly requests Elia to provide clarification regarding the Return-to-Schedule and Freedom-of-Dispatch rules, and assess the feasibility of shorter neutralization times</b></p> <p>Based on our current understanding of iCAROS phase 1, it appears that Elia has the authority to require Scheduling Agents (SA) to return to the last valid Daily Schedule if a real-time deviation is observed, leading to or worsening congestion. Additionally, penalties can be imposed for deviations that contribute to congestion, excluding non-coordinable DPSUs.</p> <p>Our current understanding is that the SA has the flexibility to modify schedules until the neutralization time, which is set at 45 minutes before real time. This Freedom-of-Dispatch allows for schedule adjustments without requiring explicit approval from Elia, regardless of congestion risks. Currently, there are grid security concerns that prevent Elia from implementing a greater Freedom-of-Dispatch, which would entail a shorter neutralization time. Furthermore, the Freedom-of-Dispatch has certain limitations: it applies only in cases where there are no declared storm events, no redispatch activation in the opposite direction, and no existing May-not-Run or Must-Run agreements. To prevent potential gaming, Elia has chosen to complement the Freedom-of-Dispatch concept with a cost-based redispatching mechanism.</p> <p>To ensure a comprehensive understanding, we would greatly appreciate it if Elia could confirm our interpretation of the Return-to-Schedule and Freedom-of-Dispatch rules.</p> <p>In addition, we would welcome additional clarity on whether there are any incentivizing mechanisms in place for the Return-to-Schedule requirement, beyond the penalties.</p> <p>Finally, while recognizing the importance of grid security, we encourage Elia to continually assess the feasibility of shorter neutralization times in the future, as it could enhance market efficiency and responsiveness.</p>	<p>Elia confirms Centrica's interpretation of the return to schedule and freedom of dispatch rules. Elia wants just to add that the return to schedule requests are closely linked to the level of the Congestion Risk Indicator that is also introduced in iCAROS phase 1 and replaces the current Red Zones. As described in the updated version of the Rules for Coordination and Congestion Management, a return to schedule can only be requested in an electrical zone in which a Medium or High CRI level is defined.</p> <p>Concerning the incentivizing mechanisms for the return to schedule, Elia first emphasizes that this is a contractual and legal obligation as introduced by article 131 of the Code of Conduct. Not respecting a return to schedule request would lead to a congestion issue what would endanger the operational security. If systematic and not corrected deviations from the schedule are observed by Elia, Elia can also request justifications on the quality of the submitted Daily Schedules as indicated in the SA contract.</p> <p>In the framework of iCAROS phase 1, Elia confirms the need to keep a RD GCT as defined in the SA contract to safeguard the operational security. Elia will assess possible evolutions related to the RD GCT in the future, considering some return of experience and other evolutions related to cross-border ID market while ensuring that the operational security can always be preserved.</p>

	<p><i>Eneco</i></p>	<p>Eneco is requesting Elia to reimburse the costs imposed due to RTS activations towards SA's which hold renewable assets in their portfolio. For the offshore wind farms the subsidy regime is laid down in the Royal Decree of July 16th 2002, which is amended recently at May 30th 2023. The basic principle is a coverage of the LCOE per produced MWh. If Elia does not reimburse the costs stemming from RTS activations, then there will be a financial gap for the offshore wind farms, and, as a result, a conflict would be created with the basic principles of the Royal Decree.</p>	<p>Elia does not agree with Eneco and does not see contradiction with the Royal Decree of July 16<sup>th</sup> 2002 that foresees a remuneration of the LCOE per produced MWh but does not foresee any compensation for non-produced MWh resulting e.g. from return to schedule, which is not an activation but a request to respect the schedules submitted in a contractual framework.</p>
		<p>In order to avoid market distortion, Eneco asks Elia to activate assets for RTS only in the most extreme circumstances and to provide full transparency on the reasoning behind the activation of an asset for RTS afterwards. In addition, Eneco wants to request Elia to provide an explanation and description in the 'Rules for Coordination and Congestion Management' regarding the process of how Elia selects assets to be activated for RTS in times of congestion within the electrical zone. Eneco would like to stress the importance of a fair treatment over all SA's that are causing the congestion in the zone.</p>	<p>As stated in the Rules for Coordination and Congestion Management, a return to schedule request is directly linked to the CRI level defined for an electrical zone i.e. is only applicable in an electrical zone with a Medium or High CRI level. As a monitoring of the CRI levels is already foreseen, and a one-to-one relation between CRI levels and RTS activations exists, Elia thinks that information about frequency of return to schedule requests is already available to market parties.</p> <p>In case a return to schedule is requested in a given electrical zone, it is applicable to all technical units in this electrical zone. This has been more clearly stated in the Rules for Coordination and Congestion management.</p>
		<p>Eneco understands the importance of submitting accurate asset schedules before RD GCT; Could Elia explain if she considers it as a risk that SA's could eventually tend to estimate schedules for renewable assets fictively higher in order to limit the amount of missed production during a RTS activation? If so, how is Elia intending to mitigate this risk?</p>	<p>First, Elia emphasizes the necessity of providing accurate schedules as they are used as input for Elia's and COREs' security analysis in order to assess the grid operational security. Elia also reminds that the provision of schedules with a good quality is a contractual (Art II.6.3 of the SA contract) and legal obligation. In addition, in case of doubt on the accuracy of the schedules, Elia can request justifications and even a plan for improvement of the accuracy. Elia also reminds that a monitoring of schedule updates on technical unit level in the direction for which a CRI is indicated as Medium or High is foreseen to be provided to the regulator as defined in the Rules for Coordination and Congestion Management.</p> <p>Secondly, Elia wants to mention an important risk associated to the behavior described by Eneco: any overestimation of the schedules from the units in an electrical zone will lead to an overestimation of the congestion risk in this zone leading to an increasing possibility to activate downward RD energy bids to mitigate this risk. This risk is especially high if the CRI level of the zone is already High or Medium in the upward direction. As one or several RD energy bid activation(s) will be requested on one or several technical unit(s) in the electrical zone according to a technical-economical merit-order, the risk for the unit that overestimates its schedule is:</p>

			<ul style="list-style-type: none"> <li>• If the schedule increase is artificial i.e. a part of the schedule does not correspond to a balance position of the associated BRP, an imbalance will be created if the unit is selected for RD activation as a consequence of the BRP perimeter correction based on the RD requested volume;</li> <li>• If the schedule increase is real i.e. an additional volume has been sold (for instance on the ID market) while it cannot be actually produced due to e.g. absence of sufficient wind, an imbalance will be created if the unit is not selected for RD activation as the additional volume could not be produced</li> </ul> <p>As it is not possible 45 minutes before real time to perfectly know the Imbalance price nor whether the concerned unit will be activated for RD (nor for how many MW) the above-mentioned behavior represents high financial risks for the party who would be tempted to overestimate his schedule. Therefore, Elia considers that this risk is sufficiently mitigated.</p>
	<p><i>BOP</i></p>	<p>BOP opposes the introduction of RTS without a more elaborated justification of its need, based on an extensive data analysis with objective criteria.</p> <p>For weather-dependent generation sources, it is impossible for the scheduling agent to perfectly predict the production of its assets 45 minutes ahead of time. Imperfect forecasts are not a sign of lack of reasonable care by the SA, they are a technical reality. The unremunerated Return-to-schedule is a disproportionate measure, punishing weather-dependent assets for this technical reality.</p> <p>The issue stems from the fact that the volume of RD bids available to Elia for congestion management, is calculated based on the schedules. A solution would be to deviate from this rule for weather dependent assets, whereby the RD bids from such assets are based on schedules before real-time but updated with a real-time Available Power baseline (as is already provided by these assets for other ancillary services). This would imply that in case an OWF is able to produce 200 MW, rather than the forecasted 175 MW, that Elia is able to redispatch the full 200 MW via the RD Energy bids (potentially in 2 steps, with one step being ahead of real-time and another real-time).</p> <p>If the above solution is not (yet) possible, weather-based assets should either be fully exempt from the RTS, or should be fully compensated for missed injection.</p>	<p>Elia wants first to clarify some important elements related to the RTS requests:</p> <ul style="list-style-type: none"> <li>• Elia first reminds the fundamental link between a RTS request and the CRI level i.e. a RTS can only be requested in case of High or Medium CRI level in the concerned electrical zone as described in the Rules for Coordination and Congestion Management. As the CRI are determined as from day-ahead and published by Elia, the risk for a SA to be exposed to a RTS is transparent and known in advance in most of the cases. Besides, any deviations from the last validated schedule provided at RD GCT are allowed in the direction of a Low CRI.</li> <li>• Weather dependent generation resources are of course to be considered as non-coordinable in the upward direction so that a RTS will never be requested in the upward direction i.e. these units will never be requested to increase their power production (as it is of course not possible in the absence of wind/sun).</li> </ul> <p>Considering these elements, Elia thinks that the RTS framework also fits for weather-based assets.</p> <p>Process-wise, Elia would like to clearly distinguish the scopes of the RTS and the redispatching activations:</p> <ul style="list-style-type: none"> <li>• In case Elia detects an operational security risk during a security analysis that is based a.o. on the schedules provided by the scheduling</li> </ul>

	<p>Can Elia elaborate on where in the documents it is made clear that the RTS procedure can only be used after all RD Energy Bids are exhausted?</p> <p>BOP is however of the opinion, and has sought legal advice in this regard, that the proposed, unremunerated, procedure is not in line with the Electricity Market Regulation, which defines ‘redispatching’ as: a measure, including curtailment, that is activated by one or more transmission system operators or distribution system operators by altering the generation, load pattern, or both, in order to change physical flows in the electricity system and relieve a physical congestion or otherwise ensure system security;</p> <p>According to this definition the Return-to-Schedule clearly to be considered as “redispatching” and thus subject to the following two provisions of the Electricity Market Regulation:</p> <ul style="list-style-type: none"> <li>• art 13.2: “The resources that are redispatched shall be selected from among generating facilities, energy storage or demand response using market-based mechanisms and shall be financially compensated.”</li> </ul> <p>and</p> <p>art 13.7: “where non-market based redispatching is used, it shall be subject to financial compensation by the system operator requesting the redispatching to the operator of the redispatched generation, energy storage or demand response facility except in the case of producers that have accepted a connection agreement under which there is no guarantee of firm delivery of energy.”</p> <p>It seems that Elia does not consider the Return-to-Schedule procedure as ‘redispatching’ within the meaning of Article 13 of the Electricity Market Regulation, arguing that daily schedules are expected to be firm which would mean that a Return-to-Schedule order comes down to “a return to the baseline and therefore an activation request of 0 MWh. Consequently there is no remuneration for the activation”.</p> <p>This is not correct.</p> <p>The definition refers to any alteration of the actual production ordered by the TSO (regardless of whether such actual production would match the volume indicated in the daily schedule nominated by the scheduling agent). Since this procedure would indeed involve an order by the TSO to alter the actual production in order to relieve congestion, Article 13 of the Electricity Market Regulation is clearly applicable. This implies that, even when the actual production would deviate from</p>	<p>agents, Elia will use remedial actions as defined in the Rules for Coordination and Congestion Management. One of these actions is the request of activation of a RD energy bid.</p> <ul style="list-style-type: none"> <li>• The return to schedule is only used in case real-time deviations from the last validated daily schedules (i.e. at RD GCT) would cause or aggravate a congestion risk in real-time. This risk is known beforehand with the publication of the CRI level as explained previously. RTS is then not considered as a remedial action but as a request to follow the last validated schedule (that was used by Elia in its last grid security analysis) in case deviations would endanger the operational security.</li> </ul> <p>This view is confirmed by the Article 21 paragraph 4 of the European Coordinated Security Analysis (CSA) methodology amended in 2021 stating that: “Remedial actions included pursuant to paragraphs (1) and (3) shall be clearly distinguishable from the injections and withdrawals established in accordance with Article 40(4) of the SO Regulation and the network topology without remedial actions applied. The injections and withdrawals shall by default be determined by each TSO based on the latest market schedules and forecasts of load and intermittent generation in accordance with Articles 38 and 37, respectively. Any deviation from these default assumptions shall be considered as a remedial action.” This methodology makes a clear distinction between the “injections and withdrawals” used for security analysis and that are based on a.o. the schedules provided by the SA according to the SOGL and the remedial actions that are a request to deviate from these schedules. As a RTS is a request to return to the last validated schedule provided to Elia, this is not to be considered as a remedial action and so not subject to any remuneration. Elia has clarified this in the Rules for Coordination and Congestion Management, where the classification of RTS under the remedial action possibility may lead to confusion.</p> <p>Article 110 paragraph 1 of SOGL authorizes TSO to define additional operational conditions related to scheduling process depending on the needs of the local design if compliant with Article 16 of CACM. This article foresees that TSO can specify the timing in which this information needs to be delivered (Article 16(6)). As such this article confirms that setting a contractual requirement to deliver schedules 45 min before RT and respecting these values is not to be seen as a remedial action but as respecting the contractual conditions for scheduling.</p>
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<i>Return to schedule monitoring</i>	<i>FEPEG</i>	FEPEG reminds Elia that it follows a reactive market design that allows Balance Responsible Parties (BRPs) to take positions. In this context, FEPEG believes that RTS should be used sparingly throughout the year. In addition, since RTS is not remunerated and prevents BRPs from seizing market opportunities, FEPEG requests that Elia monitors and publishes reports on the usage of this scheme.	Elia reminds the link between a return to schedule request and the CRI level of a given electrical zone (as explained in the Rules for Coordination and Congestion Management): a return to schedule is requested only if the CRI level is Medium or High in a given electrical zone. As the CRI levels are already part of a monitoring and there is one-to-one relation with RTS, Elia thinks that information about frequency of return to schedule requests is already available to market parties through the information provided on CRI levels.
	<i>BOP</i>	Even if RTS is to be installed, as a remunerated service, BOP would still insist on a transparent evaluation of every event where the RTS was requested, with a clear proof to the involved parties (BRP/SA/producer...) that (i) there was an imminent congestion management risk (ii) there were no other solutions than to trigger the RTS (iii) the RTS was at the same time not used to resolve a balancing issue	
<i>Return to schedule incentives</i>	<i>BOP</i>	<p>BOP opposes the proposed penalty, as it is (i) arbitrary (with a mix of the imbalance price and historic DA prices), (ii) not proven to effectively improve adherence to an RTS, and (iii) disproportionate, as it does not factor in technical realities of OWF such as manual needed actions.</p> <p>As a minimum, a higher tolerance should be introduced in the quarter-hour following the request in case a request was sent in the last [7.5] minutes of the quarter hour. At least 20 minutes is to be provided in order to be technically able to react to the change request, as this requires manual changes at the side of the offshore wind farms.</p>	<p>Concerning the tolerance band, Elia reminds that a specific tolerance band is applied for the first quarter-hour of the RTS and a (lower) tolerance band is also applied on the second and third quarter-hours. Considering the risk for the operational security in case of deviations and the transparency on the possibility for Elia to request a RTS (i.e. in case of High or Medium CRI), Elia is against a 25% tolerance band.</p> <p>Elia reminds that the reasoning behind the definition of the incentive formula is to avoid any arbitration by the SA between performing the RTS and making</p>

		<p>As a general principle however, there cannot be a penalization for a service that is not remunerated.</p> <p>If Elia wants guarantees of a proper execution of the RTS, Elia can send out warnings and ultimately disconnect assets that systematically and intentionally ignore their obligations. Alternatively, penalties are at the start to be calibrated at zero, and can only be increased after a full demonstration of the need and suitability for higher values</p>	<p>profit either on the imbalance market (real-time deviation based on the imbalance price) or on ID market (deviation due to a late local ID trade). The incentive formula intends to remove any incentives by integrating the imbalance price and a component related to the energy price (DA price).</p> <p>Concerning the old windfarms, their ability to perform a RTS should be assessed when determining their coordinability levels after discussion between the SA and the Elia contractual responsible.</p>
	<p><i>FEPEG</i></p>	<p>Furthermore, considering that RTS is a non-remunerating scheme, applying the tolerance band only to the first quarter-hour appears excessively stringent. FEPEG recommends applying the tolerance band to the entire duration of the requested RTS, with at least 25% tolerance on the remaining quarter-hours.</p> <p>The proposed penalty formula, which includes the average of the last six months of EPEX prices, lacks coherence and fails to establish a meaningful link between RTS requests and EPEX prices. Taking the maximum value of this average and the imbalance price raises some questions about Elia's intentions.</p> <p>Finally, it is important to note that certain existing wind parks cannot precisely steer to the MW level (can be curtailed only in an on/off manner) and may have difficulty returning exactly to their initial schedule in a downward RTS. These wind parks should be exempted from this obligation.</p>	
<p><i>Redispatching bids submission</i></p>	<p><i>FEPEG</i></p>	<p>Elia's expectation for updates to RD bids every time a new schedule is submitted requires clarification. Is this rule applicable at all times, including for non-coordinated (NC) units? Does it apply to Pumped Hydro Storage (PHS) and Battery Energy Storage Systems (BESS)? How does it relate to schedules submitted after the GCT for mFRR or valid reasons indicated in the T&amp;C BSP mFRR (e.g., outages, intraday trades, self/reactive balancing)?</p> <p>RD energy bids cannot always be offered in all existing operating modes due to various reasons. Elia's indication that two RD energy bids can be simultaneously activated on a technical facility with multiple operating modes raises issues. For</p>	<p>Elia reminds that RD energy bids have only to be provided in the coordinable directions of a delivery point associated to a technical facility. Non-coordinable technical facilities are then not obliged to provide RD energy bids but all coordinable technical facilities (including those with energy limitations) have to update their RD energy bids in their coordinable direction(s) when providing an update of their schedule.</p> <p>Elia specifies that any baseline update provided after RD GCT for mFRR is only used in the framework of mFRR contract and does not affect any of the processes described in the SA or OPA contract.</p> <p>The feasible operating modes for each technical facility must be specified in the annex 1 of the SA contract and RD energy bids including delivery points related to this technical facility must be provided accordingly</p>

		<p>example, a Combined Cycle Gas Turbine (CCGT) may not be able to activate one RD bid corresponding to GT1 + ST and another corresponding to GT2 + ST. FEBEG suggests clarifying this aspect.</p>	
		<p>The rules state that all RD energy bids, except startup bids, must be offered as fully indivisible volumes. However, many assets have a Pmin, meaning that volumes between 0 and Pmin are impossible to deliver even outside the startup time. Moreover, SAs do not want to be exposed to imbalance and stringent penalty regimes for under/over delivering unfeasible RD activation requests. FEBEG argues that divisibility should be allowed for all RD bids, not just start-up/shutdown bids, to address this issue. It does not recall this aspect being presented during the energy bidding workshops.</p>	<p>ELIA understands FEBEG’s point and proposes to remove the limitations related to the divisibility of RD energy bids from the Annex 5.A. of the SA contract.</p>
<p><i>Redispatching remuneration</i></p>	<p><i>FEBEG</i></p>	<p>FEBEG recognizes that the remuneration rationale is driven by cost-based considerations, which was a result of the package deal discussions. FEBEG is committed in honouring its commitments made during those discussions and acknowledges the importance of maintaining a cost-based approach for remuneration, under the condition that the market design is balanced for all parties.</p> <p>FEBEG wants to raise the following questions and concerns regarding the remuneration aspects of iCAROS:</p> <ul style="list-style-type: none"> <li>- Costing formulas of RD energy bids will be subject to approval by Elia’s KAM. We want to highlight that these formulas can be reviewed based on experience should they not compensate the costs incurred by the SA. Obviously and by no means, cost-based remuneration should result in a loss-making activity. Also, such a formula may be quite difficult to implement in practice, especially when the asset is subject to a complex contractual framework with a third party client.</li> </ul> <p>Additionally, Annex 7D, bullet 3 of the SA contract mentions that startup costs are not paid if the activation exceeds the requested RD by 5%. This provision is unacceptable and was never discussed nor presented in workshops. It should be noted that startup of a Gas Turbine (GT) is not always perfectly accurate due to factors such as temperature, and it is unreasonable to penalize SAs in such cases by withholding remuneration. FEBEG wonders whether having an over-delivery of 6% would really create a problem to Elia and find that this provision is disproportionate to the sole interest of Elia, we therefore ask to remove it. An acceptable solution would be to remunerate only the requested start-up costs, where there is no remuneration for the overshooting (be it 4% or 7%...). To NOT remunerate any</p>	<p>Elia confirms that the activation price formula can indeed be reviewed at the request of SA after common agreement with Elia and according to the modalities foreseen in the SA contract. Elia however highlights that this formula is the base for the provision of the activation price in the RD energy bids. As stated in the SA contract, Elia can request a sound justification that the activation price formula is correctly applied and report any abusive behavior to the regulator.</p> <p>Elia first specifies that this overdelivery control already exists in the current SA contract and has only been clarified and detailed in the consulted SA contract. However Elia understands from FEBEG’s comment that removing the whole start-up remuneration seems unreasonable due to the complexity to define a correct threshold to consider an excess as overdelivery and also due to the complexity to identify these costs due to the evolution to explicit bidding. Considering FEBEG’s comment, and regarding the complexity related to correctly identify the start-up costs in the framework of explicit bidding (all relevant</p>



		<p>costs for the start-up is not acceptable, we also don't see why a 6% overshoot for Elia would be so problematic to warrant such a strong penalty (no remuneration).</p> <p>FEBEG also highlights the unfairness of the third bullet in Annex 7D of T&amp;C SA, which states that startup costs will not be paid if the activation exceeds the requested RD by 5%. FEBEG finds this provision unacceptable, as the startup of a gas turbine is not always perfectly accurate due to factors such as temperature. It questions why this issue is so problematic for Elia and leads to non-remuneration. FEBEG regrets this provision has never been presented to the stakeholders during the numerous workshops.</p> <p>FEBEG asks to remunerate only the requested start-up costs, where there is no remuneration for the overshooting (be it 4% or 7%...). To NOT remunerate any costs for the start-up is not acceptable, we also don't see why a 6% overshoot for Elia would be so problematic to warrant such a strong penalty (no remuneration).</p>	<p>technical parameters should be considered) as well as the relatively low frequency of start-up activations to solve operational security issues, Elia decides then to not include any start-up controls in the current SA contract.</p>
		<p>Elia excludes costs for loss of opportunity in the intraday/balancing markets from the acceptable costs for Redispatch Bids. However, opportunities in these markets can have direct impact on the schedule of an asset and, consequently, on offered Redispatch (ie. an asset that is in the money is not turned off but continues to run because of opportunity in the intraday market), and should therefore be included in the redispatch cost. In addition, frequent redispatch activations on an asset will lead to additional investment costs (ie. necessity for an earlier maintenance) which should also be considered in the redispatch costs.</p>	<p>Elia first reminds the spirit of the package deal discussed and agreed with market parties that meant to get rid of the current "Red Zones concept" where the schedules of units were blocked (in one or two directions) as of DA in case of congestion risks preventing these units to take any opportunities in ID. The package deal consisted in letting market parties update their schedules in ID (even in case the CRI level is Medium or High) in order to take ID opportunities until RD GCT. In return market parties accepted to offer cost-based RD bids</p> <p>Elia reminds that the cost-based price should respect the principles described in annex 6 of the SA contracts i.e. being reasonable, demonstrable, directly linked to the request. This price should then not cover profit that could have been made by the market parties depending on external factor such as its own portfolio optimization, the balancing activations that could have been requested as these are not demonstrable costs.</p> <p>Maintenance costs are allowed as long as they respect the principles described in Annex 6 of the SA contract. However new investments in e.g. material, hardware or software are not allowed.</p> <p>As stated in Annex 1.C, the SA together with the Elia contractual responsible will agree on an activation price formula per operating mode of the technical facility and the content of this Annex 1.C will be shared with the regulatory authority at their request to assess whether the principles described in annex 6 of the SA contract are respected.</p>

		<p>In addition, an activation of a Redispatch Bids can already have caused costs on the BRP side (purchase of fuels, preparations for startup etc). A corresponding cancellation of the activation before delivery should be considered as a redispatching bid in the other direction, rather than assuming no cost and no remuneration.</p>	<p>Elia first wants to remind that the cancellation of a previously requested RD activation will be quite exceptional. In addition, and as presented during several workshops and stated in the SA contract, the remuneration of the RD activation request is only cancelled if the cancellation of the activation occurs before 22:00 D-1. If the cancellation is ordered after 22:00 D-1 (and not triggered by a Forced Outage), the remuneration will be maintained as costly actions might already have been taken by the SA.</p>
		<p>Again, FEBEG is committed to honour its promises made during those discussions and acknowledges the importance of maintaining a cost-based approach for remuneration. In this context, we deeply regret that some provisions added in the SA contract are simply deviating from the principles agreed-upon.</p>	<p>Elia does not agree with FEBEG that some provisions in the SA contract deviates from the agreed principles and refer to its previous answers on FEBEG's remarks about the RD remuneration. All remunerations and incentives introduced in the framework of the SA contract respect the package deal proposed by Elia, given if the SA provides good quality data and respects the contractual data regarding its schedules and RD energy bids no incentives will apply. Elia has modified where possible without jeopardizing operation security its design by including tolerance bands and lowering incentive margins (as indicated in other answers in this report).</p>
	<p><i>BOP</i></p>	<p>Elia proposed to introduce cost-based prices instead of free bidding for redispatch bids. The cost formula are to be proposed by the SA and to be approved by Elia when signing the T&amp;C SA. As long as the RD price is used only in case of grid safety concerns (as a last resort measure with full transparency on its use), BOP understands the reasoning of cost-based prices. Any bid used for balancing purposes is to be market-based.</p> <p>The elements mentioned in Annex 6 however, are extremely limiting. They do not take opportunity costs, or a reward for risk taken (e.g. penalties, data errors, asset steerability issues, etc.) into account.</p> <p>This should be added to the elements mentioned in Annex 6.</p> <p>In iCaros phase 1, the same price put forward by the SA/BRP is used as RD prices and mFRR bids. Also in case of emergencies, RD Energy bids can be used for balancing purposes (e.g. the “incompressibility procedure” recently launched). In such instances, balancing prices should be used.</p> <p>In addition, the pricing of RD bids should be made more complex, to allow for separate pricing depending on the extent of the downward activation (e.g. the first 50MW @ price X, the second 50MW at price Y).</p> <p>As long as these options are not fully implemented, RD Bids should remain market-based (rather than cost-based)</p>	<p>Elia reminds that the cost-based price should respect the principles described in annex 6 of the SA contracts i.e. being reasonable, demonstrable, directly linked to the request. This price should then not cover profit that could have been made by the market parties depending on external factor such as its own portfolio optimization, the balancing activations that could have been requested as these are not demonstrable costs. This means that opportunity costs and any costs related to possible incentives cannot be part of the cost-based formula.</p> <p>As from iCAROS and MARI go-lives, Elia reminds that the prices submitted for redispatching and for mFRR will be fully decoupled. The emergency situations where RD bids could be used for other purposes than RD are for instance the situations where Elia should need to start up a unit (by means of a RD bid) till its Pmin and in parallel make downward activations in mFRR in order to free up more balancing volumes for an event (such as a storm). In those situations (start-up of a unit that is not started) Elia considers that there is no “missed opportunity” for the started unit because otherwise the unit would have already been started by its own. Therefore, there is no reason that justified to remunerate opportunity costs for those units activated for RD for other reasons than congestion.</p>

			<p>In the incompressibility situations, Elia will use downward balancing bids (among others on wind production) to reduce the system imbalance of the Belgian balancing area. The incompressibility procedure was respecting the regulatory and contractual framework applicable in summer 2023 (pre-iCAROS and MARI) and won't be applicable anymore as of the go life or MARI which was clearly stated during the concerned WG balancing of summer 2023. Any evolution of this procedure will of course comply with the contractual framework that will be in force after iCAROS and MARI go-lives.</p> <p>Finally, Elia confirms that the pricing of bids proposed by BOP is fully possible with the structure of RD energy bids developed in the framework of iCAROS phase 1. Such pricing should be described in the annex 1.C and justified at the signature of SA contract.</p>
<p><i>Redispatching incentives</i></p>	<p><i>FEBEG</i></p>	<p>FEBEG expresses deep disappointment with Elia's approach resulting to introduce penalties which has disrupted the initial agreement (package deal). FEBEG hereafter reiterates a few key points before diving into the details.</p> <p>First, market parties and Elia reached a package deal that was considered fair by all stakeholders, this agreement did not mention the implementation of stricter penalties. Currently, there are no penalties enforced on RTS, RD, or mFRR energy bids, and Elia has not demonstrated the necessity or justification for implementing such penalties in these schemes. It is unreasonable to expect SAs to offer accurate energy bids without allowing them to update bids after GCT and then penalizing them while, at the same time, operating within a cost-based remuneration scheme.</p> <p>The inclusion of penalties is by definition making RD a lossmaking activity for the SA, instead of a cost-based activity. It is likely to prompt SAs to include provisions for penalties (along with mark-up on cost) in the cost-based price formula of energy bids – which becomes in this case a necessity.</p> <p>FEBEG proposes countermeasures to balance Elia's harsh penalty scheme, although these proposals should not be interpreted as an implicit agreement on the existence of penalties. FEBEG suggests that penalties only be applicable in cases where there is an incentive for the SA to not execute the activation, such as when there is an opportunity for the BSP to profit from the imbalance. In situations where not executing the activation request already penalizes the SA due to imbalance exposure, adding an additional financial penalty (via the Penalty Factor) would be unnecessary, unreasonable and result in double penalization. The mere</p>	<p>Elia first reminds that the existence of incentives related to RD activation controls was described in the initial iCAROS design note and during all subsequent iCAROS finetuning workshops without being considered at that time as a violation of the package deal. Elia thinks that introducing an activation control is required to ensure the correct delivery of the remunerated redispatching service. Considering the mandatory nature of the RD service, and the criticality of the service to ensure the operational security of the grid, Elia is convinced that an activation control associated with a sufficient incentive has to be applied to give sufficient incentives to SA to respect their obligations.</p> <p>Elia however understands that the introduction of an activation control and the related incentives in the framework of redispatching (together with a cost-based remuneration) is an important and impacting change for market parties. Elia also acknowledges the need of a learning period for market parties. Therefore, Elia will start with a base incentive factor of 0€/MWh for non-delivery of a submitted and activated RD energy bid which will progressively be increased according to the following implementation plan:</p> <ul style="list-style-type: none"> <li>• At iCAROS phase 1 go-live, the incentive factor is set at 0%</li> <li>• After 12 months, the incentive factor is increased to 5%.</li> <li>• After 24 months, the incentive factor is increased to 10%.</li> </ul> <p>Together with these increases, Elia will make an analysis of the delivery of the requested redispatching volumes that will be shared and discussed with market parties and the regulator. This analysis will al-</p>

		<p>removal of benefits when the deviation occurs in favour of the SA would take away all possible incentive to not deliver the RD bid.</p> <p>The proposed Penalty Factor of 25% applied to RD (and also mFRR energy bids) is excessive, lacks justification, and has not been demonstrated to be necessary by Elia.</p> <p>FEBEG proposes that both the Penalty Factors and tolerance bands be implemented as parameters in the Terms and Conditions (T&amp;C), providing Elia the flexibility to calibrate them based on thorough analysis and demonstrated needs. As a matter of principle, they should be calibrated to 0% at go-live date and until the moment Elia manages to demonstrate it would be essential (for system security reasons) to increase them (on a data set of 12 months at least) if no other alternative measure is possible.</p>	<p>low to identify whether market parties are able to deliver the requested volume indicated in the RD energy bids following requirements in the SA contract and to allow the eventual parties that are not able to deliver properly to justify the reasons of this. According to the conclusions of the analysis and the discussions with market parties Elia could propose adaptations of the incentive mechanism, the design or the control of activation if deemed necessary. For instance if it demonstrated that nearly all parties fail to succeed the activations due to too strict technical requirements, Elia could review the incentive mechanism; if on the other-side it is identified that parties globally deliver correctly but that there are still some failed activations without any sound technical explanation the incentive scheme should be maintained to incentivize market parties to improve or maintain the quality of their activations.</p> <p>Elia believes that this proposal can manage both Elia and FEBEG concerns related to the activation control and incentives for delivery of a submitted and activated RD energy bid.</p>
	<p><i>FEBEG</i></p>	<p>FEBEG finds Annex 8C incomprehensible and suggests using the Full Activation Time (FAT) in determining the ramping factor.</p>	<p>Elia proposes some clarifications in this annex. Elia reminds that the 90% ramping factor takes into account the activation profile (i.e. any ramping up or down induced by the activation request, considering the FAT ) to compute the RD energy to be supplied that will be used for the activation control.</p>
<p><i>BRP perimeter correction</i></p>	<p><i>FEBEG</i></p>	<p>FEBEG emphasizes two important principles regarding activation control and balancing perimeter correction:</p> <ul style="list-style-type: none"> <li>- First, a correct activation should not lead to any penalties or financial exposure.</li> <li>- Second, when a SA activates a slow-starting unit (with a Full activation time greater than 12.5 minutes), the ramping period should not result in financial exposure, as it contributes to the security of the grid.</li> </ul> <p>Balancing perimeter correction should ensure adherence to these principles. Concretely, FEBEG suggests the following approach:</p> <ul style="list-style-type: none"> <li>- for upward RD, the settlement of each quarter-hour of ramping should be the maximum value between the imbalance price and RD energy price;</li> <li>- for downward RD, the settlement of ramps should be the minimum value between the imbalance price and RD energy price.</li> </ul>	<p>Elia does not agree with FEBEG proposal as:</p> <ul style="list-style-type: none"> <li>• This is the responsibility of the BRP to pro-actively ensure that it is in balance during the ramp-up/ramp-down period. As RD energy bid activations are most of the time (and particularly for start-up) requested ahead of real-time, the BRP should have sufficient time to ensure its balance.</li> <li>• The start-up/shut-down price already includes the costs related to the ramp-up/down so that the BRP is only exposed to extra-costs when ID electricity price and imbalance price are lower than 0€/MWh. Due to the low frequency of situations with negative ID and imbalance prices (15% of the time based on last year data) combined with low use of start-up/shut-down (3-4 start-up in average per year based on last 5 years data), Elia does not agree to integrate additional costs in the start-up due to low probability and low frequency of risk. Should the BRP face very high losses due to particular market conditions, ex-post settlement remains possible after discussion with</li> </ul>

			the Elia contractual responsible if compliant with the cost-based criteria stated in Annex 6 of the SA contract.
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## 4.5 Specific comments received during the public consultation on the Rules for Coordination and Congestion Management

Subject	Stakeholder	FEEDBACK RECEIVED	ELIA'S VIEW
<i>CRI</i>	<i>Centrica</i>	<p><b>Centrica invites Elia to revise its CRI Level publication timeline</b></p> <p>In the current practice, Elia releases the initial CRI Levels for Day D around 10pm D-1 and subsequently updates them throughout the day. However, we believe there is an opportunity for improvement.</p> <p>By recognizing that the data required for establishing these initial CRI Levels is accessible much earlier during D-1 (e.g., DAH outcomes, BRP nominations, SA schedules, etc.), a shift in the publication timeline can provide significant operational advantages.</p> <p>To improve adaptability for market participants, we advocate for the advancement of the initial CRI Level publication to 6pm D-1. An additional update at 10pm D-1, contingent on Elia's discretion, could offer opportunities to further fine-tune the CRI Levels.</p>	Elia specifies that some of the data necessary to execute operational security analysis and compute the CRI levels might be only available as from 8 PM D-1 (reception of data concerning European common grid models from Coreso). Elia will publish the CRI in D-1 as soon as all the needed input data are available.
<i>Filtering of balancing bids</i>	<i>FEBEG</i>	FEBEG calls for the publication of occurrences of balancing bid filtering alongside CRI publications. Additionally, an action plan is necessary to reduce such occurrences, along with a feedback loop to adjust criteria in cases where CRI is misused.	Elia refers to the public consultation about the Balancing Rules for additional information about the publications related to the filtering of balancing bids. Following also comments received in the public consultation related to the Balancing Rules, the reference to these publications has been moved from the Rules for Coordination and Congestion Management to the Balancing Rules.
<i>Compensation mechanism</i>	<i>FEBEG</i>	In section 6.2 of the explanatory note, it is stated that the activation of a RD energy bid is compensated by the activation of another energy bid, commonly referred to as a compensation bid. However, it is important to note that this compensation bid is not specific to a particular location and should instead be a balancing bid with a remuneration based on market prices. If a RD bid is activated as a compensation, it should be remunerated at the CBMP and not at	Elia first confirms that RD energy bid activations are only used to solve operational security issues following the rules defined in the Rules for Coordination and Congestion Management or, for exceptional situations, in the LFC BOA. A RD energy bid activation is always locational-based as it is intended to solve a local operational security issue. Elia also confirms that the volume to be compensated in order

		<p>the RD energy price. It is crucial to remember that prequalification or availability tests serve a different purpose and should not be used for the compensation of RD bid activation as suggested in section 6.2 of the explanatory note. FEBEG is highly surprised that Elia intends to use these tests for compensation purpose. This creates doubts around the non-transparent trigger of these tests. Therefore, it is highly recommended to avoid such practices.</p>	<p>to maintain the balance of the grid following a RD energy bid activation will be considered to assess the need of (mFRR) balancing activations according to the principles described in the Article 13 of the Rules for Coordination and Congestion Management and Article 13 of the Balancing Rules. This confirms that the compensation will be performed via balancing activations.</p>
	<p><i>Centrica</i></p>	<p><b>Centrica encourages Elia to better describe the selection of compensation mechanisms, and to make operational choices and market outcomes publicly available</b></p> <p>Section 6.2 of the explanatory document outlines various compensation mechanisms for redispatch bids. While the proposed mechanisms are clear, we seek further clarity regarding the criteria used by Elia to determine which of these mechanisms is selected.</p> <p>Furthermore, it remains unclear what direct or indirect impact the chosen compensation mechanism will have on balancing prices, particularly in cases where reserved and/or non-reserved balancing bids are utilized for congestion management.</p> <p>To promote transparency and ensure a comprehensive understanding, we strongly encourage Elia to better describe the selection process of available compensation mechanisms in the T&amp;Cs. This should not only be driven by system security and cost optimisation, but also reflect potential impacts on competition.</p> <p>Additionally, we recommend that the results of the compensation mechanism be made publicly available. By providing insight into the reasoning and outcomes of these choices, market participants can better align their strategies and operations.</p>	<p>In case multiple RD energy bid activations (in upward and downward directions) are necessary to solve the same or different operational security issues, Elia will use the net sum of these activations to compute the need of compensation. This principle does not imply the use of a RD energy bid activation to ensure the compensation (that is ensured via balancing activation as stated above) but results from an efficient determination of the need of volume to be compensated.</p> <p>Elia also ensures that prequalification or availability tests are not used for compensation purpose. As indicated in Article 13 of the Balancing Rules, these tests, together with the compensation necessary for RD, as well as other components, are considered to determine the mFRR demand for scheduled activation.</p> <p>Elia then confirms that only one compensation mechanism is used (via balancing activations) and will clarify the explanatory note accordingly. The principles seem however clear in the Rules for Coordination and Congestion Management and the Balancing Rules.</p> <p>As RD energy bid activations are already published as well as balancing activations, Elia does not see any additional relevant publications that could be useful for market parties, also considering the elements detailed above.</p>

## 4.6 Specific comments received during the public consultation on the planning and content of iCAROS phase 2

Subject	Stakeholder	FEEDBACK RECEIVED	ELIA'S VIEW
<i>Planning phase 2</i>	<i>Febeliec</i>	<p>On Elia's draft proposal of the timeline for the implementation of iCAROS phase 2, Febeliec wants to reiterate its comments made during numerous discussions on the Belgian consumption increase forecast of Elia, which it finds grossly exaggerate as it considers a 50% increase in less than 10 years (by 2032) unrealistic. The Febeliec comments on the document can in no case be considered to validate Elia's assumptions. Concerning the scope of iCAROS Phase 2, Febeliec wants also to reiterate that only data should be requested which is going to be used and which cannot be accessed more efficiently through any other means (in concordance with the use that will be made of it, with a trade-off between cost and benefits), as most parties in scope of phase 2 currently have no obligations to provide such data (especially related to schedules) and would thus have to build the necessary infrastructure and processes from scratch, with all the related costs. Hence the need to have a clear check of the added value of such provision of data. In this light, it is very important for Febeliec that the scope definition for phase 2 is conducted in close collaboration with the involved parties and that after a clear and complete scope definition and regulatory and legal approval process sufficient time is given to the involved parties to put in place the necessary infrastructure and processes, again in close collaboration with Elia and if required with other parties, in order to ensure that no parallel information and data flows to network operators should be put in place for the same data. Febeliec also insists that, in light of the potentially large number of involved parties, a scope freeze is applied before any developments have to be done on the site of grid users, to avoid that scope creep and shifting objectives lead to unwarranted cost increases. It is very important to understand that these processes, though core business for system operators, are not so for grid users and should be kept as lean as possible and preferably integrated in the normal investment and development cycles, which requires timely visibility. Moreover, it is important that the costs can be budgeted, as grid users are not monopolistic entities which can easily translate these costs in additional revenues, but rather consider this as yet another additional financial and operational burden</p>	<p>The objective of Elia is indeed only to acquire data that could improve significantly the data quality of the system operational security analysis when operationally required and this in close discussion and collaboration with the impacted service providers. The objective of the consultation of the timeline for the implementation of iCAROS phase 2 was to give stakeholders the opportunity to question the sequence and timing of the topics that need to be clarified in design workshops regarding iCAROS phase 2 that will be organized by Elia but also to create awareness that these topics are coming up and that input from impacted parties during those workshops would be very helpful and very appreciated. These workshops will not only tackle the "what" but also the "how" and "when". The objective of Elia is to simplify as much as possible and limit the investments for market parties as much as possible without jeopardizing the operational security as such suggestions of impacted parties regarding the "what", "how" and "when" are crucial for a successful design. Elia notes that Febeliec estimates the proposed timeline as too optimistic, but Elia believes that the proposed timeline should serve as a guideline and as such this should be ambitious but still feasible. Elia believes that the proposed timeline and sequence reflect this but agrees that it is only a starting point and that a review is likely during the actual implementation especially given the high number of new involved impacted parties.</p>

		<p>which impacts their competitiveness. Last but not least, and related to the above, it is important to ensure that any further iCAROS phases are to the extent possible future-proof related to current legislation as well as legislation under development, to avoid a never-ending process of updates and changes already from the conception phase (see also above on scope creep).</p> <p>Considering the specific proposed timeline of Elia, Febeliec at this point cannot validate these as it is very difficult to understand the scope and impact of the required changes. However, Febeliec is adamant on the above-mentioned conditions and thus does not want to fix any timeline which could not respect these boundary conditions. In light of the complexities identified for the implementation of iCAROS phase 1, covering a much more limited number of involved parties which already had a wide range of obligations and processes in place, Febeliec is at first glance of the impression that the proposed timelines by Elia are overly optimistic. Febeliec nevertheless as always will strive for a timely implementation of any features that will ensure grid safety and stability at a reasonable cost, yet only under the boundary conditions described above.</p>	
<p><i>Split of market roles</i></p>	<p><i>Centrica</i></p>	<p><b>Centrica asks Elia to clarify the transition towards independent roles for the BRP and BSP, and to reverse the timeline of the separation of roles between BRP, OPA and SA</b></p> <p>We support Elia’s efforts to establish revised roles and responsibilities for ancillary services provision. This initiative will facilitate the participation of new technologies, lower barriers to entry, and foster a more efficient and diverse energy landscape, in line with European legislation.</p> <p>Presently, the Belgian energy market still faces persistent barriers to market entry, as underscored by ACER’s market monitoring report (cf. table below). One notable example is the requirement for a BSP to become BRP to utilize CIPU units in the balancing reserves. Elia has acknowledged the need for role separation, a key objective of the iCAROS project since 2017. Nevertheless, a definite timeline for implementation remains absent.</p> <p>It is important to acknowledge the necessity to delve further into complexities and risk mitigation measures, such as the timely and precise exchange of information on activations and volume allocation. We also understand the fact that such separation necessitates further regulatory amendments to the T&amp;Cs and could occur with different speeds for aFRR and mFRR. Nonetheless, the ambiguity surrounding the timeline is concerning. For example, the recently consulted T&amp;C mFRR implies a continuation of the unified BSP and BRP roles</p>	<p>First of all Elia wants to remind that the split of BRP and BSP is not as such covered by the iCAROS project and is more linked to Transfer of Energy (which is according to current legislation only possible for consumption delivery points, which naturally excludes DPSU).</p> <p>Besides, the transition towards independent roles for BRP, OPA and SA (which is indirectly linked to separate role for BSP as well) is the objective of the iCAROS roadmap as well as the AS roadmap. However it is important to keep in mind that a lot of the basic concepts related to BRP, BSP and SA are intertwined (such as activation controls, neutralization of the financial impact of an Elia activation on the balance responsibility and settlement when the same Technical Facility is offered for multiple products by different actors). When only looking at straightforward cases one might wonder why these roles cannot be split. However, it is the combination of products and special cases that require in-depth analysis to find a solution that is acceptable for all involved parties and that can be efficiently implemented and maintained.</p> <p>Elia notes the request to speed up as soon as possible the implementations needed for splitting up the roles for DPSU but given the indication of other stakeholders that the timing proposed by Elia for developing the concepts for small units is very optimistic an acceleration of the obligation to participate in RD bidding for small units does not seem realistic.</p>



		<p>even beyond 2026-2027</p> <p>If the separation of roles is not implemented soon, market barriers for new and smaller BSPs will persist. These market participants will be unable to enter the market with CIPU units unless they become BRPs. With the implementation of iCAROS phase 2, the obligation to become BRP might even extent to assets <math>\geq 1</math>MW.</p> <p>To overcome these barriers, we kindly ask Elia to clarify the 2026/27 roadmap towards independent roles for the BRP and BSP, both for aFRR and mFRR.</p> <p>Finally, we express a clear preference to initiate the split between the SA and BRP roles in Q1 2026, followed by the separation of the OPA and BRP roles in Q2 2027.</p>	<p>To address this point, Elia will analyze in 2024 (once the go lives of MARI and iCAROS are realized) what are the possibilities to split up the BSP from the BRP for DP<sub>SU</sub> (as it is already authorized for DP<sub>PG</sub>) while considering limitations/prerequisites and comments received on the roadmap for iCAROS phase 2.</p>
<p><i>Planning phase 2</i></p>	<p><i>FEBEG</i></p>	<p>Furthermore, some sections of the consultation documents already touch upon the scope of iCAROS phase 2, which has not been adequately presented nor discussed with stakeholders. Given these considerations, it may be premature to present and comment on the scope of phase 2 at this stage. Elia should not consider the absence of comments on the Phase 2 of iCAROS as an implicit agreement of FEBEG with the proposed approach, more, open and in depth, discussions with all parties are needed in this regard.</p>	<p>As indicated during WG Balancing, the objective of the consultation of the timeline for the implementation of iCAROS phase 2 was to give stakeholders the opportunity to question the sequence and timing of the topics that need to be clarified in design workshops regarding iCAROS phase 2 that will be organized by Elia but also to create awareness that these topics are coming up and that input from impacted parties during those workshops would be very helpful and very appreciated. As such the objective was not to obtain consent regarding the “what”, “when” and “how” of iCAROS phase 2 but to give impacted stakeholders already the forum to communicate any concerns so that these concerns could be included in the starting point of iCAROS phase 2.</p>

## 5. Complementary adaptations of the T&C SA and T&C OPA

DOCUMENT	SECTION	CHANGES	EXPLANATIONS
T&C OPA	Art. II.10, Art. II.12, Art. II.13	The term “penalty” has been replaced by “incentive” in all the articles of the T&C SA and T&C OPA that include the word “penalty”.	The CREG contested the applicability of penalties, due to, according to the CREG, its non-compliance with the requirements in the (new) Civil Code (art. 5.88) as to liquidated damages (“schadebeding”/“clause indemnitaire”). The CREG also pointed out that, to the extent the penalty would have a punitive purpose, there was no legal basis for that neither in the Electricity Act nor the Code of Conduct.
T&C SA	Art. II.11, Art. II.12, Art. II.13, Art. II.15, Art. II.16, Annex 11		In Elia’s view, in the context of the T&C SA and T&C OPA, penalties are to be used as an incentive to induce an adequate behaviour of OPAs and SAs and a legal basis can be found in articles 20, 23 and 55 of the SOGL and 74 of the CACM. ELIA therefore replaced the term “penalty” by the term “incentive” in all the articles of the T&C OPA and T&C SA that include the word “penalty”, to make a better link with the applicable legal basis and avoid confusion with the above mentioned rules of the Civil Code concerning liquidated damages.  Please note that, ELIA did not adapt the Art. I.6.1 of the General Conditions as the latter were not subject to the “iCAROS public consultation”. But the term “penalty” used in the Art. I.6.1 refers to the same thing as the term “incentive” now used in T&Cs.
T&C SA	Definition 44, Art. II.3.9, Annex 5A	The “Maximum Energy Level (MEL)” has been added as a parameter for the RD energy bids in the SA contract.	As mentioned in the explanatory document provided to market parties during the public consultation, some discussions were still ongoing with market parties about the possibility to add some RD energy bids (together with mFRR energy bids) parameters when the public consultation started. The “Maximum Energy Level (MEL)” parameter has then been added in the T&C SA as a result from these discussions, and for alignment with the addition of this parameter for mFRR energy bids as requested by market parties in the public consultation regarding T&C BSP mFRR.

### Contact

#### Elia Consultations

Consultations@elia.be

#### Elia System Operator SA/NV

Boulevard de l’Empereur 20 | Keizerslaan 20 | 1000 Brussels | Belgium



## 6. Next steps

On the basis of the reactions received from market players and its views, as set out in this consultation report, Elia will adapt the Terms and Conditions for the Outage Planning Agent (T&C OPA), Terms and Conditions for the Scheduling Agent (T&C SA) and the Rules for Coordination and Congestion Management and will submit these documents, together with this consultation report, for approval to the regulator. The comments related to the phase 2 of iCAROS project will be further discussed during workshops with market parties.

After submission to the regulator, the updated versions of the T&C OPA, T&C SA and Rules for Coordination and Congestion Management, and the consultation report will be published on ELIA's website.

## 7. Annexes

The non-confidential reactions Elia received to the document submitted for consultation:

- *Belgian Offshore Platform (BOP)*
- *Centrica*
- *Eneco Energy Trade BV*
- *FEPEG*
- *FEBELIEC*
- *Zandvliet Power N.V.*

### Contact

#### Elia Consultations

Consultations@elia.be

#### Elia System Operator SA/NV

Boulevard de l'Empereur 20 | Keizerslaan 20 | 1000 Brussels | Belgium

