

Winter Action plan – Balancing Rules

Users' Group 06/12/2012

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Winter Action plan

Distinction should be made between adequacy and balancing

- balancing:
Market parties should procure (abroad) /produce sufficient electricity to balance their portfolio
- adequacy:
ARPs should have access to flexibility (production, Hub, cross-border) to cover their portfolio

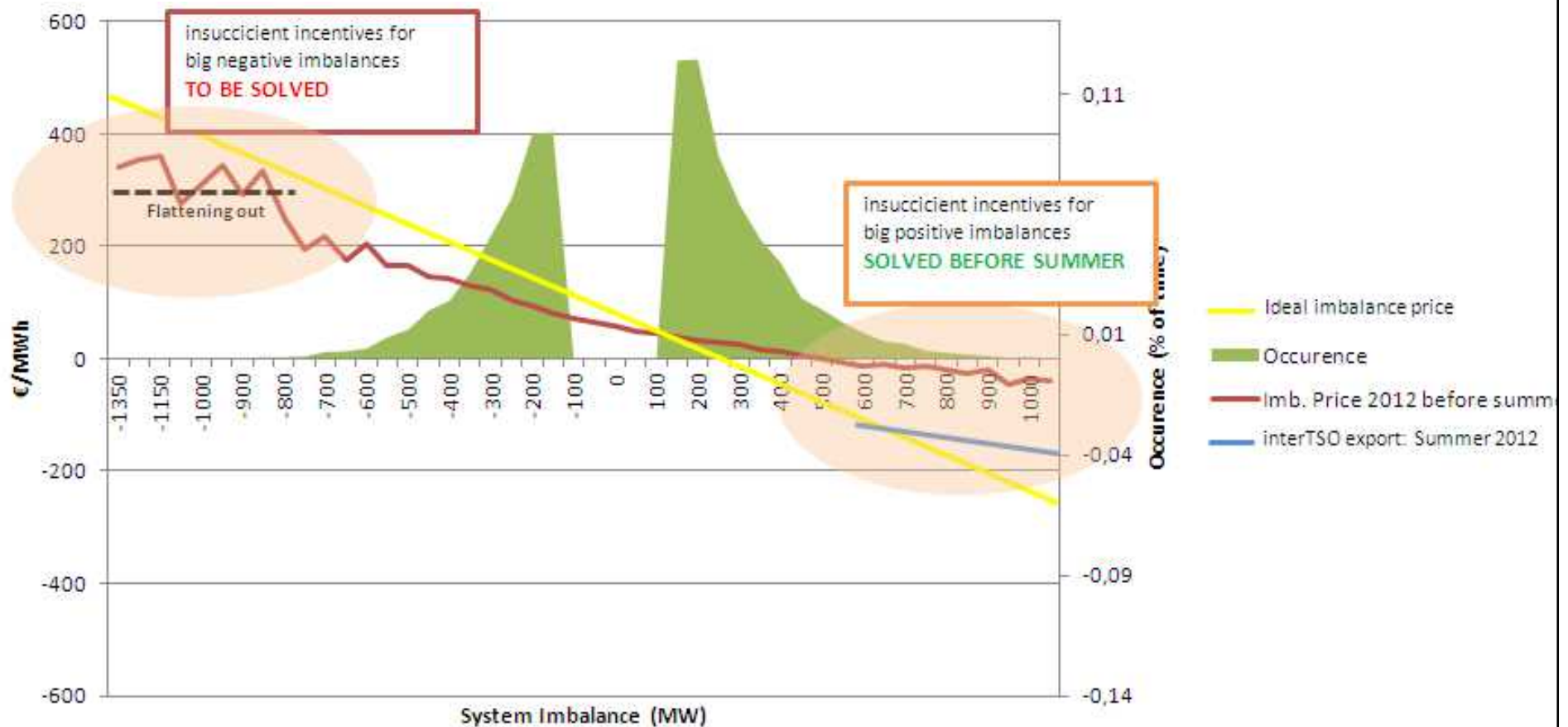
Set of actions for winter consist of 2 parts;

- ARPs:
 - Adaptation incentives through imbalance prices; if flexibility (market/production) exists it should be used by ARPs to balance their portfolio independent of the cost. ARPs should not source on purpose on the balancing market
 - More cross-border flexibility available for market
- Elia:
 - Increase of accessible volumes for potential incremental activations if needed

Reminder Elia's balancing philosophy;

TSO should only resolve residual imbalances which aren't known by the ARPs.

Winteraction plan: incentives for ARPs



- For days with a high Belpex price (>350€/MWh) the negative imbalance price is not necessary higher*. Quid adequate incentives through imbalance tariffs?

*activation price of ICH = Max (75€; 108% Belpex)

Proposed Solution



- If an interTSO import is requested by Elia, the following formula will be used to value it into the imbalance prices:

$$\text{formula: } \text{PRICE}_{\text{InterTSO, Import, RequestElia}} = \text{Max}(\text{Belpex} * 120\%; \text{contractual price interTSO})$$

- Consequence of this formula: in case of significant negative imbalances on the Belgian balancing zone the imbalance price will be at least 20% higher than the day ahead market price if Elia is requesting an activation of interTSO-volumes
- Status
 - Elia has sent this proposition to the CREG on 07/11/2012
 - Waiting for approbation

Winter plan; additional flexibility for Elia (1)

1. Operational procedure inviting ARPs to provide any additional flexibility to the balancing market:

- This summer, in the context of incompressibility, Elia initiated a procedure of call for new volumes on the basis of the CIPU contractual modalities.
- Starting 19/11/2012 such a call for new volumes will be initiated also for additional Incremental flexibility:
 - on a Day-Ahead basis, when a risk of shortage is identified for the day after
 - and/or on an Intraday basis, when I-bids and reserves are insufficient to balance the zone
- Starting 19/11/2012 web messages will be published on our web site in order to inform parties of such call's to additional volumes and in case of request to Inter-TSO Import.

Balancing
Balancing Warnings
Current system imbalance
Available regulation capacity
Using regulation capacity
Imbalance prices
Diversification of reserves survey

Currently there are no day-ahead publications.

INTRADAY WARNINGS

INTRADAY INFORMATION TO THE MARKET - IDENTIFICATION OF INCOMPRESSIBILITY RISK

11/10/2012 02:27

In connection with the issue of "incompressibility" Elia has established an operational procedure (based on the CIPU contract) under which all ARPs that have signed a CIPU contract are requested to offer any available regulation capacity to the control area.

There is currently a positive imbalance in the Belgian control area and the downward regulation capacity at our disposal in the control area has been fully activated.

According to the activation sequence defined in the Mechanism for managing the balance of the Elia control area, the next resource that would be activated, if necessary, is the emergency reserve power contracted with neighbouring TSOs.

In this context Elia has asked the ARPs to offer any available volume to the control area via the CIPU Intraday Procedure.

RSS Feed

Winter plan; additional flexibility for Elia (2)

2. Update of InterTSO contract with Tennet (pending)

- Existing contract is going to be made more flexible
- Current contract lead time of 1 hour; new contract lead time of 15 min (like interTSO FR)
- Old contract maximum volume of 250 MW New contract max volume of 300 MW
- Detailed discussions on last topics with TenneT are pending but main principles are aligned;

3. Aggregated Power plant

- Short term work around – using existing tools/procedures/contracts – to allow ARPs to offer, on top of classical CIPU production units, balancing flexibility from any other source in their perimeter.
- Creation of a Virtual power plant in CIPU contract composed of an aggregation of load and/or small injections of their perimeter.
- Such APP implies that, the ARP has signed a CIPU contract and has at its disposal an interface that communicates with Elia's bidding interface Probid.
- ARPs with CIPU contract were contacted the 29th of October by mail.
- Interested ARPs are invited to contact Elia in order to discuss practical modalities.

Winter plan; additional flexibility for Elia (3)

4. Contracting of more “interruptible load” volumes (pending)

- Standard volumes for tertiary reserves (incl interruptible load) are determined through a yearly procedure. The required volumes for 2013 are currently already procured by Elia.
- The Minister has been consulting CREG and Elia investigating the possibilities to exceptionally allow Elia to contract interruptible load volumes for adequacy reasons on top of those approved during the yearly procedure
- Elia has verified some specific conditions with those industrial clients who participated in our yearly tendering but weren't selected to deliver reserve volumes
- Next steps:
 - Official request of the Minister to contract those additional interruptible load volumes is expected soon.
 - In case of such request, Elia will contract these additional offers for a limited duration (winter)