



Bid Ladder

Elia Users Group 06/12/2012

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Taskforce 1 - 'Bid ladder' Consultation



► Feedback from this taskforce

Cfr previous presentation for the Plenary UG, Elia proposed to set-up an Ad Hoc taskforce under the WG System Operations, to consult and exchange ideas with ARP's; Producers; Industrial clients; Aggregators; Others : ...

Response and interest was very positive, more than 25 stakeholders confirmed their interest:

- Producers (via FEBEG), Industrial clients (via Febeliec), Aggregators (individual)
- APX-Endex; Edora; GABE, SPF Economie; etc...

- The scope of the first taskforce was to introduce the topic, clarify the scope, set the expectations and off course, get to know each other. First reactions of the participants was positive => we can conclude that the kick-off was successful, the real work remains to be tackled during the next sessions:
 - Taskforce 2 (11-01): Which contractual model to use for offering free bids
 - Taskforce 3 (end-february?): Portfolio and/or Unit bidding ⇔ link with congestions management
 - Taskforce 4 (mid-april): Standard product definitions
 - Taskforce 5 (end-may): Contractual implications, IT-platform, roll-out, ...
- It was proposed to extend the scope of the Task Force (see next)

"Bid ladder": Set up a simple and powerful "balancing platform" to create the opportunity for market players to offer, on top of centralized production units, balancing flexibility on load and decentralized production units.

Context and challenges for Balancing

► Key milestones 2013



- **Renewal of Tertiary Reserve Contracts**

- Current contracts expire end 2013.

- **Continuation of consultations on Balancing initiated by CREG in 2012**

- A “Phase 1” (lead by CREG) took place in Q1 2012, involved current providers of R1 and R2 in Belgium, and was dedicated to R1 and R2 evolutions for 2013.
- It was agreed to foresee a “Phase 2” for evolutions after 2013, lead by CREG or Elia (tbc), extended to all reserve types, extended to all market actors (other producers, industrial clients, aggregators,...).

- **Requirement from the new Electricity Law (art. 8 §1)**

- « (15) établir au plus tard dans les dix-huit mois suivant l’entrée en vigueur de la loi (...) **(=> 8/7/2013)**, un rapport en étapes sur les conditions nécessaires à assurer l’équilibre de la zone de réglage. Après concertation avec les acteurs de marché concernés, il adresse ce rapport à la Fédération belge pour les entreprises d’électricité et de gaz, à la commission et au ministre en y déterminant explicitement les conditions de faisabilité préalables à la mise sur pied de la plateforme visée ci-dessus au point 2° du présent alinéa. »
- « (2) Pour l’activation des moyens de production nécessaires à assurer l’équilibre de la zone de réglage, le gestionnaire du réseau privilégie le recours à une plateforme de marché transparente »

Context and challenges for Balancing

► Working priorities for 2013



Facilitate balancing by BRPs < real-time => minimise residual needs

- 2012: Single marginal imbalance tariff 1/1/12; new website; publication of Wind and Solar Forecasting
- 2013:
 - Enhancement of balancing publications (infeed, improved merit order information, Solar forecasting v2)
 - **NB: market integration continued (NWE Day-Ahead and Intraday in 2013)**

Diversify resources providing balancing services; in particular, facilitate participation of load.

- 2012 for 2013: major evolutions to R1 and R2 products to enable participation of a variety of assets; several concrete initiatives of load participation (R1, ICH, Pilot project R3 from decentralised load).
- 2013 for 2014...and later:
 - **Bid Ladder platform**
 - Evolutions of R3 products
 - Contractual model for participation of load and distributed resources to AS
 - Vision and requirements for R1 and R2 diversification and procurement

Realise XB synergies

- 2012: Framework Guidelines on Balancing; participation BE in I-GCC (imbalance netting with 6 countries incl. Germany, 1/10/12); provision of R3 from France 1/1/2013; enhancement of mutual assistance contracts.
- 2013
 - NC Balancing
 - NC LFC&R
 - Study on potential BE-NL XB synergies in balancing (with Tennet)
 - Further investigations of XB procurement for R1/R2 and further modules of GCC

Context and challenges for Balancing



► Zoom: demand participation: new developments

- ...Until 2012 the majority of AS has been offered by ARPs with a CIPU contract with production units covered by this contract. Elia wishes to extend participation to new resources and new players. This is encouraged by CREG. **Three concrete initiatives achieved for 1/1/2013.**

- 1. **R1 Load**: partially investigated back in 2008; task force R1 Load with 3 industrial consumers in 2011/2012.
 - ⇒ **30MW R1 DOWN in total will be provided by 3 industrial consumers in 2013**

- 2. **ICH 2013**: the possibility to offer the service from a pool of several Elia-grid access points lead to new offers from aggregators.
 - ⇒ **18MW ICH will be provided by *Energy Pool* from a pool of 5 « new » AP in 2013**

- 3. **Pilot project « R3 from Decentralised Load »**: as part of its R&D effort and with support from CREG, Elia decided to contract an offer from *Restore* for 5 to 10 MW of interruptible power from the distribution grid, as a pilot project. Objective: test the technical performance of interruptible load in d-grid; gain experience on control modalities and contactual pre-requisites.
 - ⇒ **Tests will be performed in 2013 for provision of 5 to 10 MW of interruptible power from a pool of >10 access points connected to the distribution grid and contracted by *Restore*.**
 - ⇒ Modalities: based on ICH product; controls based on measures from DSO AMR-meters; no correction of ARP perimeter.

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► Proposal to extend as a Balancing Task Force

Proposal: extend the scope of this task force, beyond the Bid Ladder project.

Name: Balancing Task Force

Purpose: consult stakeholders on evolutions of balancing market design

Status: ad-hoc Task Force under Elia's Users' Group WG System Operations

Working Language: English

Participants:

- Users' Group members (Producers, Industrial consumers, suppliers, DSOs, etc.)
- + Aggregators
- + CREG

Topics to be discussed:

- Bid Ladder project
- Evolutions of R3 products and contracts for 2014 and beyond
- Participation of load to AS
- Future vision for R1 and R2 procurement and resources
- Balancing publications
- XB balancing synergies

Next steps

- Confirmation of scope extension by Users' Group 6/12