

Minutes of meeting Balancing Taskforce 25/04/2014

List of participants:

Company/association	Name	Present	Excused
Entelios	Stefan Smets		
REstore	Pieter-Jan Mermans	X	
Powerhouse	Jasper van den Berg		
Energypool	Emilie Scholtès		X
Energypool	Fernet Guillaume		X
Energypool	Arbeille Jacques	X	
Actility	Cedric De Jonghe	X	
Wom	Herman Marien		
Belpex	Rob Loos		
FOD Economie	Senne Gabriels	X	
EDORA	Noémie Laumont		X
Belgian Offshore Platform	Lut Vande Velde		X
Belgian Offshore Platform	Antoons Eric		X
VBO-feb	Olivier Van der Maren		
GABE	Jean-Pierre Bécrot	X	
Febeliec	Peter Claes		X
Febeg	Steven Harlem	X	
Progress Energy	Wouter Verbeeck		
eni	Antoine Thoreau		X
eni	Ludovic Platbrood	X	
E.ON	Jimmy Tjoa		
EON	Taverniers Hans		
Electrabel	Bart Massin	X	
EDF Luminus	Frédéric Demaret		X
EDF Luminus	Grégory Michiels	X	
RWE	Nic Niedermowwe	X	
RWE	Heribert Kresse	X	
INEOS	Geert Meynckens		X
Nyrstar	Sven Verwimp		X
Infrabel	Walter Aertsens		X
BASF Antwerpen	Eric Verrydt	X	
Air Liquide	Raphaël Lhomme	X	
ArcelorMittal Energy	Luis de Miguel		X
	Ron Schuermans		
Axpo Benelux	Dirk Verbruggen	X	

Alstom	Ward Gommeren		X
ODE	Alice Detollenaere		
CREG	Jacques Gheury	X	
CREG	Brice Libert		X
CREG	Gilles Wilmart		X
Anode	Dieter Jong		X
Lampiris	Bruno Vanderschueren		X
Lampiris	Pierre Lebas	X	
Inter-Régies	Marc Malbrancke	X	
Synergrid	Bruno Gouverneur	X	
Infrac	Annick Dexters	X	
Ores	Didier Halkin	X	
Ores	David Vangulick	X	
Eandis	Luc Decoster	X	
Tecteo	Amandine LEROUX		X
Elia	Emeline Spire	X	
Elia	Hans Vandenbroucke	X	
Elia	Carton Filip	X	
Elia	Carl-Stephan Thüngen	X	

Minutes of meeting :

All agenda items were supported by presentations prepared by Elia for agenda items. These slides serve as background for these minutes and can be found infra and on the ELIA website under <http://www.elia.be/en/about-elia/Users-group/ad-hoc-taskforce-balancing/Agenda-ad-hoc-werkgroep-balancing#10>



TF

Balancing_25042014.

1. Agenda for the balancing taskforce of 25/04/2014

- Approval of Minutes TF Balancing dd 17/02/2014
- Evolutions in Short Term Sourcing & Next Steps
Feedback Consultation Note
- Contracting 2015 – Open Qualification procedure /contract
- Feedback Expert WG and R3DP2015 next steps
- Feedback Synergrid consultation (B. Gouverneur)
- Project "R2- from Wind"
- Status update on Network Code Balancing & ACER Opinion
- Questions - Next steps - next meeting date

2. Introduction by the President of the Task Force

As an introduction Emeline Spire presents the new structure of the Department Energy Management within Elia.

It is especially underlined that Filip Carton will take another challenge within Elia as from 01/07/2014 (Head of Operations for the National Control Center + project leader for the Implementation of Strategic Reserves).

The role of secretary of the Balancing Taskforce will be taken over by Hans Vandenbroucke, who herewith also becomes the first contact person for the related matters.

3. Validation of Meeting Minutes dd 17/02/2014

The draft minutes of the previous taskforce were distributed by e-mail prior to this meeting; remarks on the meeting minutes could be sent to filip.carton@elia.be. There were no comments received. The minutes (cf. infra) are approved by the taskforce and are published on the website of the task force:

http://publications.elia.be/upload/UG_upload/U0BT6E4610.pdf



Minutes of Balancing
Taskforce dd 17 02 2014

4. Evolutions in Short Term Sourcing & Next Steps Feedback 1st Consultation Note

Hans Vandenbroucke gave an overview of the results of the 5 first short term auctions held so far for this year. He also reminded the audience of the global approach and continued with providing feedback on the results from the 1st Consultation Note held from Feb 25th till March 18th. The 1st Consultation Note can be found at the ELIA website

<http://www.elia.be/en/about-elia/Users-group/ad-hoc-taskforce-balancing/~//media/files/Elia/About-Elia/Users%20Group/Task-force-balancing/Package-2015.pdf>

The comments from stakeholders on this 1st Consultation Note reveal that most respondents are in favour of evolving towards a 100% short term sourcing of all R1 & R2 products. Further on feedback was provided on the split between LT and ST and the products included in the short term procurement.

Given the results from the 1st Consultation Note and as the first consultation was only focused on the short term sourcing of R1 100mHz and R2 products, ELIA is currently organizing a second consultation from April 23rd till May 5th. This second consultation is a complementary consultation, specifically on the R1 and R2 tendering process.

The 2nd Consultation Note can be found infra and on the ELIA website at http://publications.elia.be/upload/UG_upload/FJP3Z9RQYM.pdf



Nota Package
2015_2nd consultatio

ELIA's proposal included in this 2nd Consultation Note is to evolve towards 100% Short Term Sourcing of all R1 and R2 products (not only R1 100mHz and R2 as in 2014 but also on R1 load, R1 down and R1 cross-border/R1 RTE). The key consideration for Elia was the need to:

- allow all products and all participants (including Load) to compete in the short-term auctions,
- neutralise the de-optimisation risk inherent to having two sourcing horizons

so as to enable discovery of the best possible combination at the best possible price. After this second consultation period (closing May 5th), ELIA shall submit its Balancing Rules to the CREG for approval.

According to the yearly tendering processes for R1 and R2, ELIA will have to proceed, in absence of approved Balancing Rules prior to May 16th 2014, with the organization of the yearly tendering of R1, R2 and R3 production for 2015. However, ELIA shall include the possibility to cancel the yearly tendering and its outcome for R1 and R2 products in case the approval of the Balancing Rules is received after May 16th.

In any case, R3 production shall remain subject to the yearly tendering.

In case the Balancing Rules proposing 100% Short Term Sourcing of all R1 and R2 products are approved, ELIA will contract all R1 and R2 products via the short term auctioning procedure as of December 2014.

GABE explained the need to maintain a yearly purchase of R1Load (asymmetrical 100-200mHz) because

- if R1 Load becomes monthly contracted, an industrial site will not sacrifice potential yearly incomes from ICH, SDR, ... to, perhaps, be selected during one or two months as R1 Load provider ! Elia does not solve its difficulty to optimize purchased power between monthly products (f.i. symmetrical R1) and yearly products (R1 Load). Elia transfers the problem to industries which would have to arbitrate between their power offers to yearly (ICH, SDR) or monthly (R1 Load) services
-

therefore, to contract R1 Load only via monthly procedure, instead of yearly one, risks to doom R1Load to disappear.

The target of "Industrial sites providing Elia with ancillary services" was to obtain a win-win solution, also efficient for industries supplying the ancillary services which are not their core-business. Monthly offer procedure might be too heavy burden.

GABE regrets that Elia did not organize meetings with R1Load service providers to define the evolution of the product.

All participants were invited to bring all their questions and comments during the presentation. Participants were also reminded and encouraged that they can provide reactions in writing in between task force meetings and to the 2nd Consultation Note prior to May 5th.

CREG emphasized this and reminded it is not sure whether there will be another consultation organized the CREG.

Hans continued with providing feedback on the comments received on the 1st Consultation Note regarding the facilitation of a quasi-real-time information to the concerned BRP on the exact activated volume in his perimeter (which was welcomed by the respondents) and the proposed evolutions on the contracting side (which were agreed by respondents).

5. Contracting 2015 – Open Qualification procedure /contract

Matthias Masschelin gave an overview of the 3 different and partially parallel timelines in force for the 7 services yearly contracted (besides Strategic Reserves):

- R1, R2, R3,
- R1 load and R1 RTE,
- ICH and R3DP.

He also presented for each of them the way to participate in the tender. The new Open Qualification process, applicable for R1, R2 and R3 by generators in 2015 was also presented.

Finally he invited all the participants to watch out for the different timings of the tenders they have interest into.

6. Feedback Expert WG and R3DP2015 next steps

Hans Vandenbroucke gave a feedback of the Expert Working Group on R3DP and the next steps regarding to R3DP 2015.

There were essentially 2 (unannounced) test activations performed in February 2014.

Overall Elia considers the 2 test activations as successful and providing the necessary comfort to continue in 2014 and 2015 with the product. However, ELIA will adjust its product design to address a specific conclusion drawn (decision by ELIA and DSOs to limit the activated volume to the prequalified volume when performing the calculation of the activated volume).

FEPEG expresses their concerns over the launch of the reflections on the continuation of the product after the 2 years of the pilot project. All the parties agree that these reflections have to be launched in the coming month(s) after a pretty filled begin of the year.

Bart Massin asks of the 'All or Nothing' principle will be maintained in the activation.

ELIA replies that for 2015 in case of activation, as applicable for 2014, the complete contracted volume per R3DP provider will be activated and that a rotating activating principle can be envisaged.

7. Feedback Synergrid consultation (B. Gouverneur)

The purpose of this presentation (cf. slides infra and also via following link on our website: http://publications.elia.be/upload/UG_upload/CXXZ8CWWF6.pdf) was to focus on the main changes regarding to 2014 as the consultation ended on Monday April 22nd. Bruno presents the main changes to the Qualification (C8-01) document. Those major changes apply to:

- 100 kVA instead of 250 kVA connection minimum.
- Results of the prequalification (common to Elia + DSO).
- Conditions related to the final qualification or "Final Operational Notification"



R3DP_20140424_PresentationTFBal_Contr

Moreover, the next steps are pointed out with respect to the public consultation held from March 24th till April 21st : a modified version of both drafts + a copy of all remarks/viewpoint received shall be sent to the regulators in full transparency. Each participant to the consultation shall receive the new drafts + the reaction of Synergrid on his remarks. The objective is to get approved the documents by June 15th by regulators.

Besides the presentation, FEBEG misses reflections on the future / evolution of the product (from 2016) – as reported in the previous point.

Febeliec and specific aggregators share their interest to discuss the evolutions right now instead of for 2016.

8. Project "R2- from Wind"

Jan Voet presented the R&D project aiming at investigating the possibility of wind farms to offer secondary regulation downwards ("R2-"). At this stage it is not a commercial product yet.

The question was raised by Cedric De Jonghe why not choose R1 200 mHz instead of R2.

Jan replies that the focus was first set on R2 (due to current low diversification of the R2 product (mainly CCGT units)). The investigation for other products is however not excluded in a later stage.

A major challenge consists of assessing the available power at the windturbines when R2 is activated.

FEBEG asks who is going to define this available power.

Jan replies that the available power (of "AAP") will be determined by Enercon, partner in the project and manufacturer of the turbines, in this case and in the preliminary tests there will be an appreciation of it (and if needed a calibration). The pilot project aims at describing experiences with such a model and will also investigate other possibilities to estimate AAP in case the proposed methodology is inaccurate.

This pilot project is essentially technical (check the feasibility of R2 downwards by wind) and without capacity reservation. Through the set-up of the project:

- a small additional volume on R2 will be available but not affecting the selection because on top of the normal selected R2 volumes during the test period,
- there will be no impact on imbalance prices (R2- not taken into account for the imbalance price calculation)
- there will be a very limited impact on NRV volume (as the volume and test period are limited).

The preparation phase of the project comes to an end. The project should be realised in two phases (preliminary tests (1month ad-hoc) and effective participation to R2-delivery (2 months full-time) later on this year. Results will be published and reported to the balancing taskforce.

9. Status update on Network Code Balancing & ACER Opinion

A short status update is given on the Network Code on Balancing.

10. Questions – Remarks – Next steps – next meeting date

The next meeting will be determined later by e-mail.

ELIA invites stakeholders to provide feedback to the 2nd Consultation Note before May 5th.