Fixed/flexible band: one access point, several suppliers and ARPs possible

Fixed/flexible-band supply is an Elia service that allows grid users drawing energy from a single access point to choose two or more energy suppliers and access responsible parties (ARPs). This means that the grid user may benefit from the competition between energy suppliers whilst being assured of confidentiality between the parties involved. With this simple and secure service, Elia allows grid users to reap the benefits of the free market by, for example, buying their energy through the Belgian power exchange Belpex or taking full advantage of the competition at both Belgian and European level.

I. The band: principles

I.1. The band: a virtual value

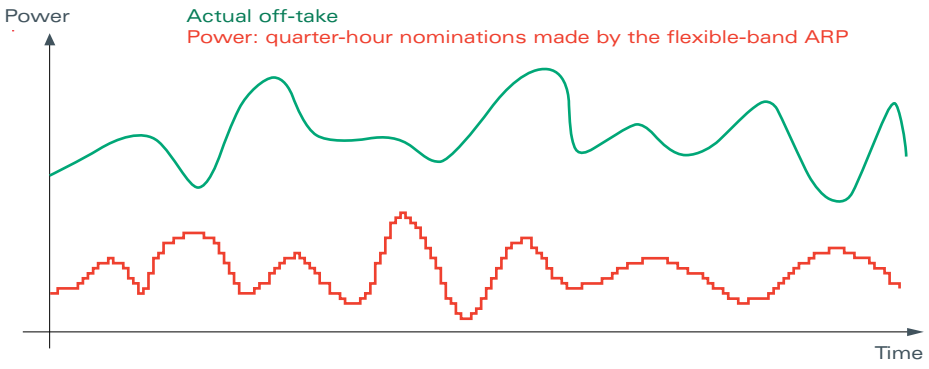
The band is a virtual subdivision of the total amount of electricity taken off the grid by a grid user at a particular access point. It is set at a level of energy that the grid user is practically certain to consume, making the imbalance risk low for this part of his energy consumption. This volume is known as the band.

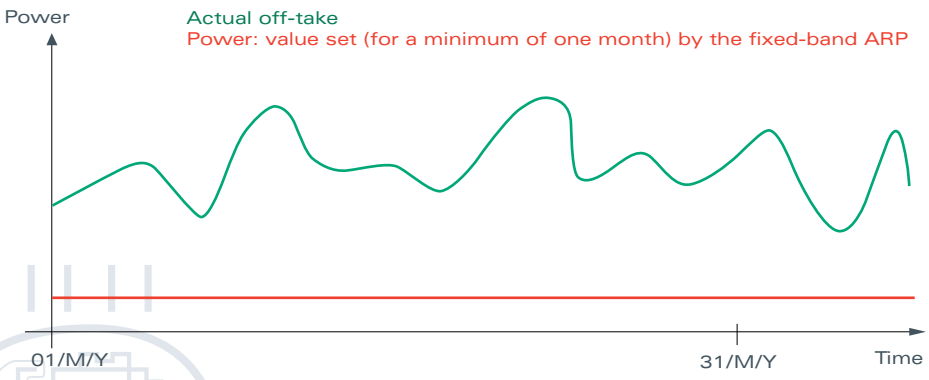
I.2. Fixed band or flexible band

Band supply can be either fixed or flexible:

- with a flexible band, the values of the band may vary from one quarter-hour to the next and are determined by a daily nomination. The nomination specifies the band values for each quarter-hour of the day;
- with a fixed band, the band has a fixed value for a period of one month. This value is considered as a fixed nomination for a month. The advantage of the fixed band is that the ARP does not have to provide daily nominations, because the value of his band will remain the same throughout the month. This simplification of the ARP's role makes it easier for the grid user to designate an ARP.

Examples:





I.3. Role of ARPs

- **Several band ARPs and energy suppliers**

  the grid user (via his access holder, if he is not an access holder himself) can designate several band ARPs (i.e. ARPs charged with a band). Each of these ARPs:

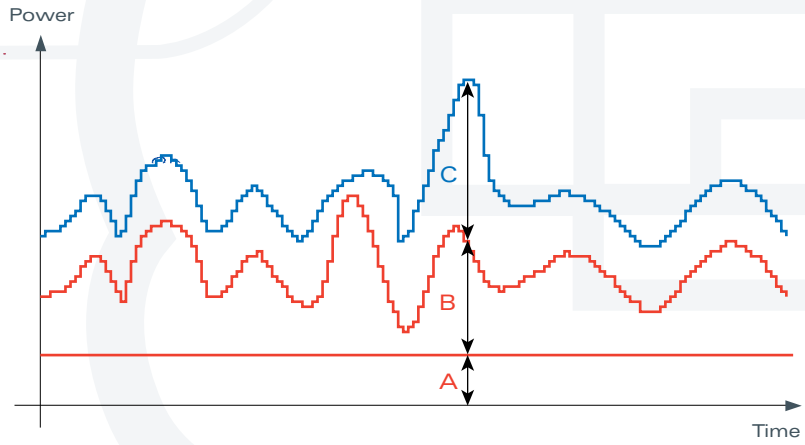
  - manages the total volume of his band;
  - is linked to a single electricity supplier, thereby allowing the grid user to choose his energy suppliers.

  the grid user can even act as ARP for his own band consumption and choose to buy his energy himself[1] through the Belgian power exchange Belpex.

- **One follow-up ARP**

  Consumption outside the band(s) must be managed by a single ARP. Logically, this part of the consumption is more variable, harder to predict and therefore presents a greater risk of imbalance for the ARP concerned. For the part of his consumption that exceeds the band values, the grid user may appoint only one ARP, known as the "follow-up ARP" (or ARP charged with follow-up).

Example



Value A, which applies for one month: this value is considered to represent the fixed band ARP's nominations for the month in question

B values, each relating to a quarter-hour = nominations made by the flexible band ARP

C values = (quarter-hourly) nominations made by the follow-up ARP

I.4. Confidentiality: an essential condition

In its capacity as market facilitator, Elia has taken the necessary measures to ensure that grid users can fully exploit the benefits associated with band supply, in particular by:

- guaranteeing confidentiality between parties;
- offering a simple and secure nomination system;
- allowing the user to choose between fixed-band and flexible-band supply.

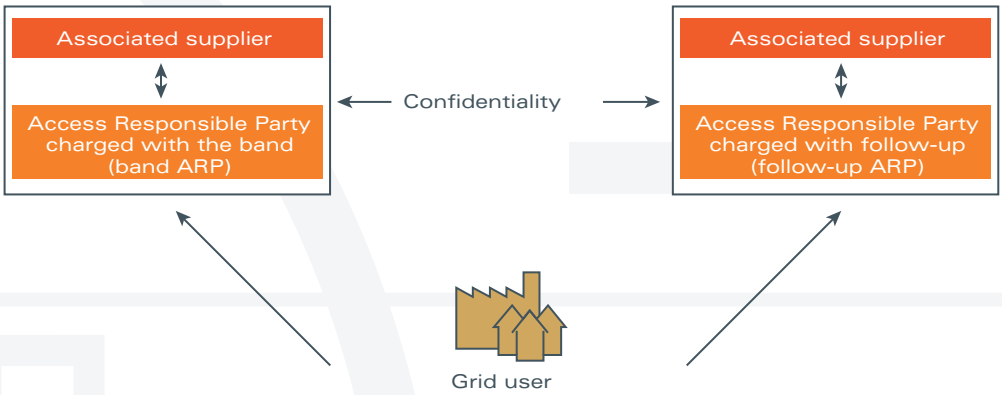
Confidentiality is guaranteed by the fact that:

- the various suppliers are unaware of each other's identity;
- none of the suppliers is informed of the total volume of electricity drawn by the grid user;
- the band ARP(s) and the follow-up ARP are unaware of each other's identity.

[1] *If the grid user is not an access holder, his designated access holder must inform Elia of the supplier chosen.*

To reconcile the need for confidentiality with the need of ARPs to receive the data necessary to maintain balance in their perimeter, Elia asks the grid user to act as an intermediary between the ARPs:

- the band ARP needs to know what nomination values to submit. As the grid user knows this information, he mandates the band ARP to make the nomination (in the case of flexible-band supply);
- the follow-up ARP also has to make a nomination. His nomination relates to the difference in energy volume between the band and the predicted off-take. Accordingly, the grid user provides the follow-up ARP with the information he needs to make his nomination as well as any information enabling him to anticipate imbalance risks, e.g. shutdown of a production unit, possible strike, launch of a new production unit, etc.



II. Allocation of energy to the balancing perimeters of the various ARPs

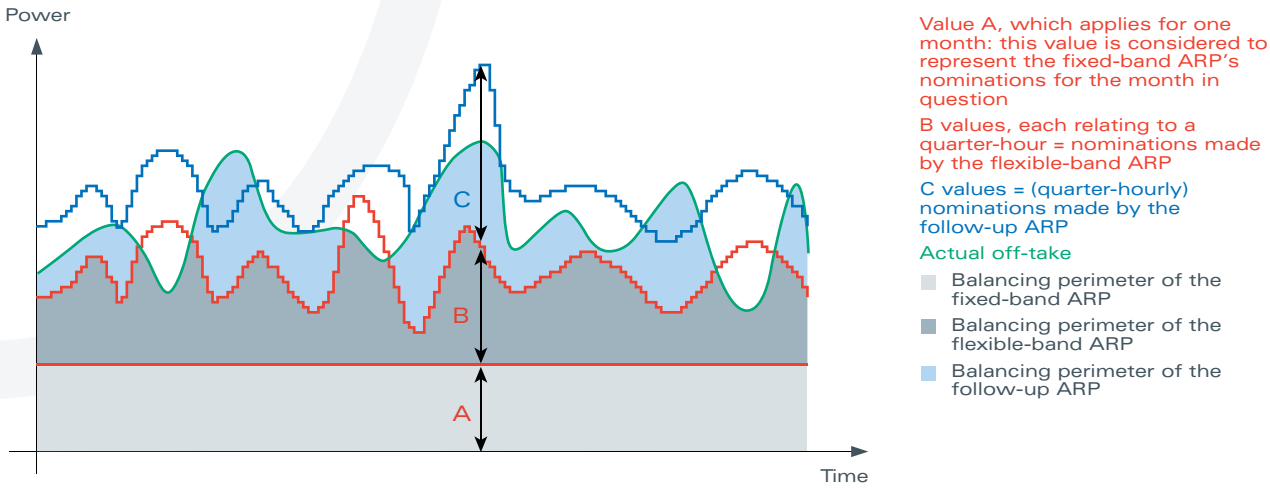
II.1. Band ARP

The band ARP's balancing perimeter is determined based on the value specified in his nomination, except where the actual off-take on day D is less than predicted. In this case, for the quarter-hours concerned, the amount allocated to the balancing perimeter of the band ARP is the actual off-take recorded on day D rather than the nominated value. The balancing perimeter is used as the basis for invoicing the band ARP's imbalance.

II.2. Follow-up ARP

For the follow-up ARP, the difference between the actual off-take and the nominations of the band ARP(s) is taken into account, providing that this difference is positive in value. This therefore applies to those cases in which the amount of energy drawn from the grid exceeds the predicted level stated in the band ARPs' nominations.

Example



III. How to benefit from band supply?

For grid users, signing up to the band supply service, with all its associated benefits, could not be easier. Just follow these few simple steps:

- the grid user (or his designated access holder) signs an access contract with Elia;
- the grid user (or his designated access holder) designates a follow-up ARP and associated energy supplier. Both must sign appendix 3, 3bis or 3ter of the access contract;
- the grid user opts for one or more fixed or flexible bands by signing appendix 10 (for the fixed band) or appendix 11 (for the flexible band) of his access contract. The access holder, band ARP and associated energy supplier must sign these appendices as well. There will be one appendix for each association between the grid user, his access holder (if he is not the access holder himself), the band ARP and the associated supplier. In the case of fixed-band supply, the band is set for a minimum of one month and is mentioned in appendix 10 of the access contract. This value is considered to be a fixed nomination for the month in question.

IV. Legal and contractual basis

Flexible/fixed-band supply is governed by appendices 10 and 11 of the standard access contract as approved by the Commission for Electricity and Gas Regulation (CREG). The obligation to appoint a follow-up ARP is governed by appendices 3, 3bis or 3ter of the access contract.

Under the current regional and federal Grid Codes, it is possible to designate more than one ARP per access point, each with an associated supplier.

Fixed- and flexible band supply in 5 key points

- Fixed/flexible-band supply is an Elia service enabling grid users to choose several energy suppliers for a single access point.
- The band is a part of the total electricity volume which involves almost no imbalance risks for the band ARP.
- For his total electricity volume, the grid user[2] can designate several ARPs for a given band of energy, each one associated with an energy supplier. He may also act as ARP himself and choose his suppliers directly. The grid user designates one follow-up ARP.
- The grid user can opt for a fixed-band system or a flexible-band system.
- The grid user acts as an intermediary between the band ARP(s) and the follow-up ARP, thereby ensuring that his own consumption data remain confidential and preventing the various ARPs and their associated suppliers from knowing each other's identity.

[2] *or his designated access holder*

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