

Febeliec answer to the Elia consultation on the study on the future design of the ancillary service of voltage and reactive power control

Febeliec would like to thank Elia for this consultation on the study on the future design of the ancillary service of voltage and reactive power control. Febeliec would however like to underline that the document in its current state is not complete and in some issues not correct (e.g. terminology), and hopes that Elia will make a considerable effort to improve the study in the following weeks in order to reach the quality level it is used from Elia.

Febeliec also regrets that Elia has not taken into account the input it has already provided on many if not most of the elements mentioned in its answer to this consultation and this over the course of the last few years, for example already during meetings throughout the track on the Federal Grid Code and for example in written form in March 2017 when discussing the topic of reactive power in the framework of the discussions on the implementation of the European Network Codes as well as during several bilateral meetings to clarify the specific concerns with the first proposals of Elia, including on various proposed approaches by Elia that according to Febeliec are not feasible or incomplete. Febeliec hopes that this is only the result of very tight deadlines and not a voluntary approach by Elia towards input from stakeholders. Febeliec remains confident that Elia will deliver a final study that will remediate all these elements and will be up to par with other studies and reports from Elia.

With respect to the study, Febeliec would also like to point out that it understands that the tariffication is not part of this study, but wants to stress again that it is important to avoid that tariffs give contradictory and thus perverse signals towards grid users. Febeliec wants to specifically mention the difference in scope between RfG and DCC, which could lead to certain obligations or even requests from Elia towards generation installations, while giving contradictory signals to the demand facilities where these installations are located by forcing them to remain within certain thresholds on their connection points with the Elia grid. Febeliec hopes that Elia will take this duly into account in its elaboration of its tariffs and will also discuss this issue with CREG within this framework.

Punctual remarks:

- Section 1.2: Elia writes that *“Voltage fluctuations are inevitable due to the influence of the fluctuation of power that are caused by the offtakes and injections that industrial activity and intermittent generation in Belgium entails;”*. Febeliec does not agree with Elia that industrial activity is singled out here, as residential and other demand also impact voltage fluctuations and moreover are less stable and predictable
- Section 2.6.1 (blue box): Febeliec wants to stress its comment on the use of access point versus connection point, in light of the difference in scope between RfG and DCC as well as the discussions on assets located in (closed) distribution grids and within (directly connected) industrial sites.
- With respect to the EU benchmark, Febeliec would like the study to mention more clearly demand and storage and how they are treated (or not) in all the countries in scope.
- On storage in general, Febeliec would like to invite Elia to be more explicit and concise, as it is important to know how Elia intends to tackle storage (as a sort of generation or as a separate category), especially since Elia indicates it wants to have access to the minimal required capabilities but also to all other capabilities insofar they are within the technical limits of the installation and it is unclear how this would relate to any storage assets.
- In section 4.4 on the evolution of MVAR service offer, Febeliec would like to point out to Elia that the comments seem very much in contradiction with Elia’s own studies and the identified need (correct or not) for the construction of additional gas-fired (flexible) capacity. If such capacity would be constructed, a point for which Elia actively lobbies, there would not be a decline in centralized production units, but even an increase in flexibility, and this point becomes invalid.
- In section 4.5 (blue box) Elia mentions involving market parties in lower voltage levels. First of all, Elia is not the relevant system operator in most of those voltage levels. Moreover, Elia has also not provided any clear indications on how it wants to incorporate any of the capabilities offered in lower voltage levels, while it is also only the Voltage Service Provider who will be able to deliver that service, insofar it is possible to prequalify any such volumes with Elia for delivery on the access or interconnection points with the Elia grid.
- Section 4.7 (blue box, point 3): Elia mentions private distribution networks. Febeliec would like Elia to clarify what it understands under such networks, as private distribution networks are unknown to Febeliec and would presumably not be compliant with current legislation. Does Elia refer here to Closed Distribution

Networks? With respect to the fourth point in this box, Febeliec would like to refer again to the previous comments on the impact of the difference in scope between RfG and DCC.

- With respect to title 5, Febeliec invites Elia to indicate much more clearly that RfG is only applicable to new (or to some extent substantially modified) installations and thus that the content of this section is only applicable to these installations. For Febeliec, the entire document could benefit from a much clearer distinction between new and existing installations and also special attention to storage, as the latter two are not covered by European Network Codes. This would greatly contribute to the readability for all stakeholders, as it is now often not so clear which installations are meant to be covered by the proposals from Elia. For example in the blue box in section 5.3.1, Elia does not mention that this only concerns new installations, which could lead to the believe that Elia would like to impose this requirement to all type B,C and D PGMs, instead of only those covered by RfG. And if Elia indeed has the intention to cover all installations and not merely those covered by RfG, it should clearly indicate so and justify this.
- Concerning section 5.3.2, Febeliec would like Elia to explicitly make the distinction between Elia as TSO and Elia as RSO, as in some cases Elia will not be the RSO (a role that will be played by the (C)DSO).
- For section 5.4, Febeliec would like to refer to its comments on the issues arising due to the difference in scope between RfG and DCC. Moreover, Febeliec strongly urges Elia to clean up this entire version as the wording and scope is never clear with respect to (C)DSOs: Elia uses demand facilities, transmission-connected distribution systems, closed distribution systems, etc throughout this section (and the entire document) at different places, while often not being clear on its usage of terminology. For example in section 5.4.1, Elia at several points foresees paragraphs for demand facilities and closed distribution systems (but not public distribution systems? And what about distribution-connected CDSs, are they covered by these paragraphs?) while at other points referring to transmission-connected distribution systems (so both CDS and public DSOS, but not distribution-connected CDSs?). Febeliec is not sure that the distinctions created by the various use of wording are intentional, but if so, would like to get clarifications for the distinction and if not, would like Elia to rectify this with the utmost care, as the impact is not neglectable.
- As already mentioned several times, the specific topic of storage should be much more explicitly covered throughout the document, as there is no European framework and thus the omission of mentioning storage at some points leads to the question whether or not this was intentional by Elia and if not, which rules should be applicable to storage.
- With respect to section 5.6.2 and the quotation of art29 of SOGL, Febeliec wants to point out that even though the *“TSO shall be entitled to use all available transmission-connected reactive power capabilities”*, *this goes quite far and with the unclarity in the Elia document leads to many questions with respect to demand and storage and which capabilities are within scope for Elia. Elia also writes that “the TSO has the right to use all available reactive power capabilities on the TSO grid, and if agreed with the DSO, also the capabilities on DS-connected SGU”*. Febeliec would like to comment that DSO should also include CDSO (Cf. previous comments) and that referring to DS-connected SGUs is quite large, as any demand facility delivering demand response services to a system operator is considered an SGU by Elia and the European Network Codes, and that as a result this can only be acceptable at all under the condition that indeed the (C)DSO has preliminarily agreed with such participation.
- With respect to section 5.6.3, Febeliec refers to its previous comments on (C)DSOs.
- With respect to section 5.7.1, Febeliec wants to refer to its comments on storage and RSOs and asks Elia not check that the text is in line with these concepts. Moreover, Febeliec wants more clarity on *“units that are connected at the same connection point as a load facility (Local Production Units)”* as this terminology is not clear. Does this mean that all generation units within an industrial grid and/or CDS are not covered insofar that they are not directly connected to the same connection point as the rest of the grid (so directly on the connection with Elia at the same voltage level), and does this also mean that all generation units that do not fall under this exact requirement are no longer considered local production units by Elia? Similar question arise with the table on page 34 and the PGMs in new TS-connected distribution systems and CDS. With respect to the red text box, Febeliec does not understand the purpose of Elia with this disclaimer and does not see how Elia clearly and unambiguously wants to cope with these elements.
- With respect to section 6.4, Febeliec would like Elia to adapt the text, especially in the blue text box, to reflect the selected option by Elia to mix voluntary and mandatory participation, depending on the nature of the assets. The same is to be done in section 6.7, where the focus seems to be written with generation assets with mandatory participation in mind, while not explicitly mentioning voluntary participation nor any other assets. Moreover, Febeliec is also displeased that this is the first time (and only in this section) that Elia

mentions a minimum threshold of 5MVAR for participation to the service. Febeliec would like to understand why Elia has chosen this value and whether this does not go against the Elia comments on the need for additional volumes, as this might exclude a large range of potential suppliers of MVAR. Febeliec would like to get a better understanding and validation by Elia of any minimum volume threshold it wants to impose.

- With respect to section 8.2, especially solution 2, Febeliec wonders whether such proposed solutions is even technically feasible for all potential suppliers of MVAR and wonders whether this will not limit the participation of assets due to a too high technical (and thus costly) burden (e.g. large number of (new) meters to install, differentiation between delivered service form unit versus impact on access point/connection point with all other effects from assets on this same point, ...). Febeliec refers to the comments it made on these elements during previous bilateral and multilateral meetings and hopes that Elia will provide some answers to these comments, in order to make delivery of the service possible to an as large as possible set of sites and suppliers.
- With respect to section 9, Febeliec wants to draw the attention of Elia to its list (DS-connected assts, CDS-connected assets, DSOs and CDSOs, and demand facilities), where the two first are not clear, as CDSs can also be connected in DOS grids (or even CDSO grids) and thus this reference is not clear. For Febeliec, this should rather “CDS-connected assets in TSO-connected (C)DSO grids”, as otherwise DSO-connected CDSs would also be covered.
- With respect to section 9.2.2, Elia mentions the regulatory aspects where Elia writes that “*before signing the Terms & Conditions of the MVAR service, DSOS will need to discuss with their regional regulators*”. Does Elia also intend this to take place for CDSOs? Febeliec refers here to its previous comments on terminology with respect to DSOs and public versus closed DSOS. Elia also mentions that “*from a design point of view each DSO can become a VSP*”, does Elia also include (C)DSO-connected CDSOs?
- With respect to section 9.4, Febeliec is very displeased with the very broad and unspecific requirements for the participation of demand facilities, where Elia mentions that “*their participation should generally be according to the same rule and procedures for any other VSP and access point*”, while not indicating for which points this would then diverge from the proposal. For Febeliec, this is unacceptable and a clear lack of maturity of the document and the level of the conclusions of the conceptual thinking at Elia.
- With respect to section 10 and implementation, Febeliec wants to draw the attention of Elia to the fact that for those assets with voluntary participation, it should be possible to start contributing from any point in time (and thus procedures should allow for this) while also volumes can change, with increase or decrease of volumes offered when the technical or economic situation for such assets change.

With respect to the conclusion of Elia to move towards mandatory participation for generation assets type C and D and voluntary participation for demand, Febeliec can follow this logic. With respect to storage and as mentioned above, Febeliec would like to get more clarity. With respect to type B units, Febeliec would also like to get a better understanding of the impact for such units, as type B covers a very broad range of units, from very small to units close to the limit of type C, and the impacts for the smaller units might be quite important. With respect to CDSs, Febeliec wants to reiterate its position that only the CDSO can be the party offering the MVAR service to Elia, as any other solution would entail both technical problems in maintaining their CDS grids while also going against the European Network Codes and the (proposal for) Federal Grid Code, where on the transmission-connected grid users, including CDSs) can be called upon for this service. Moreover, the CDSO will also for many of the involved elements, including compliance test and certification, be the Relevant System Operator for the asserts located in its grids.