

Expert Working Group “BidLadder” Minutes of Meeting – 10 May 2016

- FINAL VERSION -

Meeting date: 10 May 2016

Meeting Location: Elia, Keizerslaan 20, 1000 Brussel

List of attendees

The invitation for the Expert Working Group BidLadder has been sent by e-mail to all members of the Task Force Balancing of the Elia Users’ Group and was announced during the meeting of the Task Force Balancing on 21 April 2016.

The following persons were present on 10 May 2016:

Aertgeerts Arnout	Actility
Mortier Jo	RWE
Boury Jonas	YUSO
Catrycke Mathilde	Engie
Claes Peter	Febeliec
Debrigode Patricia	CREG
Debroux Bernard	Engie
Decoster Luc	Eandis
Gabriëls Senne	FOD
Gouverneur Bruno	Synergrid
Halkin Didier	Ores
Harlem Steven	FEPEG
Kreutzkamp Paul	Next-Kraftwerke
Leroy Xavier	EDF Luminus
Libert Brice	CREG
Mariën Herman	WOM
Mortier Jo	Essent
Mouffe Ludovic	FOD
Pirard Nicky	Resa Tecteo
Schell Peter	Restore
Vandevenne Alain	Energy-Pool
Verheggen Luc	Infrac
Vandenbroucke Hans	Elia, President
Buijs Patrik	Elia, Secretary
Desmet Tom	Elia
De Wilde Vanessa	Elia

Agenda

The following agenda was proposed:

- Objectives, Calendar, Practicalities – 15 min
- Design presentation – 1h35mins
 - Design Principles
 - BidLadder
 - Overall: Process overview, Timeline, eligibility – in a nutshell
 - Zoom on high-level contractual framework
 - Zoom on BidLadder platform & bid characteristics
 - Zoom on Activation, real-time information exchange and congestion management
 - Zoom on principles for imbalance adjustment
- Wrap-up & next steps – 10 mins

Supporting documents

Elia prepared a presentation covering all agenda items. This presentation is available online on the website of the Elia Users' Group: http://www.elia.be/en/users-group/WG_TF_Balancing/WG_BidLadder

Discussion

This section of the MoM provides an overview of the discussion which took place during the meeting. It follows the same structure as Elia's presentation mentioned above.

Objectives, Calendar, Practicalities

Q: With respect to the table illustrating the Pilot BidLadder eligibility (slide 4), a representative of Actility asked for more clarification on the link with other products and concepts, e.g. the aggregated power plants (APP).

A: Elia explained that especially the opening towards BSP is new, but also that on the BidLadder BRPs could offer non-CIPU volumes. In that respect there is a difference with the APP concept.

Design BidLadder

Design principles

No questions or remarks were made on this part.

Overall: process overview/timeline – in a nutshell

Q: With respect to the Pilot eligibility (slide 12) a representative of Restore mentioned that mutual exclusivity for delivery points between different products (e.g. BidLadder vs. R3DP) limits the options for market players and the liquidity on the BidLadder. Although he also recognizes the extra complexity if no such exclusivity is applied, he asks for a further debate on this issue on a next occasion.

A: Elia replied by expressing its understanding of the extra limitations this creates, but also points out that – next to the increased complexity – it is important to ensure that all times the reserved volumes are available at 100%. Elia will address the issue and investigate further whether it sees a way to relieve this extra constraint in the Pilot-phase or only at a later stage.

Q: A representative of WOM asked whether “sub-EAN” delivery points can participate on the BidLadder.

A: Elia confirms its intention to also open the BidLadder in the pilot phase for submetered delivery points, but indicates that some open questions are to be resolved prior to their participation.

Q: With respect to the ex ante contractual step mentioned on the BidLadder Pilot Timeline (slide 13), a representative of Actility raises a question concerning the technical prequalification stage and whether such prequalification should take place at pool or delivery point level?

A: Elia recognises the relevance of the issue and replies that as working hypothesis an approach similar to R3DP could be assumed (i.e. at pool-level), but that this will also require further discussion. Reference is also made to the upcoming EU network codes creating requirements on the need to technically prequalify. In a next session of the Expert Working Group BidLadder this will be further discussed.

Q: A representative of YUSO asked which baseline will be used for determining the delivered volumes?

A: Elia replies that the metering of the quarter hour prior to the start of the activation is used.

Q: A representative of Actility asks whether the same baseline is used for longer activations, e.g. 2 hours.

A: Elia replies that in general “free bids” are normally activated for periods shorter than 1 hour, often 15 or 30 minutes and that therefore the proposed baseline is considered reasonable (cf. R3DP practice).

Q: A representative of EDF Luminus asks whether the available real-time information is affected by the BidLadder?

A: Elia replies that in general transparency remains untouched.

High-level contractual framework

Q: With respect to the high-level contractual framework (slide 15) a representative of Restore remarks that the presented scheme reflects the framework for the TSO point of view but that for DSO-connected delivery points, the scheme should be different.

A: Elia confirms.

Q: Linked to slide 15, a representative of ORES asks how the different options for Transfer of Energy outlined by CREG impact on the framework and possible configurations?

A: Elia answers that it is too early to answer such question and that the Final Study of CREG on Transfer of Energy is awaited. This is to be further discussed in a next session. Nevertheless, Elia adds that the difference between BRP_{bsp} and BRP_{source} is very relevant for imbalance adjustment reasons, irrespective of the Transfer of Energy solution put forward.

Q: Several stakeholders (EDF Luminus, Engie, Restore) ask for clarification on the long term ambition for the BidLadder and how it links with the developments foreseen on the other capacity products.

A: Elia refers to the TF Balancing where the overall Roadmap (incl. BidLadder) has been discussed and confirms that the BidLadder platform on the longer term should also capture CIPU-free bids and the capacity products.

Zoom: Bidding platform & Bid characteristics

Q: With respect to the 45 minutes neutralisation delay (slide 18) a representative of Actility asks why this is set at 45 minutes and why the parallel is made with the CIPU-contract which is not applicable to load.

A: Elia replies that the 45 minutes originates from a similar constraint applicable to free bids coming from CIPU and is linked to the Elia processes for assessing the grid situation prior to real-time. It is proposed to apply a similar neutralisation period to non-CIPU volumes offered to the BidLadder in order to maintain a level playing field with the CIPU-free bids.

Q: With respect to the requirements for making a bid (slide 19) a representative of Restore asks clarification on the use of delivery points in multiple bids.

A: Elia clarifies that multiple bids can be made for a specific quarter hour, but that for each quarter hour (and direction (up/down)) a delivery point can only be used for one bid.

Q: A representative of Actility asks clarification on the prolongeability of a bid and the link on the constraints put on underlying delivery points.

A: Elia clarifies that for a prolongation all delivery points linked to the bid can be used. Hence, although the set of delivery points cannot change, different delivery points from that set can be used in subsequent quarter hours.

Zoom: Principles for imbalance adjustment

Q: On the issue of imbalance adjustment and Elia's proposal to attribute all overdelivered volume to the BRP_{source} and all underdelivered volume to the BRP_{bsp} , a representative of Next-Kraftwerke proposes to apply a range to calculate the imbalance adjustment and thereby avoid the need to "price in" the risk of overdelivery costs in the bid prize.

Q: Linked to the above question, a representative of Restore criticises the design put forward by Elia and proposes a full symmetric approach where the BRP_{bsp} is attributed all over- and underdelivered volume during the activation period.

Q: Linked to the above issue, a representative of Actility sees a risk in the difference between the BSP being rewarded at pay-as-bid while the overdelivery attributed to the BRP_{source} is rewarded at pay-as-cleared and that therefore the overdelivery should be limited.

A: On the above questions and remarks Elia replied that according to its vision the proposed solution creates a clear repartition of the responsibilities of all involved parties, i.e. the BSP (and its linked BRP_{bsp}) is responsible for the delivery of the requested flexibility and can only be held balance responsible for this volume. The BRP_{source} is and remains balancing responsible for all other volumes on the delivery point and is the only entity entitled to engage into reactive balancing. Also according to Elia there remain no uncovered risks for all involved parties.

Q: A representative of Engie suggests to also introduce pay-as-cleared for rewarding any activation as this would avoid some of the mentioned problems.

A: Elia replies that such evolution goes beyond the scope of the Pilot BidLadder and should be discussed in a wider context.

Zoom: Activation, real-time information and congestion management

Q: With respect to the sequence of messages linked to an activation (slides 27-28) a representative of Restore questions the necessity of providing information prior to activation for being used to inform the BRP_{source} in order to avoid any counterbalancing. The question is specifically addressed to FEBEG representatives.

A: Elia replied that the proposed sequence of messages is inspired by the existing practice in R3DP to which a part is added to support imbalance adjustment. Elia also suggests that FEBEG would provide their view on the necessity of this information and on the practice of counterbalancing.

Q: A representative of Actility asks why it is checked that the volume distribution over delivery points provided by the BSP corresponds to the requested volume by Elia?

A: Elia answers that this is to be interpreted as a consistency check. It is considered reasonable by Elia that – after gate closure time when bids are considered firm - a BSP should be able to match the requested volume.

Q: Linked to the issue of congestion management (slide 29) a representative of Engie criticizes the red zone principle as this would limit the liquidity in the market, for instance the peak/offpeak distinction results often in zones being closed for a longer time period. Also, after having done an IDPCR it is today not possible to return to the initial program. It is suggested to rethink the red zones principle when launching the BidLadder concept.

Q: On the same issue a representative of FEBELIEC asks whether ex post reporting is foreseen to bids affected by a red zone?

A: Elia underlines that a distinction is to be made between on the one hand the principle of applying similar congestion rules on CIPU and non-CIPU free bids in order to foster a level playing field and on the other hand discussing the actual rules which may have room for improvement. On the issue of ex post reporting, Elia clarifies that all providers of bids on the BidLadder will be able to receive all red zone information and that they therefore have sufficient information available to assess whether a bid would not be selected for congestion reasons.

Wrap-up and next steps

Elia summarizes the elements discussed during the meeting and gives an insight in a (non-exhaustive) list of topics requiring further discussion.

All stakeholders are invited to provide feedback on the elements discussed either in writing in between expert working group sessions or via a presentation during a next session.

A representative of Restore repeats its request with respect to addressing the issue of mutual exclusivity.

The following sessions take place on the following dates:

- 25 May 2016 (10h-12h), Elia Emperor
- 14 June 2016 (10h-12h), Elia Emperor
- 5 July 2016 (10h-12h), Elia Emperor

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