



Federatie van de Belgische Elektriciteits- en Gasbedrijven  
Fédération Belge des Entreprises Électriques et Gazières  
Federation of Belgian Electricity and Gas Companies

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## Elia Expert Group 'Bid ladder' Content

- Level playing field between market actors
- Settlement of ToE with supplier
- Imbalance adjustment in case of over-delivery
- Information flow to avoid counterbalancing by BRP
- Congestion management
- ToE not applicable to 'energy block delivery'
- Other

## FEPEG asks to investigate all aspects of the level playing field

### Level playing field between market actors

- Level playing field is considered as one of the key design principles
- Therefore it's also important to safeguard a level playing field:
  - Between CIPU and non CIPU bids
  - Between all assets as regards congestion management (red zone)
  - Between technologies, e.g. prerequisites for availability
- Remaining concern is the level playing field between the BRP/BSP and the FSP/BSP in offering on the bid ladder:
  - BRP/BSP will be prudent in its price setting as he's exposed to the imbalance price with his portfolio (bonus pater familias)
  - FSP/BSP will be less restricted as he has limited exposure

## FEPEG has questions on the practicalities Settlement of ToE with supplier

- Elia will be appointed as FDM:
  - Elia will have to facilitate settlement between FSP and supplier
  - But Elia doesn't know the supplier
- How will this work?
  - How will Elia know who is supplier?
    - ✓ Procedure?
    - ✓ Quid TSO and DSO level?
  - Modalities for the exchange of activated volumes to the supplier will be put into a contract
    - ✓ How will this contract look like?
    - ✓ Quid liabilities? Will Elia also take responsibility for data delivered by DSO's?

## FEBEG supports asymmetric approach as proposed by Elia

# Imbalance adjustment in case of over-delivery

- Important principle: reactive balancing is prerogative of BRP while option to over-deliver is in fact allowing FSP's to do reactive balancing
- Arguments:
  - BSP becomes only balancing responsible for what he committed towards Elia
  - As requester and responsible for residual balancing, Elia wants
    - ✓ To avoid systematic overactivation
    - ✓ To make the BSP responsible for the requested energy
  - BRP/BSP does reactive balancing with own means in its portfolio while FSP/BSP that over-delivers is doing reactive balancing with means of the customer (i.e. property of client, limiting optimisation option of client, ...)
  - Over-delivered energy is out of scope of ToE and exposed to counter-balancing
- No parallel with generation: no ToE with third party intervening

## FEBEG requests notification during activation period

# Information flow to avoid counter-balancing by BRP

- FEBEG is aware of additional operational and administrative burden
- FEBEG requests notification based on indicative information during activation period:
  - Only continuation of existing practice, e.g. R3 DP, as foreseen in ARP contract (i.e. within 15 minutes of activation)
  - Information is key for BRP's whose role is becoming increasingly complex and difficult
  - Some categories of customers – which can have high impact on the perimeter of the BRP – are actively followed by the BRP's to identify deviations from standard operations and forecasted programs, e.g. customers for which BRP's can buy commercial metering from Elia
  - FEBEG urges for publication of indicative balancing position of each BRP in near real-time

## FEBEG urges for quick review of principle of 'red zones' Congestion management

- 'Red zones' applied on 'load' as well as on 'generation' (level playing field)
- Principle should evolve as soon as possible:
  - Creates opportunity losses:
    - ✓ Economic damage will increase with extending its application to the bid ladder
  - Is too rigid and static:
    - ✓ E.g. difference between 'peak' and 'off-peak' is not taken into account
    - ✓ Generator that lowers output cannot increase generation anymore
- FEBEG advocates more dynamic congestion management mechanism

## Analysis still ongoing

# ToE not applicable to 'energy block delivery'

- Some confusion after previous Elia EG 'Bid ladder'
- Content of contracts and ownership of energy in particular are determining factors
- Types of contracts are identified:
  - 'Click contracts':
    - ✓ Energy delivered at access point
    - ✓ Customer determines price upfront, but becomes owner at moment of consumption
    - ✓ If FSP active -> ToE with supplier/BRPsource
  - 'Take or pay':
    - ✓ Energy is delivered at Elia HUB
    - ✓ Customer becomes owner at moment of signature, but needs to be BPR or has to appoint BRP to accept energy
    - ✓ If FSP active -> no ToE with supplier/BRPsource ... but with new BRP?
- FEBEG willing to further investigate and provide feedback



## Still a lot of uncertainties ...

### Other

- Legal and regulatory framework?
- Settlement modalities?
  - Price, non-payment, insolvency, ...?
  - Will some of these elements taken on board in Elia-supplier contract?
- Initiatives on regional level (prequalification, ...)?
- ...



thanks

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