

WGSO EMD - Market interactions workshop

Datum: 05/09/2018

Elia – EMP 3.20

Participants

Michael Van Bossuyt	Febeliec
Eric Dekinderen	Engie
Xavier Coppin	Engie
Jo Robbelein	FoD Economie
Filip Carton	Elia
Peter Van Meirhaeghe	Elia
Martine Verelst	Elia
Raphaël Castadot	Elia

Notes (by theme)

Filip Carton gives a small introduction. He reminds that market interactions are a complex subject but insists on the will of Elia to keep it simple. The goal of the meeting is to make sure that we are on the same wave-length regarding the main principles.

Michael van Bossuyt went to the MESC where he pushed to have a harmonization of the market rules during market suspension periods at the EU level because Energy Market Operators will not accept to deal with 24 different solutions. Elia agrees but states that the understanding of the concept of BRPs is not as mature in other European countries. Harmonization will be difficult.

Elia reminds that the goal is to keep the market active as long as possible and to keep the market coupling effective to facilitate the restoration.

1. Market suspension and restoration

Elia says that market coupling should be kept running as long as possible, even with reduced capacities. It is possible to give 0 as capacity in XBID such that markets keep running. Febeliec agrees but insists on the importance of communication.

In the principles described by Elia, the markets are restored at hour 0 of the day. Febeliec asks if it is an absolute requirement and insists that we lose one day by doing so. Elia answers that is not mandatory but that it strongly facilitates the communication and coordination. A communication by Elia will be foreseen to inform market players of the relevant deadlines for restoration of market activities, so that market parties can prepare. An indicative lead time of 6 hours before the first deadline is mentioned.

Elia says that restoration of market activities will occur on a sequential basis. First day-ahead, then intraday and finally balancing. Engie asks if the BRP responsibility begins as soon as the day-ahead is restarted. Elia answers that BRP responsibility restarts at the moment of switch from central to market dispatch. Engie asks if it could be that people abuse of the situation and try to make money out of it. Elia answers that everybody should play fair and that the CREG will intervene if not.

2. Rules for imbalance settlement – electricity price

Elia says that, as agreed with the stakeholders during previous workshop, nominations that took place before the blackout will be canceled and that no settlement is foreseen. Febeliec asks if there will be a settlement procedure during central dispatch period.

Elia confirms that, during central dispatch, there will be no penalty/remuneration for the imbalance. However, a remuneration for the exchanged energy should be foreseen. Attention should be paid to avoid double billing. The goal is to adapt existing processes and keep it simple. The remuneration will respect financial neutrality for Elia. However, Elia admits that the remuneration will never perfectly reflect the real costs.

Several ideas are given for the remuneration process: ex-post calculation or ex-ante calculation (example: cost-based system based on the CIPU contracts or average of the day-ahead prices over a period in the past). Febeliec insists of the importance of this parameter and gives the example of a cyber-attack that would result in extreme high prices before the market suspension. The price formula should be perfectly clear for everybody. Engie reminds that a perfect remuneration for everybody ensuring financial neutrality will never be reached. Some will lose; some will win. However, the goal should remain to have a restored grid as fast as possible.

The choice of an ex-ante or ex-post method for the remuneration is discussed. For Engie, the duration of the market suspension influences the remuneration. For a short duration, a uniform price seems logic. However, for a long duration (4 weeks), this is not feasible (ex: standby costs).

Febeliec says that there is no incentive to play fair in a restoration process. What if a consumer uses 10 MW instead of 5, even unwillingly? Elia and Engie agree that market players SHALL play fair. It is a common interest. Engie launches the idea of a penalty. It is considered that the potential disconnection is already a sufficient penalty.

Febeliec questions Elia regarding the contracts they have with neighboring countries in case of a top-down reconstruction scenario and more specifically about the prices. Engie answers that there are no contracts or price defined. However, Elia reminds that the required volumes are small and are used to kickstart the Belgian power plants.

3. Communication

Elia gives some insight of the communication procedure. This will be a continuous process coordinated by the crisis cell. Elia says that currently, only the producers playing a role in the restoration plan are equipped with Elia phone. Febeliec thinks that SGUs should be equipped as well. Elia agrees that it would be useful. Engie reminds that if there is an Elia phone in the control room of the consumers, someone should be there to answer on a 24/7 basis.

Engie asks how Elia will communicate to consumers connected to the Elia grid. Several solutions are mentioned: RingRing service of Proximus, SMS, WhatsApp. Febeliec thinks SMS would be preferred as Internet might not be available and that it consumes less energy. Elia affirms they will not restore the market if the internet is not available. SCADA to SCADA will be used when available.

Engie asks how redundant the tools for communication are. Elia says that the situation between Power Exchanges and the TSOs is good.

4. Other scenarios for market suspension after a blackout

Febeliec states that the market rules discussed during these workshops are often focused on a post-blackout situation. However, it could be that Belgium is separated in three uncoupled zones. In such case, the reasoning would be completely different. Elia answers that this situation would be solved in a few hours. Febeliec insists that the real problem is in the bill from an accountable and juridical point of view.

Engie asks what will happen in case of partial blackout. Febeliec reminds that markets will remain active according to Elia's principles. Elia answers that with 40% of the load disconnected; imbalance prices have no sense anymore. Elia will stop the publication of imbalance price and fix an arbitrary price. Febeliec asks if a dedicated methodology will be used for each markets (day ahead, intraday, balancing). Elia should clarify this.

Engie has questions regarding to the financial aspects of the load-shedding plan. Elia says that in particular end-consumers in distribution grid will be impacted. Engie agrees but says that there will be imbalance. Elia admits that the mechanisms should be clarified.

5. Public consultation

Elia wants a confirmation that the market rules will be approved by the CREG. FoD Economie confirms.

Febeliec would like to see the principles defining the significant grid users in the market rules.

Febeliec is aware that 18/12 is just a milestone but that it is not the end. Open questions could appear in the document for public consultation.

Elia announces that, due to strict deadlines, the documents will be available in English only during the first two weeks of the consultation.

Open questions:

- Elia should clarify the situation regarding the imbalance price during partial blackout
- Elia should clarify the settlement of imbalance when the load-shedding plan is activated.

Next steps

- 18/09 : Meeting WGSO with a broader scope than Market interactions
 - Restoration plan
 - T&C for RSP
 - Black start incentives study
- 01/10 : Start of public consultation