

## Minutes of meeting Balancing Taskforce 27/05/2016

### List of participants:

Company/association	Name	Present	Excused
YUSO	Jonas Boury	X	
Engie	Mathilde Catrycke		X
Vynova	Michel Ceusters	X	
Eni Gas & Power	Florent Dalez	X	
Engie	Bernard Debroux	X	
Edf Luminus	Bram Dewispelaere	X	
Airliquide	Kristian Fasel		X
Creg	Jacques Gheury	X	
Synergrid	Bruno Gouverneur	X	
Febeg	Steven Harlem	X	
Lampiris	Annabelle Jacquet	X	
Anode	Dieter Jong	X	
Next-Kraftwerke	Paul Kreutzkamp	X	
Actility	Arnaud Latiers (representing Arnout Aertgeerts)	X	
Resa	Simon Lachy		X
EDF Luminus	Xavier Leroy	X	
Creg	Brice Libert	X	
Teamwise	Rob Loos	X	
Inter-Regies	Marc Malbrancke		X
Resa Tecteo	Nicky Pirard		X
Eni	Ludovic Platbrood		X
Yuso	Bart Pycke	X	
Restore	Peter Schell	X	
Rwe	Ekaterina Sereda	X	
PowerPulse	Hans Taverniers		X
Energy-Pool	Alain Vandevenne	X	
Basf	Eric Verrydt		X
Elia	James Matthys-Donnadieu	X	
Elia	Bob Hebb	X	
Elia	Sofie Van den waeyenberg	X	
Elia	Hans Vandembroucke	X	
Elia	Thibaut Gérard	X	
Elia	Alexandre Pitsaer	X	
Elia	Manuel Aparicio	X	

## **Minutes of meeting :**

All agenda items were supported by presentations prepared by Elia. These slides serve as background for these minutes and can be found on the ELIA website under [http://www.elia.be/en/users-group/Working-Group\\_Balancing/Agenda-ad-hoc-werkgroep-balancing](http://www.elia.be/en/users-group/Working-Group_Balancing/Agenda-ad-hoc-werkgroep-balancing)

### **- Agenda for the balancing taskforce of 27/05/2016**

- Approval of the Minutes of the meeting on 21/04/2016
- R1 new technologies
- R3 2017:
  - General stakeholder feedback
  - Design
- Bid Ladder platform feedback

### **- Approval of the Minutes of the meeting on 21/04/2016**

The draft minutes of the previous taskforce were distributed by e-mail prior to this meeting; remarks on the meeting minutes could be sent to [usersgroup@elia.be](mailto:usersgroup@elia.be). There was one comment received from Synergrid specifying that the communication issues regarding the DSO contract consultation related to the second consultation round. The minutes were adapted accordingly: the addition is included in blue indicated with "[MoM update]". As there are no other remarks the minutes are approved by the taskforce. They are published on the website:

[Link to the minutes of the TF Balancing 21/04/2016 on elia.be](#)

### **- R1 new technologies**

*Thibaut Gérard presents on the R1 roadmap, in particular as related to the inclusion of new technologies into the R1 market.*

*Bruno Gouverneur reports on the DSO contract for R1 asymmetric: Synergrid has received the feedback from the regulators (it concerns an advice, not a decision) on May 17<sup>th</sup>. Synergrid will adapt the contract taking into account the regulators' remarks and expects to publish the official version in two weeks (in time for the next tendering). Synergrid explains their vision on how future modifications of the DSO contract for other R1 products should be handled.*

- In response to a question of Restore Elia confirms that the new availability mechanism will be applied to all types of technologies (not only for batteries for which the review of the availability mechanism is needed).
- Yuso request clarification on the **timeline** and more specific which requirements will be communicated by Elia in December. Will this information affect the business case?
- Elia explains that its intention was to give the market as much information as possible before the summer to allow all interested parties to start preparing a business case. The envisioned changes after June are only focusing on the rules for the availability control and associated penalty mechanisms. This shouldn't affect the business case as a battery should be developed in such a way that the

R1 product can be correctly delivered. Elia confirms after a question of Anode that this technical note aims at clarifying the existing set of rules (from Entso-e Operational handbook Policy 1 and in R1 GFAs) applicable to any technology delivering R1.

- Actility asks whether already today Elia knows the amount of energy that can be delivered by the existing storage units. Elia indeed has all needed information, including the energy content of existing pump storage.
- There are some questions of Restore and Rwe about the **links with the European level**, specifically on penalties and prequalification.

All assets installed in Belgium and prequalified in Belgium will be offered on the Belgian market and hence need to respect the Belgian rules.

Regarding the penalty mechanism the idea is to search for a gradual harmonization across European countries, which is not yet the case today. The direction towards harmonization will be considered in the project when Elia reviews its own penalty mechanism. However as long as there are no regional harmonized rules Elia will consider the interests of the Belgian stakeholders

- Engie asks about the possibilities to open the market before the review of the design for new technologies is finalized. Engie wonders whether this cannot already be monitored: what about **cases where a battery is added to an existing delivery point** (prequalification of an asset or of a process)?

Elia does not intend to open the market until the needed adaptations to the contract for the availability mechanism is finalized. The current availability mechanism is not designed for such new technologies: the nomination for the availability is at unit level and would not allow Elia to monitor the impact of a battery behind an existing delivery point.

Anode advises to check the technical rules in other countries (e.g. with a deadband) before making a proposal. Elia will look into it.

- Synergrid proposes to the Task Force not to launch a **formal (written) consultation round for other R1 DSO contracts**. Synergrid expects that the DSO **model** contract for R1 asymmetric can be easily modified for R1 in general (change of wording). **If the Task Force members agree with this 'fast track' approach, it should be possible to publish this new model contract (valid for R1 asymmetric & R1 symmetric) before the tendering of July (best efforts & subject to regulators' approval on this 'fast track' approach).** The Task Force members agree with Synergrid's proposal. [MoM update]
- In response to a question of Yuso, Synergrid clarifies that this planning for DSO contract is independent from the opening of the R1 market to other technologies as the DSO do not decide on the type of technologies that can participate. (So the fast track suggestion of Synergrid will not influence when batteries on the DSO grid will be able to participate to R1.)
- **EDF statement (supported by Anode) that there's no need for a DSO-FSP contract in the context of R1. Synergrid admits that regulators are also questioning the need of such a contract for R1 and that Synergrid will evaluate these positions, but the contract will remain for now. It is anyway obligatory for the time being due to stipulations in Flemish Grid Code. [MoM update]**

**For other ideas or inquiries the Task Force members can contact Thibaut Gérard.**

## - **R3 2017: Design & General stakeholder feedback**

*Alexandre Pitsaer presents the stakeholder feedback and proposal of Elia on some design elements of R3 (auction selection rules, activation prices, prequalification, baselining, and performance control).*

- Restore enquires about the timing to the introduction of R3 down.  
Elia explains that the NC will probably enter into force in Q4 this year. As a next step TSOs will have 12 months to propose an operational agreement which need to be approved by the NRAs. Hence total lead time of 8 to 15 months to start with R3 Down is possible. Regardless of this timing discussions on design will take place in the Task Force Balancing.
- Anode questions that in the 3 MT model (2019-2020) the sourcing could happen daily in **blocks of 4 hours**. A study on solar eclipse events in Germany indicate that in days with crucial situations TSOs will not get R3.  
Elia will have a look at this when the decision to move to daily procurement need to be taken.
- CREG emphasizes that 2017 will be the last year of ICH. CREG will not accept any proposals by Elia to prolong ICH after 2017.
- There are no remarks during the meeting on Elia's proposal to stick with the current **option 1 for the monthly auctions selection rules**.  
In response to a question of Restore Elia clarifies that the choice between option 1 and 2 does not affect the possibility to offer the same flexibility for R3 Std and R3 Flex.
- Elia is currently assessing an alternative solution to add an administrative **activation price for R3 Std Non-CIPU**. The CREG explains that they are not ready to accept an activation price without transfer of energy.  
Elia explains that a solution with transfer of energy is not possible at the beginning of next year. A transfer of energy for reserves will be only implemented after the transfer of energy for the pilot bid ladder has been developed and once the transfer of energy for DSO connected access points is also possible. Elia repeats to be committed to implementing Transfer of Energy (first for Bid Ladder, afterwards also for R3), but such an implementation requires a change in the Balancing Rules and in contracts. In a monthly procurement scheme this change could be introduced any time when ready, but at the earliest in June 2017 as some legislation needs to be adapted and necessary arrangements need to be made with the DSOs.
- Anode asks whether activation prices for CIPU units are on a daily basis.  
Elia confirms it is (part of the CIPU process).
- Vynova support the proposal of Elia to have something for implementation on 1/1/2017, albeit not ideal it is better than nothing. Vynova stresses, however, that it is important to know what the solution will be. Elia assures that the proposed design of R3 Std and R3 Flex are not under discussion.
- After a question of Anode Elia explains that currently the Belgian Grid Code requires that the contracted reserves are activated after non-contracted reserves. A full **merit order for activation** will be possible once the stipulation of the future Guideline on Electricity Balancing enters into force (2018-2019).
- The CREG explains that they have checked the Federal Grid Code after the discussion during the last Task Force Balancing on the proposal for the activation order (CIPU reserves always before non-CIPU reserves) and confirms to the Task Force that the proposal is in line with the Grid Code (no more objections from CREG regarding the activation order).
- Restore asks whether the prequalification will also be a rolling process throughout the year. Anode asks whether the prequalification will include tests.

Elia confirms the rolling process and the inclusion of a testing phase.

- Engie wants to know whether there will be a pooling principle across the two GFAs (at least for settlement). Engie stresses its concern to be penalized for unavailability on one product while delivering for another (which can be demonstrated); this is shared by EDF.

Elia highlights that the **availability information** is not only for ex post settlement but also for real-time dispatching (to know what is available and what not). Therefore a pooling principle between CIPU and non-CIPU is not possible.

Elia will come back on this question at the next Balancing taskforce.

- Regarding the **baselining proposal**:

- Elia explains that a delivery point can only have one baseline. In case of one pool for R3 Std and R3 Flex, one unique baseline will be required for both.
- After a question Elia clarifies that all new delivery points should be prequalified before they can be offered in the tendering of reserves. A set of rules shall be established which need to be followed in case a provider wants to add or remove access points from its pool.
- Elia has yet not considered the case of products that change seasonally, which raises concern by Restore. Restore warns that the advantages of having auctions on a monthly basis cannot be undone by having only one prequalification. Restore will give Elia an alternative proposal.
- Anode questions the need for tests of 2 hours. Elia stresses that the timing of tests should equal the timing of the product; the tests cannot be replaced by energy controls.
- The XY baselining proposal uses historic data, also for DSO delivery points. This raises concern for Vynova, which does not produce the same each week and can therefore not control how much to offer each time. It would be difficult to search for representative days in the past. Vynova prefers to work with nominations and asks whether it is possible to work with nomination if available and use the proposal as an alternative method in case of unavailable data.
- Restore thinks about an alternative in which the provider would send a curve for the pool that can be audited by the TSO in periods without an activation (to test the quality). Elia replies however that they need data per delivery point to arrange the transfer of energy per supplier.
- Restore advises to add Bidladder to the discussion: considering the similarity between the products Restore would prefer the same baseline as well.

**Elia requests the Task Force members to send in their proposals before the next TF balancing,** as the aim is to have a solution ready for 1/1/2017.

- Regarding the **proposal for activation control**:

- Vynova supports strong activation control, but warns that a correct reference point is needed.
- EDF Luminus asks whether Elia will consider Red Zone restrictions for activations of R3 products, [as there are certain concerns related to the concept \(opportunity loss, possible discrimination in the offering \(risk of not being activated\)\) \[MoM update\]](#). Engie supports the question as it is also a discussion in the BidLadder project.
- Elia will explain the rules for the congestion management for non CIPU reserves at the next TF balancing.

Alexandre Pitsaer announces the availability of the **one minute publication**, which is well received. Actility and Yuso find the data very useful.

- **Bid Ladder platform feedback**

*Hans Vandenbroucke presents the feedback on the BidLadder Expert Group meeting in May for information to the Task Force.*

- **AOB**

James Matthys-Donnadieu thanks all participants for their very valuable input into the different discussions. He indicates that with the ambitious R1, R2, R3 and bidladder projects Elia's implementation and change management capacity has been stretched to a maximum. As a result it could be that further requests from participants or additional ideas, albeit very valuable, may have to be postponed if the current timelines put forward for the aforementioned projects (subject of course to a timely resolution of all external dependencies, be it legal, regulatory and or collaboration with other stakeholders) are not to be endangered.

- **Next meeting date**

The next meeting will be held on June 15, 2016, from 09:30-12:30.