

Minutes of meeting Balancing Taskforce 15/06/2016

List of participants:

Company/association	Name	Present	Excused
Economie Fgov	Claude Adams		X
Actility	Arnout Aertgeerts	X	
Energy-Pool	Jacques Arbeille	X	
EDF Luminus	Halida Benaïche	X	
YUSO	Jonas Boury	X	
Electrabel	Mathilde Catrycke	X	
Vynova	Michel Ceusters	X	
Engie	Xavier Coppin	X	
Eni Gas & Power	Florent Dalez	X	
EFET	Bernard Debroux	X	
Electrabel	Valentijn Demeyer	X	
Airliquide	Kristian Fasel		X
FOD	Senne Gabriels	X	
Creg	Jacques Gheury	X	
Synergrid	Bruno Gouverneur	X	
Febeg	Steven Harlem	X	
Lampiris	Annabelle Jacquet		X
Next-Kraftwerke	Paul Kreutzkamp	X	
Edora	Noémie Laumont	X	
EDF Luminus	Xavier Leroy	X	
Creg	Brice Libert	X	
Teamwise	Rob Loos	X	
Inter-Regies	Marc Malbrancke		X
WOM	Herman Marien	X	
Lampiris	Jelle Meersmans	X	
Rwe	Jo Mortier	X	
Economie Fgov	Ludovic Mouffe	X	
Scholt	Joël Nolten		X
Vreg	Pauline Ottoy	X	
Resa Tecteo	Nicky Pirard	X	
Yuso	Bart Pycke	X	
Restore	Peter Schell	X	
PowerPulse	Hans Taverniers	X	
Febeliec	Michaël Van Bossuyt	X	
Energy-Pool	Alain Vandevenne	X	
Elia	James Matthys-Donnadieu	X	

Elia	Bob Hebb	X	
Elia	Sofie Van den waeyenberg	X	
Elia	Patrik Buijs	X	
Elia	Benjamin Genêt	X	
Elia	Alexandre Pitsaer	X	
Elia	Tom Desmet	X	
Elia	Aimilios Orfanos	X	
Elia	Amandine Leroux	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

- Agenda for the balancing taskforce of 15/06/2016

- Approval of the Minutes of the meeting on 27/05/2016
- NFS & FSP-DSO contract: expected evolutions (Synergrid)
- Announcement R1 workshop
- Feedback R2 non-CIPU Workshop
- Status update Pilot Bid Ladder
- R3 status
- European evolutions

- Approval of the Minutes of the meeting on 27/05/2016

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.

There was one comment received from Synergrid to clarify Synergrid's proposition on the next steps for the R1 DSO contracts.

There were three comments by FEBEG:

- Comment about adding assets to existing R1 delivery points: already included in the MoM, therefore no update needed. EFET adds a comment that was not included in the e-mail. Elia will contact EFET after the Task Force to clarify.
- Statement about the need for DSO-FSP contracts: OK to add.
- Remark on red zones: the problems related to the concept of 'red zone' enlisted by FEBEG will be added to the report.

There are no other remarks of the Task Force members. The minutes are approved by the taskforce. The minutes will be adapted accordingly (updates in blue indicated with "[MoM update]"). They will be published on the website of the task force:

[Link to the minutes of the TF Balancing 27/05/2016 on elia.be](#)

- **NFS & FSP-DSO contract: expected evolutions (Synergrid)**

Bruno Gouverneur presents the evolutions of the NFS and FSP-DSO contract (for R3 and SDR): the main changes under consideration and the timeline for next steps.

One considered change to the NFS (C8/01) is the introduction of green and red zones.

- Restore asks whether the color of a zone is always for both directions or not. Actility wants to know how many zones are potentially red.

Synergrid replies. The color of a zone could normally be different in 'up' and 'down' directions, but this still has to be confirmed.

Synergrid clarifies that currently there is no identified risk to have red zone. The color of a zone at one point in time does not necessarily imply the same color at other moments. This risk will especially be higher in zones with multiple customers that would simultaneously want to use their maximum capacity.

- Restore requests an explanation of the prorata principle. Synergrid clarifies with an example. If the total requested flexibility volume in a zone is larger than the available capacity, then the smallest requested volume is allocated to all. The remaining capacity is by the same rule allocated. In the last step the remaining capacity is allocated in proportion to the remaining requests.

Example:

- 200 MW max. can be allocated
- Supplier 1 request of 50 MW; Supplier 2 request of 200 MW
- Allocation: 50 MW to supplier 1 and 2 in a first round; the remaining 100 MW goes to supplier 2.

For your information: a detailed explanation can be found on the Elia website in the following link: [section 6.01 of this document](#).

Synergrid confirms after a question of Actility that the frequency of the NFS (3-monthly) will not change. Actility wonders, however, whether the need to wait for a qualification of the DSO would limit the time available to participate to a tender. Ores explains that the participation to a tender could be done simultaneously as the qualification.

Synergrid confirms to Elia that points which have been prequalified in the past will have to prequalify again, but the risk of non-prequalification for currently prequalified points is considered as very small.

Synergrid explains that prequalification will be only possible after October once the new FSP-DSO contract is approved by the regulators. Elia states that if there would be a possibility to shorten the approval time for regulators of 2 months, this would be preferable.

Restore inquires about the position of the DGO on the R2 non-CIPU pilot project. Synergrid has taken no position yet; there have been no specific discussions so far. Elia explains that a workshop has been organized to present the objective of the pilot project. In a next step potential participants will be identified. Elia shall start discussions with the DSO in case it appears that flexibility on the DSO grid is involved. Restore is satisfied with the answer but expects to hear a position from Synergrid when the time comes.

- **Announcement R1 workshop**

Elia announces a workshop on the R1 battery technical note on June 22, 2016. The mail with invitation will be sent after the Task Force. The slides of the workshop will be made available to all Task Force members afterwards.

VREG asks about the voltage levels that can participate (only Elia grid). Elia states that the goal is to have technology neutral contracts, so both TSO and DSO voltage levels but limited to medium voltage (limitation of the contract on FSP-DSO).

- **Feedback R2 non-CIPU Workshop**

Bob Hebb presents the feedback of the workshop held about the R2 non-CIPU pilot project on June 3rd.

Energy-Pool asks about the available time for them to find flexibility which might participate to the project. Elia clarifies that the available flexibility needs to be known at the moment of the selection of partner(s) of the project as the participant(s) will be also selected based on the known volume (selection on unsure volume is not possible). Elia emphasizes that it is a pilot project, not a commercial project to participate to the R2 market. Elia will however study the possibility to compensate participants for (part of) the costs for the participation into the pilot project.

- **Status update Pilot Bid Ladder**

Patrik Buijs presents feedback of the Expert Groups that took place for the pilot BidLadder project. The meeting of the Expert Group in July will be used to close several subjects, especially on the combination of R3 and the pilot BidLadder.

- Restore wants to know what the next steps are, especially concerning the ToE. Elia explains that the discussions will continue in the planned meetings of the Expert Group BidLadder. The discussion on the financial compensation, however, will be discussed in the forum that will be organized by the CREG. Elia informs the Task Force that the final session of the Expert Group BidLadder will take place on the 5th of July. Afterwards all will be summarized in a note that will be shared in mid-August. The members of the Task Force will be able to respond.

- **R3 status**

Alexandre Pitsaer presents some special topics for the R3 design (in particular concerning the activation price, the settlement, partial activations, and the interaction with congestion management) and a wrap up of the design.

Recap of R3 2017

- Activity asks whether the maximum of 40 activations per year will be maintained.
This will not be the case, as the procurement will be on a monthly basis and consequently a supplier is not necessarily selected for all months of the year.
- CREG remarks that the volumes shown (slide 26) are still under assessment. CREG informs the Task Force that the consultation will be launched that day.

R3 2017 – Special topics: Activation price R3 nonCIPU

- Restore asks about the status of ToE TSO/DSO.
Elia indicates that first priority is on the implementation of the bid ladder pilot. In parallel Elia will start discussions with its DSO colleagues about the implementation of ToE for DSO points. Elia is aware of the pressure and expects to be able to provide an update on this issue by the end of the year or early next year. The focus firstly lies on the design freeze of R3 and BidLadder.

R3 2017 – Special topics: Common settlement CIPU vs non-CIPU

- Elia has analyzed the request of EFET during the previous Task Force and explains why a common settlement is not feasible with the current design. EFET corrects Elia's interpretation of the request. The question concerned only the settlement of the availability control: to avoid a penalty if the supplier is able to demonstrate that the capacity missing in one portfolio was available in another portfolio (the case of CIPU and non-CIPU portfolios).
Elia refers to the fundamental principle that Elia must be always able to activate every MW procured reserve. This will not be changed for the implementation by 1/1/2017. In the long run this issue would disappear with the move to one generic contract for R3 reserves. This topic can also be further investigated in the framework of the future development of secondary markets.
- [The representative of EFET repeats that the scope of the secondary market is too limited, only CIPU and only in case of outage. \[MoM update\]](#)

R3 2017 – Special topics: Partial activation

- Vynova asks whether the partial activation concerns the volume only or also affects the timing (the 12 hours in between 2 activations).
Elia explains that only the volume is concerned; the rule of 12h recovery time between two activations remains.
- CREG asks whether Elia will make a distinction between pools and single-site contracts.
Elia explains that there will be no distinction as a single-site contract is contractually a pool with one delivery point. Also a pool with one DP will be smaller and will be much less often (or even never) partially activated.

R3 2017 – Special topics: Congestion management

- Restore warns that the rule on congestion management would become more complex with the introduction of an activation price. This should be kept in mind when the time comes.
- Energy-Pool asks whether zones are red often and for which duration.
Elia explains red zones usually apply for a part of the day. The geographical limitations often evolve; today it is often in the coastal region.
In practice the proposed rule shall be seldom applied as this will only happen at times that an activation of R3 is needed. R3 is contracted from a DP larger than 25 MW and this point is located in an location where RED zones is applied at the moment of activation. However this case has to be covered, if this would happen.
- EDF Luminus finds that the argument for setting the rule is not fully met as the pooling effect is not taken into account (an activation of a pool of individual delivery points of less than 25MW could have equally negative effects on a zone as a central power plant larger than 25MW).
- Edora asks about the criteria for red zones.
- EFET finds that a level playing field is being created between products that are not the same. The day-ahead nominations of CIPU units are protected if a red zone appears during intraday.

For Elia this is not an issue; it only means that in real-time the dispatching will not activate R3 bids that are located in a red zone. The same solution was proposed for free bids bid ladder and is currently being used for R3 / free bids CIPU.

EFET asks which bids then could be activated in a red zone if the system would need the capacity.

Elia repeats that Elia will not activate for balancing purposes knowing this would cause congestion issues in a zone. This is the only criterion applied.

- EFET asks whether the duration of the red zones will be reduced (as R3 products are quarterly and currently red zones apply for half days (peak / offpeak)).

Elia answers that for the moment this will not change.

Given the amount of questions James Matthys-Donnadieu proposes to have a dedicated explanation on Elia's Red Zones approach in the Working Group System Operation.

(post meeting remark: a dedicated meeting on this topic will be organized on September 2nd, from 9:00 until 10:00)

R3 2017 – General design wrap-up

- Energy-Pool asks about the R3 lifecycle: if an access point changes from BSP, can the access point still deliver for the old BSP while getting prequalified for the new BSP?

Elia confirms that this is possible.

- Concerning baselining:

- Restore asks whether the choice for the baseline is on pool level or on access point level. Elia answers it is on pool level.
- Restore stresses that the baseline must be the same for both suppliers (of BidLadder and of R3) as it is important that Restore can use the same pool for both products.

Elia explains on the use of the same pool for both products. The priority is to assure that the reserves are available, without however unnecessarily blocking flexibility participating on the BidLadder.

Elia proposes flexible pool management in which there will be a pool for BidLadder and a pool for R3. The goal is to not lock up volumes if they are not selected for R3, but to find a way to allow the volume that was not selected for R3 to be allowed to offer on BidLadder. This will be further discussed in the BidLadder Expert Group.

This is the work hypothesis used for the R3 project and trajectory towards implementation in January. Elia acknowledges that there are different possibilities for baselining, but that the current proposition is believed to be the most pragmatic. Restore proposes to discuss this further after the Task Force meeting.

- Restore emphasizes its request that this is not a blocking issue for allowing volumes to be offered for both R3 and for BidLadder and that therefore Restore does not support the proposition of Elia to allow the choice between two methods.
- CREG asks about the alternatives for baselining. Elia refers to the request to work with nominations as a baseline used for example for some products in France (which is however quite complex). Moreover for strategic reserves there is currently negative feedback from stakeholders regarding the use of nominations as baseline.

- Elia underlines that it changed its proposal based on the feedback received during the previous Task Force meeting. This is the only solution than can be implemented by 1/1/2017.
- Concerning pool registration Restore points out that the reception of 1 year historical time series is under the assumption that time series are available for a full year.
- Restore asks whether the whole pool is prequalified for Standard or for Flex, or whether there are combinations possible. What is the same pool could be used for 40 activations of Flex (2h) or for 10 activations of Std (8h): it is the same in total but it is not combinable. Is it up to the supplier to decide how to split the volumes or will Elia decide this?

Elia explains with an example of an auction (slide 41). It is possible to partially offer a pool for Std or Flex. Prequalified volume of R3 Standard can be offered as R3 Standard and Flex while prequalified volume of R3 Flex can only be offered as R3 Flex. However, the prequalification includes the volume as well as the possible split between Flex and Std. So if the volume or the ratio Flex/Std changes, then a new prequalification test would be needed.

Restore understands Elia's concern but does not find the way to offer practical and proposes to search together for the best solution to meet the (contradicting) objectives of Elia and of the suppliers.

Elia acknowledges it may not be the preferred way of working of all suppliers, but it is workable. Discussions can continue to look at incremental improvements (which will be easier given the monthly procurement) but now it is time to advance into the implementation stage.
- Next-Kraftwerke asks about the need for prequalification in case of new access points entering or exiting a pool. What if there is an exit in a part of the pool that was added after initialization? If the whole pool prequalified again or only the subgroup of the last addition?

Elia explains that in those cases there is no need to redo the whole prequalification tests. The same principles always apply.
- Restore wants to know whether there will be random activations in the future to count as a test and whether they will count as activation.

Elia mentions the possibility to do more ad hoc activation tests (this is still under investigation and it is not decided yet whether a test activation would count as an activation).
- EFET states that [there is no level playing field between CIPU and non-CIPU as \[MoM update\]](#) there seems to be more flexibility for a pool than for a CIPU unit, while in the CIPU system there are clear and high penalties.

Elia reminds of the different steps that were presented in the roadmap: firstly to open the product to non-CIPU (by 1/1/2017); secondly to review penalty schemes for CIPU and non-CIPU; and thirdly to harmonize the products into one GFA.

The idea is therefore to become stricter for non-CIPU as well. The next step is to look into the penalties (but this is not in the implementation of 1/1/2017).

Elia concludes the discussion:

- The goal was to present and close the design that will now be integrated in the balancing rules. There is probably no need to change the BRP contract (to be discussed with the regulator).
- The balancing rules will be introduced to the regulator at beginning of August. The public consultation will follow in September. Everything should be ready by December 15 for the first tendering.

- The purpose was also to give the Task Force members clarity on what the final product will be. There is a formal process to go through, but considering the intensive Task Force meetings that took place with insightful contributions from regulators, Elia expects that the proposal that will finally be submitted will not differ too much from what was presented during this meeting. The Task Force members can proceed with their actions based on the presented wrap-up of the design.

European evolutions

Benjamin Genêt presents a high-level feedback on the discussion and main achievements so far in the European work groups.

- Elia confirms after a question of Restore that the period for national implementation is maximum 4 years (but could be earlier).
- Yuso asks about the European evolution towards harmonization in the imbalance mechanisms: there is a harmonization noticeable for the settlement period, but in terms of price large differences remain (single price, dual price, marginal price, cost pool, ...). Is a price harmonization also foreseen in the new Network Codes?
Elia explains that all TSO's are requested to propose harmonized principles for the imbalance settlement. The difference should decrease, but probably progressively. An approval by all the NRA's is needed.
- Yuso heard that the Dutch TSO believes to be aligned already in terms of pricing. Does Elia share this view?
Elia cannot make a statement about this now: the Network Codes require harmonization but there is also room for interpretation.

Elia informs the Task Force that more will be presented on the European discussions during next Task Force meeting.