

## Minutes of meeting Working Group Balancing 07/11/2016

### List of participants:

Company/association	Name	Present	Excused
Rwe	Alice Barrs		X
EDF Luminus	Halida Benaïche	X	
YUSO	Jonas Boury	X	
Febeliec	Peter Claes		X
Engie	Xavier Coppin	X	
Creg	Patricia Debrigode	X	
Electrabel	Valentijn Demeyer	X	
Ode Be	Alice Detollenaere	X	
Veolia	Christophe Devisé	X	
Edf Luminus	Bram Dewispelaere	X	
Creg	Jacques Gheury	X	
Synergrid	Bruno Gouverneur		X
Febeg	Steven Harlem	X	
Lampiris	Annabelle Jacquet	X	
Actility	Arnaud Latiers	X	
Next Kraftwerke	Philippe Lenssen	X	
Creg	Brice Libert	X	
Teamwise	Rob Loos	X	
Inter-Regies	Marc Malbrancke		X
Essent	Jo Mortier	X	
Vreg	Pauline Ottoy	X	
Yuso	Bart Pycke	X	
Restore	Peter Schell	X	
Febeliec	Michaël Van Bossuyt		X
Essent	Bram Van Gaelen	X	
Engie	Wouter Van Melkebeek	X	
Energy-Pool	Alain Vandevenne	X	
Eni	Pieter Verlinden	X	
Basf	Eric Verrydt		X
Creg	Gilles Wilmart	X	
Elia	James Matthys-Donnadieu	X	
Elia	Bob Hebb	X	
Elia	Sofie Van den waeyenberg	X	
Elia	Patrik Buijs	X	
Elia	Hans Vandembroucke	X	
Elia	Thibaut Gérard	X	

Elia	Benjamin Genêt	X	
Elia	Aimilios Orfanos	X	
Elia	Amandine Leroux	X	
Elia	Manuel Aparicio	X	
Elia	Jean-Christophe Cattrysse	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 Working Group Balancing of 7/11/2016**

- Approval of the Minutes of the meeting on 5/10/2016
- FCR market design note
- Pilot BidLadder
- European evolutions
- R3 Feedback GFA non-CIPU

### **Approval of the Minutes of the meeting on 5/10/2016**

The draft minutes of the previous Working Group 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).

VREG requested to clarify the scope of its responsibilities to get the necessary changes to the 'Technisch Reglement Plaatselijk Vervoernet van Electriciteit' implemented.

There are no other remarks of the Working Group members. The approved minutes will be adapted accordingly (updates in blue indicated with "[MoM update]") and published on the website of the Working Group:

[Link to the minutes of the WG Balancing 5/10/2016 on elia.be](#)

### **FCR market design note**

*Thibaut Gérard presents the highlights from the new market design (prequalification design note & settlement design note) which will be discussed in more detail during the workshop on 10/11. The current presentation is part of the 3<sup>rd</sup> package of the FCR Roadmap – Integration of new technologies. The Working Group members will later on the day receive the design notes by e-mail.*

Discussion:

- Important nuance: the prequalification test verifies the reaction of the service, not the delivered power.
- After a question from Restore it is clarified that the prequalification test is organized per group.

- The most substantial modification in the design concerns the availability check. The test will not be remunerated. Restore remarks that given the long testing period (4 hours) a remuneration is desired. Restore will come back to this during the consultation of the design note.
- Yuso asks clarification on the purpose of the intraday nomination process presented by Elia. Elia explains there are 2 main reasons to have such a nomination process implemented:
  - The supplier identifies how its FCR obligation (for a FCR service won at the FCR auction) is spread between its prequalified FCR providing groups by nominating volume (MW) of FCR obligation on each of these groups. This information will be used by Elia as input for the triggering of an availability test (on one or several FCR providing groups) and;
  - For its activation control, Elia will only consider in its verification FCR providing groups on which the supplier nominated a FCR obligation for the verified FCR service (value different from zero). This helps avoiding the consideration of non-activated FCR assets during the activation control, which often troubles the tele measurements.
- Yuso has questions on overdimensioning: Will there not be a lack of level playing field as Belgian providers cannot offer the full Pref on the European tender? Is Elia aware that other TSO organize this differently (e.g., Tennet does not have overdimensioning)?

ELIA clarifies that the objective of the FCR service is to reserve a band (MW) that cannot be used for another purpose than instantaneous power delivery in reaction to a frequency deviation. To respect the product definition, an asset with energy constraints participating individually to FCR provision always needs to have an additional capacity, not reserved for the FCR delivery that can be used to apply the chosen energy management strategy. The minimal overdimensioning ratio differs depending on the choice of each TSO. Elia gives the supplier the flexibility to determine by himself the needed overdimensioning, as it depends of its energy management strategy. He will prove its feasibility during the prequalification tests.

This topic is also discussed in the context of the regional collaboration to determine whether XB harmonization is possible.
- Yuso points out that the design risks to lead to a non-optimal use of assets. The higher remuneration stimulates the offering of R1, but in case of batteries, charging might be most beneficial (for the grid) at a moment that the R1 availability check occurs, risking a penalty for the provider. Elia points out that the new design R1 is discussing the settlement principles and not the fundamental principle of the R1 process. For R1 -just like any other reserve- the reserved band of flexibility always needs to be available at any moment. Hence Yuso's proposed way of charging a battery is not acceptable.
- Restore asks about the impact of these design changes on the current mix of specific products (R1 100 mHz / R1 up / R1 down). Elia responds that this design proposal is applied the same way on each FCR service type. The product mix is not being reviewed in this FCR Roadmap work package.

## **Pilot BidLadder**

*Hans Vandenbroucke presents the proposed amendments to the BRP-contract which will be the subject of the public consultation launched today.*

*James Matthys-Donnadieu reminds the Working Group that the proposed BidLadder design includes the Transfer of Energy (ToE). Unfortunately the legislative process to adapt the Electricity Law has not yet started. Elia decided to move forward with Bidladder implementation without ToE. ToE can be considered for inclusion once there is more certainty about the Electricity Law (hopefully in the coming weeks or months).*

*The proposed BidLadder design includes the opt-out possibility and the combination with R3 (which should be implemented from the start of BidLadder on 1/7/2017).*

Discussion:

- Restore asks about the opt-out agreement. Elia clarifies that the activation will be treated in the portfolio of the BidLadder provider (BSP), who is expected to have an over-the-counter agreement with the other parties (supplier, BRP of the source, BRP of the BSP).

## **European evolutions**

*A report on the Explore study was sent to the Working Group Balancing members on October 24<sup>th</sup> including an **invitation for feedback by November 21<sup>st</sup>**. Benjamin Genêt presents some highlights of the study and welcomes the audience to contact him for discussion.*

## **R3 Feedback GFA non-CIPU**

*This subject was added to the agenda as Elia received many comments on the R3 GFA modifications regarding the simulation tests, in particular regarding the switch of delivery points from one FSP to another. Normally the idea is to freeze the design before consultation, based on the presentation and discussion during the Working Group Balancing (see previous Working Group meeting). The intent of giving the opportunity to the suppliers to express their opinion on the modifications of the GFA is not to review the design. However, as there were several comments on this subject, Elia decided to again open the design and come back to the Working Group with a new proposal, presented by Amandine Leroux, requesting a validation by the Working Group.*

*James Matthys-Donnadieu indicates that the impact of the new proposal on R3 in case of ToE has not been assessed. The robustness of the proposal is therefore not guaranteed: the simulation tests may change again when ToE, common merit order, and weekly auctions are applied to R3.*

Discussion:

- Concerning the validation by the Working Group, the CREG likes to note that stakeholders, who do not agree with the new proposal, should send their motivation to the CREG as well.

- Restore asks about the situation that a simulation test would occur at the same moment as a R3 activation: would Elia penalize the provider?  
Elia will not in this situation penalize the provider for non-optimal R3 activation but does not expect this situation to occur as Elia will aim not to organize tests in times of a need for R3 activation.

There are no further comments on the new proposal stated during the meeting. The Working Group agrees to leave the time to everyone (also giving the opportunity to those absent to the meeting) to respond until the end of the week. Unless Elia receives strong opposition by Thursday 10 November, Elia will consider this proposal to be approved. In the event some parties would oppose to the new proposal, and considering the need to freeze the GFA as soon as possible, Elia will reserve itself the right to choose the final option, in close cooperation with the CREG.

## **Varia**

The next meeting of the Working Group Balancing will take place on 13 December 2016, at which time Elia will also give an overview of the subjects to be discussed in 2017.

James Matthys-Donnadieu also reminds of the Working Group System Operations and European Market Design on 2 December where short-term improvements to the CIPU Red Zone Mechanism will be discussed.

The new structure of the Working Group Balancing website is available online.