

Minutes of meeting Working Group Balancing 10/02/2017

List of participants:

Company/association	Name	Present	Excused
Actility	Arnaud Latiers	X	
CREG	Patricia Debrigode	X	
CREG	Jacques Gheury	X	
CREG	Brice Libert	X	
Economie Fgov	Ludovic Mouffe		X
EDF Luminus	Halida Benaiche	X	
EDF Luminus	Bram Dewispelaere		X
EDF Luminus	Mattijs Van Bruwaene	X	
Electrabel	Valentijn Demeyer	X	
Eneco	Elsemieke Kin	X	
Energy-pool	Alain Vandevenne	X	
Energy-pool	Benedicte Vignobou		X
Engie	Xavier Coppin		X
Engie	Wouter Van Melkebeek	X	
Engie	Olivier Vandekerckhove	X	
Eni Gas & Power	Florent Dalez	X	
FEPEG	Steven Harlem	X	
Febeliec	Michaël Van Bossuyt	X	
FOD	Senne Gabriels	X	
FOD	Katrien Selderslaghs	X	
Lampiris	Pierre Lebas	X	
Next-Kraftwerke	Paul Kreutzkamp	X	
Ores	Didier Halkin	X	
Power Pulse	Hans Taverniers	X	
Restore	Donald Gilbert	X	
Restore	Peter Schell	X	
Restore	Laurie Senaux	X	
WOM	Herman Marien	X	
VREG	Pauline Ottoy	X	
Elia	James Matthys-Donnadieu	X	
Elia	Bob Hebb	X	
Elia	Jean-Christophe Cattrysse	X	
Elia	Alexandre Pitsaer	X	
Elia	Hans Vandenbroucke	X	
Elia	Amandine Leroux	X	
Elia	Aimilios Orfanos	X	

Minutes of meeting:

All agenda items were supported by presentations prepared by Elia. The 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 of the WG Balancing meeting on 10/02/2016

1. Approval of the Minutes of the meeting on 13/12/2016
2. Workplan AS 2017
3. Secondary markets – next steps
4. Usage of solar real-time measurements in DSO allocation process (MIG6)
5. Status update Bidladder
 - a. Planning consultation General Framework Agreement
6. AOB

1 Approval of the Minutes of the meeting on 7/11/2016

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.

One comment was received from ORES and presented during the meeting. The corrected minutes are approved by the Working Group and are published on the website (http://www.elia.be/en/users-group/Working-Group_Balancing/Agenda-ad-hoc-werkgroep-balancing).

2 Workplan AS 2017

Bob Hebb presents an overview of the Workplan 2017 for Ancillary Services.

The following remarks were stated by Working Group members during the meeting during the presentation:

- Overview:
Restore is surprised to see no mentioning of R3-down.
Elia explains that is not listed because it is expected to be mandatory only as of 2019. However, this does not exclude that Elia might start working on this topic in 2017 already.

FEBEG asks Elia to align with the WG Belgian Grid where stakeholders requested to discuss some points with Elia: e.g. definition of BRP.

Elia confirms that they are in close contact with the WG Belgian Grid and assures that relevant topics raised there will be treated in the WG Balancing.

FEBEG asks whether Elia plans to further open the FCR product for residential customers. Elia explains that the product design of FCR doesn't exclude the participation of residential consumers. The new design is technology neutral and even allows pooling in a group. The latter is enabling the participation of small volumes into the delivery of FCR reserves. FEBEG clarifies that the DSO

FSP contract currently doesn't allow the participation of residential customers. ORES indicates that this question could be dealt with in a future project.

- Concerning R3:

Restore asks Elia what the actual objective with respect to transfer of energy (TOE) for R3 is.

Elia explains that there are 3 different preconditions for the application of ToE for contracted R3: Contractual/legal framework, Tools/processes and Elia/DSO data exchange.

The exact timing of the legal framework is currently unknown. Elia is currently discussing with the DSOs how the data exchange will be organized and which tools and processes need to be developed.

Besides Elia will start analyzing the tools and processes which need to be implemented to enable ToE for contracted R3. This topic shall be discussed with stakeholders during the meetings of the WG balancing in the course of this year. The objective is to proceed with this topic independently from the other topics.

Restore asks if it is a fair assumption that there would be 2 merit order lists to start with?

Elia explains also that there is a legal constraint to move to merit order activation (Federal Grid Code) between contracted and non-contracted reserves and there is no clear indication on when precisely it would change. In the latest version of the GL on EB there was a change requiring the merit order activation only 4 years after entry into force of the Guideline. Elia explains that the discussion on ToE and merit order activation must be treated separately as ToE can be implemented without merit order activation. The implementation of merit order activation might follow a different timing. Indeed without modifications of the Grid Code or requirement by the Guideline on Electricity Balancing all non-contracted reserves would still be activated before all contracted reserves.

- Concerning Dynamic dimensioning:

Elia stresses the complexity of this new approach.

Restore asks which tendering period Elia will assume, knowing that this is a hot topic on European level.

Elia clarifies that in a first step only the methodology of dynamic dimensioning for defining the reserve volumes will be considered and that no assumptions regarding tendering periods or other impacts are made yet. Discussion with stakeholders on collateral impacts of this new method and its results will follow later.

- Concerning the "Dossier Volume" and balancing energy rules.

The CREG announces that she will ask Elia to introduce a new requirement in the balancing rules for delivery points that are also used in a strategic reserve contract. These points will no longer be allowed to participate in the balancing market (not for capacity reservation nor activation) in order to level the playing field between SGR and SDR. The objective shall be to have this rule applicable as of November 1st 2017 the latest, after it has followed the usual process of stakeholder consultation and a final decision by the CREG. The CREG specifically reminds that this announcement is made today for it to be known before the next strategic reserves auction process.

Restore asks if multiple processes/installations that are metered separately can still participate separately.

The CREG confirms that they can still participate separately per delivery point in accordance with the applicable rules.

Febeliec asks if this new rule will be applicable only during winter or during the duration of the whole contract.

The CREG answers that this rule will apply to the full duration of the contract, i.e. for the concerned winter during which the delivery point has qualified to deliver SDR and the summer that follows it.

Next-Kraftwerke asks if generation units can return to the market, mentioning that in other countries discussions with regards to this matter are ongoing.

The CREG replies that they are in favor of the possibility for a unit to return to the market after the contract ends, given that there is a valid argument justifying this return; e.g. changing market conditions.

Febeliec expresses their concern that this will create an extra barrier for SDR, increasing the risk of a non-level playing field between generation and load with respect to strategic reserves and the possibility for SDR to return to the market.

The CREG indicates that Febeliec will have the opportunity to voice their concerns during the consultation.

Elia summarizes the CREG's request as follows: any access point contracted for strategic reserves will not be allowed to participate in R1, R2 nor R3 for the duration of the strategic reserve contract, i.e. for the concerned winter during which the delivery point has qualified to deliver SDR and the summer that follows it.

Elia notes that this new rule might require a second set of balancing rules to be introduced in Q2 2017

Next-Kraftwerke asks what is going on the European level with respect to balancing in 2017.

Elia answers that apart from the recent consultation on FCR cooperation no concrete steps are foreseen in 2017. Elia further mentions the very limited response to the FCR consultation and the related workshop that was organized.

Next-Kraftwerke later in the meeting acknowledges the intention of this workshop and regrets not being able to participate due to other commitments.

As a final comment on this presentation Restore asks to clarify the detailed assumptions that will be applicable to products in 2018 as soon as possible because this will really help stakeholders to plan ahead.

Elia understands the request and will do so whenever possible.

No fundamental comments with respect to the proposed Workplan AS 2017 where received, therefore it is considered as accepted by the WG Balancing.

3. Secondary markets – next steps

Alexandre Pitsaer presents the current principles and possible future developments of secondary markets for balancing energy. A consultation about these future developments is announced.

- Concerning the benchmark with neighboring countries

Restore mentions that France does have an auction for R1 since January 1st 2017. It is also mentioned that in Germany there exists the possibility to have a bilateral contract with a fixed counterpart, which is part of the prequalification, that allows the transfer of obligation to another party, but not for commercial reasons.

Restore also mentions that the consultation on design for the regional FCR procurement includes a whole set of questions about secondary markets and future evolutions.

- Concerning the recap of the process “as is”

Restore and CREG ask if a transfer can be split over multiple counterpart units in one deal.

Elia states that this is not the case today, only one unit per transfer is allowed, but that it is one of the possible developments proposed.

- Concerning the Impact on activation price

Restore asks if Elia selects more volume than is contracted for R2.

Elia answers that it is not the case but that in day ahead, BSPs are free to offer additional non contracted bids next to the contracted volume. The contracted volume sets the minimum to be offered by BSPs. Elia will select on Day Ahead per quarter hour the cheapest bids to cover the needs for aFRR reserves.

Eneco asks how we determine the cheapest bid if we use a pro-rata approach.

Elia clarifies that only activation is pro-rata, but the selection of capacity bids and determination of the price is merit order based.

Next-Kraftwerke comments that the price for an ID transfer is a bilateral settlement without involvement of the TSO.

Elia confirms that the deal between the two suppliers is a pure bilateral transaction. Elia has no view on the price of the transaction, only on the volumes exchanged.

Restore notes that when R2 activation is switched from pro-rata to merit-order the limitations presented will solve themselves.

Elia explains that this issue is not only related to the merit-order discussion, but also linked to the existing CIPU process. As announced Elia will start to have discussions with stakeholders on the future evolutions of CIPU

- Concerning possible “to be” situations

EDF Luminus asks if the bid ladder platform for non-contracted bids will become also the future nomination platform for R3 from non-CIPU units. Elia replies that it is being studied and more info will be given in March.

Restore notifies Elia of an element missing in the presentation that in their opinion would have added value, namely the opening of secondary markets to cross border transfers. Restore adds that if TSOs would have such a system in place it would

increase the number of use cases of secondary markets and give a strong signal to the European discussions. Restore will make this point in both the Belgian and European consultations.

Elia states that this is a regional decision and invites stakeholders to include it in their response to the regional consultation.

Finally Elia presents a list of questions that will be submitted to the stakeholders to assess the added value / urgency of the extension of the 2nd market. Elia stresses the importance that the stakeholders provide their answers in due time. It will be used as input for priority setting since choices will have to be made on which changes can and will be developed in 2017, not only with respect to the secondary market, but to all balancing processes and products.

3 Usage of solar real-time measurements in DSO allocation process (MIG6)

Didier Halkin (ORES) explains the evolution of the Settlement processes in distribution from MIG4 to MIG6 related to the PV installations concerned by compensation. The impact of the compensation will be corrected in the BRP perimeter in the MIG6 distribution allocation. A new process called reconciliation of the compensation will give the opportunity to the suppliers to make financial transfers (price to be determined). Didier Halkin confirms there will be a learning process related to the quality of the SPP. He also confirms there will be one SPP PV profile per DGO.

4 Status update Bidladder

Hans Vandenbroucke gives an update of the status of the Bidladder project and specifies the planning of the consultation on the General Framework Agreement.

Elia advises parties to start BSP simulation tests by the end of May the latest to be ready by 1/7/2017.

In reply to a question raised by Restore, Elia confirms that testing will remain open after 1/7/2017 on a continuous basis.

Elia indicates that, provided the law changes to implement ToE enter into force in March or April, ToE on Bidladder could be implemented before the end of the year.

The VREG expresses their point of view that in Flanders they see neither regulatory issues nor barriers to allow delivery points, connected to local transport and distribution grid to participate to Bidladder with their respective BRP (acting as provider onto Bidladder) in absence of a Transfer of Energy law. However, there might be contractual or other implementations needed, but no regulatory changes.

Restore asks when information on the due date for DSO-participation will be available and asks ORES to pass on the question to Bruno Gouverneur.

In name of the DSO's of the three regions, Didier Halkin explains that the DSO see the participation of DGU's in three steps: firstly pre-qualified AMR DGU's without ToE, secondly with ToE, thirdly in a more long term step the LV customers with a smart meter. There are discussions between ELIA and the DSO's mainly concerning the 2nd and 3rd step. These fundamental discussions concern the FDM role that involves federal and regional competence and must be solved first. They also impact the practical modalities related to the first step. The DSO's hope the discussions with Elia

and the competent authorities will rapidly lead to a solution. Again, DSO's repeat they want to collaborate with all the parties in the Bidladder project. The fact that TSO customers firstly participate to the Bidladder seems logical.

5 AoB

Elia informs the Working Group members of updated webpages related to Balancing on the Elia website.

The next meeting of the Working Group Balancing is planned on March 30th 2017. An invitation e-mail will be sent in time to the members of the Working Group Balancing. Dates of other WG Balancing meetings in 2017 (excluding possible workshops on new CIPU) will be communicated together with the minutes.