

Minutes of meeting Working Group Balancing 22/06/2017

List of participants:

Name	First name	Company/association	Present	Excused
Bayart	Pierre	Rent a Port Green Energy Company	X	
Benaïche	Halida	EDF Luminus	X	
Benzennou	Daphné	Sibelga	X	
Camps	Guido	Rent a Port Green Energy Company	X	
Ceusters	Michel	Vynova	X	
Dalez	Florent	Eni Gas & Power		X
Devillet	Marie	Resa	X	
Fasel	Kristian	Eneco	X	
Gabriels	Senne	FOD Economie	X	
Gheury	Jacques	Creg	X	
Gresse	Pierre-Henri	Flexide Energy	X	
Kreutzkamp	Paul	Next-Kraftwerke	X	
Libert	Brice	CREG		X
Loos	Rob	Teamwise	X	
Plancke	Glenn	Eneco	X	
Schell	Peter	Restore	X	
Selderslaghs	Katrien	FOD		X
Taverniers	Hans	Power Pulse	X	
Van Bossuyt	Michaël	Febeliec	X	
Van Gaelen	Bram	Essent		X
Van Melkebeek	Wouter	Engie	X	
Vandenkerckhove	Olivier	Engie	X	
Vandevenne	Alain	Energy Pool	X	
Verrydt	Eric	BASF	X	
Williame	Jean-François	Eon-Benelux	X	
Hebb	Bob	Elia	X	
Cattrysse	Jean-Christophe	Elia	X	
Genêt	Benjamin	Elia	X	
Giannopoulos	Georgios	Elia	X	
Gérard	Thibaut	Elia	X	
Leroux	Amandine	Elia	X	
Matthys-Donnadieu	James	Elia	X	
Pitsaer	Alexandre	Elia	X	
Van den waeyenberg	Sofie	Elia	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 22/06/2017

1. Approval of the minutes of the meeting on 15/05/2017
2. Dossier volumes 2018
3. FCR Cooperation: feedback public consultation
4. R2 non-CIPU: status update
5. R3 merit order activation (fast track): status update
6. Design R3 2018 and next steps
7. Feedback Task Force iCAROS (CIPU Redesign)
8. AOB

1 Approval of the minutes of the meeting on 15/05/2017

The draft minutes of the previous Working Group were distributed by e-mail prior to this meeting.

No comments were received and the final version is available on the Elia [website](#).

2 Dossier volumes 2018

Thibaut Gérard presents the Dossier Volumes 2018 as submitted by Elia to the CREG for approval.

Elia highlights that the selection of R3 Standard and R3 Flex during the procurement will be part of a common optimisation. In case enough R3 Standard reserve bids are offered at a lower price than the price for R3 Flex reserve bids, R3 Standard will replace (part of) the R3 Flex volume. Hence in the final selection the volume of R3 standard might exceed the minimum required volume of 300MW. This additional volume R3 Standard will reduce the final selected volume of R3 Flex.

Elia stresses that due to the ending of the ICH product the needs for R3 flex are increasing with 200MW. By communicating early on the volumes for 2018, Elia intends to give interested market players as much time as possible to take all necessary technical and/or commercial actions to be able to develop and offer additional R3Flex and/or R3Standard reserves next year.

Elia also mentions that it is currently carrying out a storm risk study to analyse the impact of a simultaneous outage of offshore wind energy and how this will affect the reserve needs in the future. Results of this study will be communicated to the WG Balancing in due time.

Regarding the presented methodology for the determination of the reserve needs:

- Restore asks if demand behaviour is considered in the calculations.

Elia explains that no explicit simulation of the evolution of load is done but that this is implicitly integrated in the system imbalance time series. The assumption is that load will have the same behaviour in the future as today.

- Rent a Port Green Energy asks who is responsible for the Rn-1 capacity. Elia clarifies that this is a contractual obligation covered by the CIPU contract with the party responsible for the largest unit which is causing the additional reserve need.
- ENGIE asks to clarify how the inter-TSO fits in this process and if it was inter-TSO that was activated on request of France during the scarcity moments of last winter.

Elia explains that inter-TSO is a form of reserve capacity sharing based on the assumption that no major incident will happen in the involved countries simultaneously. This capacity is made available on a best effort base and activated end-of-merit order. In the past it has only be activated on very rare occasions. The inter-TSO reserve data activated for Belgian balancing purposes are available on the Elia website just like for other balancing means (activation, price etc.).

Elia will look into the question on activation upon request from France last winter and will come back with an answer if this would not be confidential.

3 FCR Cooperation: feedback public consultation

Georgios Giannopoulos presents the feedback of the public consultation regarding the evolution of the FCR cooperation. The proposed evolutions are discussed and a timeline for the stepwise implementation is presented, depending on the approval by NRAs.

Elia stresses that the proposed evolutions will only consider the regional market, not the local markets. This is especially important for the Belgian local market given the specific circumstances and reasons as explained in the slides.

- Elia confirms in response to a question from Vynova that the gate opening time will be D-5 and the auction will take place shortly after Gate closure time.
- In response to a question by Febeliec, Elia mentioned that the intention is to create a level playing field among countries. It is believed that some countries have stricter back up requirement and harmonization is required.
- Restore points out that according to them there is an inconsistency in the harmonization actions that are proposed and the fact that no cross-border secondary market will be created. Elia clarifies that a cross-border ID secondary market is not excluded on the long term, but that given the response from stakeholders and the evolution to daily markets it was decided not to implement it now.
- Elia confirms in response to a question from CREG that the local secondary market is applicable for all contracted FCR reserves which are connected to the Belgian Control Area.

- Vynova asks if the 25MW limit for indivisible bids will also apply for the local market. Vynova also asks where this volume was derived from and stresses that it creates a risk of market abuse.
Elia explains the origin of the 25MW and points out that they believe this limit will not lead to a liquidity issue as it is combined with a bid selection algorithm that incentivizes divisible bids. Indivisible bids of 25MW are allowed in the regional market and indivisible bids of 14MW are allowed in the local market.
- Vynova asks if the proposed evolution to Pay-as-Cleared will be extended to other process and products.

Elia clarifies that there is currently a study ongoing regarding the application of Pay-as-Cleared for the settlement of activated balancing energy. For balancing capacity first the outcome of the future stakeholder consultations and discussions on FCR will be awaited before considering extending it to other processes and products.

- Engie asks why a new consultation is required.

Elia clarifies that this future public consultation will be different from the previous one in the fact that a coherent set of concrete evolutions will be proposed rather than an open set of possibilities for further development of the FCR cooperation as in January. It is also a requirement of the GL on EB that each proposal by TSOs need to be preceded by a public consultation.

- Restore asks how the daily regional auctions will be combined with the weekly auctions.
Elia responds that this will be the subject of further analyses once the concrete proposal for the regional evolutions is known.

4 R2 non-CIPU: status update

Bob Hebb gives a brief update of the R2 non-CIPU process.

5 R3 merit order activation (fast track): status update

James Matthys-Donnadieu gives a brief status update on the fast track procedure for the changes on R3 merit order activation. The fact that the proposal will be treated in the plenary meeting of the Elia User's Group following the WG Balancing meeting is highlighted.

6 Design R3 2018 and next steps

Alexandre Pitsaer presents a recap and status of the mFRR/R3 roadmap. Especially the links with the Bidladder development and its dependency on the law of ToE are highlighted.

It is stressed that all presented timelines are purely indicative as subject to many preconditions and/or working hypothesis which are all outside of Elia control. The main goal was, following several requests in this respect from members of the Working Group Balancing, to provide clarity between the interaction of the BidLadder, the Transfer of Energy legislative proposal, the joint work between Elia and DSOs on data exchange, activation prices for all mFRR and a common merit order. Besides

regulatory and legal constraints the presented planning is also subject to technical roadmap which is currently ongoing.

Elia adds that next year a study on dynamic procurement will be launched because of the inevitable link between a daily determination of the needs and the procurement strategy.

- Febeliec points out that a change in the electricity law is need for load to be allowed to participate in R3 down.
- CREG asks if the merit order for R3 will apply for R3 flex as well. Elia replies that this is still to be analyzed and discussed with stakeholders.
- Restore mentions that when activation prices for R3 Flex are used, the differentiation between R3 Standard and R3 Flex becomes smaller and smaller. Elia points out that the key difference between both products is the energy content (max duration of activation, max number of activation per contractual period and neutralization time between two activations), but that such a question will be tackled in the planned study on dynamic procurement.
- Elia clarifies in a response to a question from Teamwise that an automatic interface is being developed with the ambition of going live in January 2018.

7 Feedback Task Force iCAROS (CIPU Redesign)

Sofie Van den waeyenberg gives a feedback on the 2 meetings of the iCAROS Task Force regarding the redesign of CIPU. Elia stresses that the discussions in 2017 will focus on the design itself and how to come to a compliant but acceptable design for all. Only in a next stage the implementation of the chosen design will be tackled.

- Febeliec highlights the importance to consult CDSO's which are currently not explicitly mentioned on the slides. Moreover, how will the iCAROS TF reach 3rd parties which are not yet involved in any process today but might take up a role in the future system as described in the Guidelines?
Elia confirms that CDSO's are included in the scope and the TF has already indicated specific questions to look at for this specific case. The question not to limit the parties who can take up a role was also raised in the workshops and noted as part of further analyses.

Restore raises two key discussion points that are not mentioned on the slides.

- Although the definition of the PGM categories B, C, D are out of scope of the TF iCAROS the impact is substantial. This is in particular the case for the PGM B category: due to the specific situation in Belgium where the TSO grid is including also lower voltage levels, some very small assets are also considered as TSO-connected PGM assets. The needs of Elia are indeed acknowledged by the TF for part of the higher range of PGM B, but not for the smaller units nearing the lower limit of 0.25 MW.
Elia: the concerns of Restore for the group of small assets is well noted in the TF report and taken under consideration. There are, however, more aspects to consider and the challenge is to reach a design that accommodates them all. Elia confirms that the Guidelines leave room for reduced requirements on some asset types yet there are also clear obligations for TSO-connected PGM that must be respected. Elia's

intention is to have a future-proof design: the objective may not be to tweak the guidelines so they accommodate the current design, but to take the opportunity to change the design so it responds to the shifting needs for coordination of assets in an energy landscape evolving towards more yet smaller decentralized assets.

- The question was also raised during the TF whether assets connected to the local transport grids are to be considered as TSO-connected or DSO-connected. Febeliec adds that this question has been raised in other task forces as well and should be reconsidered: the local transport grid should not automatically be considered as a TSO responsibility, but from a technical point of view it could be treated regionally. Elia notes the concerns of the stakeholders in this respect.
- Febeliec notes the issue in the term 'cross-border relevance' because not all countries and loads can be considered as the same; "one size doesn't fit all". Elia is confident that a balance will be found between being compliant and a design acceptable for all. Defining 'cross-border relevance' is not in the scope of the iCAROS TF but discussed in an ENTSO-e working group. Febeliec mentions that it has not been invited to this working group. Elia will check on the status of the working group and inform Febeliec.

8 AOB

No further questions or remarks where received.