

## Minutes of meeting

### Working Group Balancing 30/11/2017

**List of participants:**

Name	First name	Company/association	Present
Benaïche	Halida	EDF Luminus	X
Bleuze	Philippe	Veolia	X
Camps	Guido	Rent a Port Green Energy company	X
Dalez	Florent	Eni Gas & Power	X
Debrigode	Patricia	CREG	X
De Keyser	Elias	Next-Kraftwerke	X
Devillet	Marie	Resa	X
Devisé	Christophe	Veolia	X
Gheury	Jacques	Creg	X
Gilbert	Donald	REstore	X
Halkin	Didier	Ores	X
Harlem	Steven	Febeg	X
Kreutzkamp	Paul	Next-Kraftwerke	X
Latiers	Anaud	Actility	X
Loos	Rob	Teamwise	X
Maas	Frits	Scholt	X
Maenhoudt	Marijn	CREG	X
Mouffe	Ludovic	Economie Fgov	X
Plancke	Glenn	Eneco	X
Pycke	Bart	Yuso	X
Schell	Peter	Restore	X
Van Bossuyt	Michaël	Febeliec	X
Van Melkebeek	Wouter	Engie	X
Vandevenne	Alain	Energy-Pool	X
Verrydt	Eric	Basf	X
Williame	Jean-François	Eon-benelux	X
Matthys-Donnadieu	James	Elia	X
Hebb	Bob	Elia	X
Vanbaelen	Pieter	Elia	X
Leroux	Amandine	Elia	X
Orfanos	Aimilios	Elia	X
Vandenbroucke	Hans	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](http://www.elia.be/en/users-group/Working-Group_Balancing/Agenda-ad-hoc-werkgroep-balancing)

**Agenda of the WG Balancing meeting on 30/11/2017**

1. Approval of the minutes of the meeting on 27/10/2017
2. Workplan Balancing market 2017 & beyond
3. Transfer of Energy: status update on public consultation
4. Storm Risk Study
5. Feedback Task Force iCAROS (CIPU Redesign)
6. Feedback consultation on study: pay-as-cleared for balancing energy
7. Communication of volumes reserves 2018
8. AOB

## 1. Approval of the minutes of the meeting on 21/09/2017

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. Workplan Balancing market 2017 & beyond

*Bob Hebb presents a status update on the R1/R2/R3 product roadmaps, discusses outstanding projects and proposes a detailed road map with regards to R1/R2/R3 for the upcoming years.*

### FCR/R1

- Activity demands whether there is a possibility to combine local and regional auctions. More concretely their proposal is that the bids offered in the local auctioning and which are not selected, are transferred to the regional auction by Elia. Elia replies that it is not feasible according to the rules of the common market platform.
- Restore demands the timeline regarding the improvement of availability controls of all products. Elia replies that these improvements will be launched together with other evolutions in the product design.

### R3/mFRR

- Febeliec expresses its concern that ICH disappears and that ultimately R3 flex will also disappear and demands
  - whether the abundance of the R3 flex product could cause any liquidity issues
  - if future design takes into account the possibility to do smart energy bids (considering energy constraints)
  - in case of daily tendering: when will the auction take place, in the morning before the closing of the day-ahead market?

Elia replies that all these details will be discussed in the project of Daily Tendering early next year. R3flex is currently covering an important part of the reserve needs. Therefore it is very important to determine the most optimal design which will facilitate the transition of the monthly 'R3 flex'- product towards a daily, newly defined 4H product. Daily tendering is considered an essential pre-requisite as it will enable that flexibility with restrictions in frequency of activations can be offered on a daily basis in function of activation constraints, henceforth further reducing the market entry barrier and increasing liquidity.

### General comments

- Febeliec states that parts of the roadmap have been postponed several times (ex. transfer of energy) and demands which decisions have actually been taken. Elia replies that the overall roadmap that was communicated is on track and certain objectives were even obtained quicker than was initially announced. The delay in the delivery of transfer of energy is mainly caused by a delay in the necessary legal

framework. Elia firmly believes that the new proposed roadmap is also realistic regarding implementation.

- Teamwise is asking whether the implementation of marginal pricing for the reservation fee for reserves is also foreseen by Elia.  
Elia replies that this is not foreseen. Moreover currently the necessary pre-conditions are not there as the selection of reserves is currently done via a total cost optimisation.
- Actility demands whether or not the required reserve volumes that Elia needs to procure will be published prior to the start of a daily procurement. This would be interesting information for the market parties.  
Elia replies that it will do extensive parallel runs and will investigate the possibility to publish this data.
- Elia demands feedback on the proposal for the next Working Group Balancing.

### **3. Transfer of Energy: status update on public consultation**

*Hans Vandenbroucke presents a status update on the public consultation of the Transfer of Energy, discusses the contractual framework and the adaptations in the ARP contract.*

- Elia stresses out that a transfer of energy is applicable for those delivery points which have an average net-offtake on a yearly basis that is positive.
- Elia points out that in a first phase a transfer of energy will be implemented for the market of tertiary non-reserved reserves (Bidladder) and will be ready for April 2018. The go-live date of the implementation of transfer of energy is subject to the decision on art. 19bis§3-5 of the Electricity Act.
- Elia stresses that a consultation will take place from the CREG on the modalities of art. 19 bis. §3-5 of the Electricity Act. This consultation is expected in the beginning of 2018. After approval of the CREG on the final concluded modalities, a second 'light' public consultation on the ToE-rules will have to take place. Elia underlines that a decision of the CREG regarding art. 19 bis. §3-5 before the 15th of February 2018 is essential to guarantee a go-live date of the implementation of transfer of energy for mFRR non-reserved in April 2018.
- Elia accentuates that a joint reading of both the ARP contract and the ToE-Rules is needed for a solid understanding and comprehension. The public consultation runs until the 8th of December.
- Febeliec disagrees with the phasing, as it states that it sees limited added value in a transfer of energy for the market of strategic reserves and sees more added value in the ID market.

#### **4. Storm Risk Study: status update on public consultation**

*Bob Hebb presents a summary on the Storm Risk study.*

- The storm risk study had as objectives to
  - evaluate the future risks of storm and ramping events on the off-shore wind production in Belgium based on 2015-2016 historical data
  - perform a benchmark with other European countries
  - Analyse the forecasting ability w.r.t offshore storms

Based on the results solutions have been investigated and developed

- Febeliec asks if all the scenario's that are developed in Elia's 2020-2050 study were also analysed in the storm risk study.

Elia replies that the operational impact of the 4GW and 8 GW offshore capacity scenario has not been investigated as part of the 2020-2050 study that focuses mainly on adequacy.

- Next Kraftwerke demands what Elia had in mind for financially incentivizing the BRPs to keep their portfolio balanced.

Elia replies that in case of activation of mFRR during several hours and slower units are started up to free up mFRR reserves, mFRR will no longer set the imbalance price, but the price can be set by cheaper slower units. This might imply that the incentives for the BRP to remain in balance might become smaller although the system imbalance remains the same. In such specific cases the financial incentive should be examined.

#### **5. Feedback Task Force iCaros (CIPU Redesign)**

*James Matthys-Donnadieu presents feedback on the previous task-force iCaros.*

- Febeliec demands more insight on the way how iCaros design aspects will be included in the Federal Grid Code and whether concrete text proposals will be included in the upcoming consultation.

Elia replies that the principles which will be included in the future Grid Code will be explained the consulted documents. Concrete text proposals shall be developed after the consultation and sent to the stakeholder before the workshop on the new Federal Grid Code.

- Febeliec states that the Key Organizational Requirements, Roles and Responsibilities (KORRR) causes confusion because the document is unclearly written.

Elia replies that it is aware of the difficulties with the KORRR document and underlines that there will be no repetition in the New Federal Grid Code of key principles prescribed in KORRR.

## **6. Feedback Paid-as-cleared for R2 & R3 activated energy**

*Bob Hebb presents a summary of the Paid-as-cleared for R2 & R3 activated energy. The study examines the possible shift from the current FRR pricing schemes towards paid-as-cleared settlement of activated energy.*

- Elia stresses out the earliest possible implementation data is foreseen for the second half of 2019 for mFRR and during 2020 for aFRR.
- Febeliec indicates that it has the impression that the 1 million euro in additional activation costs (w.r.t. R3 activations) mentioned in the study are more firm than the 4,5 million euro in economic gains that is calculated in the study.  
Elia replies however that the Cost Benefit Analysis is conservative and that the 1 million euro in costs needs to be interpreted as a worst case scenario rather than a best-case scenario.
- FEBEG agrees that a paid-as-cleared mechanism necessitates a merit order activation of bids but questions whether transfer of energy is a necessary pre-condition.  
Elia agrees that from a theoretical point of view paid-as-cleared can also be implemented with transfer of energy. However transfer of energy is still considered as a desirable condition as this enables to pay-out an activation price for non-CIPU units.
- Elia thanks for the feedback that came from the consultation respondents.

## **7. Volume of Reserves for 2018**

*Bob Hebb presents a reminder on the volumes of reserves for 2018.*

- Elia stresses that the key message is that volumes for R1 will go up to 81 MW for 2018 and secondly that ICH is replaced by 200MW of R3 Flex.
- Febeliec questions why the volumes will increase in 2018 for R1.  
Elia explains that each year 3000 MW of FCR reserve obligations are distributed between the TSOs of the Synchronous Area of Continental Europe. This volume split is done based on the relative produced energy. For the calculation of 2018 the electricity production by nuclear plants was higher than the previous year. It is expected that in the future the allocated volume will be remain stable around 80 MW as from 2019 onwards the volume split shall be calculate based on the relative production and relative load.

## **8. AOB**

- Elia explains that on the 6th of December a local workshop organised by Elia is foreseen with as objective to explain and discuss the MARI and PICASSO project.
- Febeliec demands to announce these workshops more in advance and requests if the next time Elia can use a Doodle to identify a proper date. Next Kraftwerke demands if a web sessions can be organized for the workshop.  
Elia takes note and will take this into account in the future.