

Minutes of meeting Working Group Balancing 30/03/2018

List of participants:

Name	First name	Company/association	Present
Benzennou	Daphné	Sibelga	X
Bleuze	Philippe	Veolia	X
Busschaert	Joost	Virtual-Power	X
Camps	Guido	Rent a Port Green Energy	X
Chafaqi	Laila	EDF Luminus	X
Coppin	Xavier	Engie	X
Dalez	Florent	Eni Gas & Power	X
De Keyser	Elias	Next-Kraftwerke	X
De Wachter	Jeroen	Rent A Port Green Energy	X
Debrigode	Patricia	CREG	X
Feneuil	Brieuc	Lampiris	X
Geury	Thomas	Greenwatch	X
Gheury	Jacques	CREG	X
Gilbert	Donald	Restore	X
Gouverneur	Bruno	Synergrid	X
Haaker	Nicky	Brugel	X
Harlem	Steven	FEBEG	X
Kreutzkamp	Paul	Next-Kraftwerke	X
Latiers	Arnaud	Actility	X
Loos	Rob	Teamwise	X
Meynckens	Geert	Restore	X
Pycke	Bart	Yuso	X
Van Bruwaene	Mattijs	EDF Luminus	X
Vandenkerckhove	Olivier	Engie	X
Verrydt	Eric	BASF	X
Williame	Jean-François	EON-Benelux	X
Matthys-Donnadieu	James	Elia	X
Hebb	Bob	Elia	X
Pitsaer	Alexandre	Elia	X
Tsiokanos	Anna	Elia	X
Vandenbroucke	Hans	Elia	X
Gionnopoulos	Gergios	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 30th March 2018

1. Approval of the meeting of minutes on 20/02/2018
2. Transfer of Energy
3. T&C BRP/BSP & ARP contract
4. Evolutions in the regional cooperation
5. Design Note R3 UP
6. iCAROS : state of affairs
7. FCR evolutions: delivery from the distribution grid

1. Approval of the minutes of the meeting on 30/11/2017

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. Transfer of Energy

Hans Vandenbroucke (Elia) presents the state of affairs regarding Transfer of Energy:

- *the status of the 2nd public consultation of the ToE rules*
 - *the amendments made to the rules following the 1st public consultation and the decision 1677 of the CREG*
 - *the updated version of the planning for the implementation of Transfer of Energy*
 - *the content of the Elia-Supplier Convention: its objectives, how the Supplier is identified and the modalities with regards to the communication of data.*
- BASF asks whether a non-certified Supplier (CDS-connected) is also obliged to sign the Supplier Convention.
Elia replies that a non-certified supplier is indeed obliged to sign the Supplier convention
 - Yuso asked more information about the default price used for Transfer of Energy: will this price be published and will Elia play a role in the settlement or is it purely bilateral matter?
Elia replies that Elia will not publish prices nor play the role of a clearing house. Elia underlines that it is up to the market players to settle together bilaterally.
CREG adds that the default price is only used in case there is no bilateral agreement between the supplier(s) and FSP. This default price is based on a formula as described in CREG's decision 1677. It is up to market players to manage the settlement themselves.
Teamwise also mentions that it would be interesting to publish the default prices.

CREG answers that they are not planning to publish the prices. It is not necessary as the formula is known as well as the value of all parameters.

- Elia details the amendments to the GFA R3 non-reserved in the context of Transfer of Energy.

Restore asks whether a document is needed to officialise the fact that there is no bilateral agreement and the default price applies.

Elia answers that yes, such a document is required in the context of the GFA R3 non-reserved.

- Elia concludes that it expects to see the stakeholders submitting volumes on the Bidladder once ToE is being facilitated.

3. Terms and Conditions BRP / BSP and ARP contract

Anna Tsiokanos (Elia) presents:

- *the planning for consultation and approval of the new T&C BRP*
- *the change in the ARP contract needed for the go live of NEMO link*
- *the required alignment with the functioning rules on SDR-baseline*
- *the planning for consultation and approval of the new T&C BSP, the link with the Balancing Rules and the GFA (how they will still live in parallel during this period and be eventually replace by the T&C BSP) as well as the As Is and To Be structure of the documents.*

- No question were raised
- Elia adds that the proposed structure is future proof. It is still technology oriented but this will simplify with the future merge of CIPU and non-CIPU.

4. Update of the FCR cooperation

Georgios Giannopoulos (Elia) presents an update of the FCR regional cooperation:

- *the current state of FCR sourcing in BE: BE market and FCR cooperation (regional sourcing)*
- *the planning of the consultation and approval of the new FCR cooperation*
- *how the changes will be implemented in 3 phases: the move to daily auctions (except during w-e), marginal pricing & indivisible bids then finally daily auctions with 4 hours blocks every day (incl. w-e)*

- Engie explains that market parties prefer to start implementation only after regulatory approval of the NRAs. Considering the short delay between expected NRA approval and effective go live of the daily procurement (approx. 1 month), this is difficult to achieve.

Elia fully understands the concerns of the market actors regarding the short timing of the requested implementation. This obligation comes from Electricity Balancing Guideline and

the alternative option was to create a cross border secondary market. The FCR Cooperation TSOs propose to pursue the implementation of daily auctions based on the preference of the stakeholders via the recently launched public consultation. Moreover, the move to daily procurement is also in line with the target market design of FCR cooperation to implement daily auctions with 4h products.

Elia adds that during the next meeting of the Working Group Balancing, the result of Elia's analysis of the impact on the Belgian market will be presented. The new rules on how our local tendering process will be organized given the new regional auctions will be explained.

Elia adds that a consultation will start in the framework of the Guideline on System Operation regarding additional requirements for FCR providers in synchronous area Continental Europe. There will be a workshop organized by ENTSO-E to discuss those requirements on the 13th of April. As these requirements are potentially impacting for Belgian BSPs, Elia encourages to answer to the public consultation (available https://consultations.entsoe.eu/system-operations/synchronous-area-operational-agreement-policy-1-lo/consult_view/ – in particular A-2)

5. R3 2018 Design note

Alexandre Pitsaer presents an overview the topics covered by the R3 2018 Design note

- *Energy Bid submission*
 - *Implementation of the start-up cost of CIPU units in the balancing energy price*
 - *R3 Flex required update due to the introduction of the activation price for non-CIPU energy bids*
 - *Rules for R3 activation merit order and exchange of information between Elia and the BSP*
 - *Implementation of the Transfer of Energy mechanism for R3 non-CIPU*
 - *Performance monitoring and penalties*
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- EDF asks about the phase out of R3 Flex, as mentioned during the last meeting.

Elia answers that the possible phase out of R3 flex is not in the scope of the present project but is anticipated by the end of 2019. The update of R3 in 2018 focuses on the introduction of an activation price for non-CIPU and the implementation of the merit order.

EDF asks more clarification on what happens when a delivery point located in a congested zone is included in a bid. Elia explains that Elia will decide whether or not the bid can be activated depending on the situation of the grid. Regarding the nomination of the bids, Elia clarifies that it has no impact on the bids that have to be nominated in day-ahead at 15:00 at the latest, i.e. initial bids nominations will never be rejected in day-ahead. However Elia will not allow a new bid to be created with a delivery point of more than 25MW located in a red zone after the day-ahead gate closure time of 15:00. Also it will not be allowed to increase the volume of an existing bid with a delivery point of more than 25MW located in a red zone after this day-ahead gate closure time.
 - Uniper asks whether a BSP will be completely free to determine its activation price. A BSP could use a high activation price to avoid being activated and sees a rationale behind this.

For example in doing so it would prevent a BSP from the risk of missing an activation and consequently from penalties that go with it. Since a BSP gets remunerated for reservation, he could deem this remuneration sufficient and so put a high activation price to avoid the risk of missing an activation and being penalized.

Elia explains that availability controls on reserved R3 are performed with corresponding penalties to be applied and those will be further strengthened in the future. Also if a BSP nominates a high activation price he will be placed at the end of the merit order and could miss the revenue of activation, it is in the BSP's own interest to bid at an activation price that reflects the actual cost.

- Actility asks why the penalty factor of the availability control of non-CIPU is increasing to factor 5 and how it is consistent with the penalties applied for CIPU? Elia answers that for CIPU the formula is based on Belpex (as there is a possible "arbitrage" between Belpex and R3) while for non-CIPU the formula is based on the price of the reserved capacity (as there is no possible direct arbitrage with Belpex by the BSP as the Transfer of Energy only applies for the balancing market). Regarding the factor 5, the current factor of 1,3 was leading to penalties lower than the one for CIPU given a typical Belpex and R3 reservation price. Actility requests an analysis and examples. Elia answers that this can be provided.

6. iCaros state of affairs

Sofie Van den Waeyenberg (Elia) presents

- *the result of the consultation on the design notes of iCaros*
 - *the status on discussion of design for Outage planning, Scheduling, Redispatching and Congestion Risk Indicator*
 - *the European methodologies KORR*
 - *the next steps of the iCaros project*
- No question were raised

7. FCR evolutions: delivery from the distribution grid

Bruno Gouverneur (Synergid) presents the status of implementation

- Synergid explains that the contract FSP-DSO for FCR (LV customers) will be published and enter into force on April 20th, unless new remarks are raised by the regional regulators. The expiration date of the contract FSP-DSO for FCR (MV customers) will be extended for one year (until 30.6.2019), without formal public consultation, enter into force unless the participants to this meeting of the Working Group Balancing disagree on this approach. The members of the WG Balancing agree with the proposal of Synergid.