

Minutes of meeting offshore integration workshop - 12/03/2019

List of participants

Offshore integration - workshop 12/03	
Who	Which company?
Dirk Magnus	C power
Laila Chafaqi	EDF luminus
James Matthys-Donnadieu	Elia
Bob Hebb	Elia
Thibaut Gérard	Elia
Sophie Gorlé	Elia
Amandine Leroux	Elia
Raphaël Dufour	Elia
Ludovic Platboord	ENECO
Wouter Vanmelkebeek	ENGIE
Béatrice Debacker	ENGIE
Jo Mortier	Essent
Steven Harlem	FEBEG
Michael Van Bossuyt	FEBELIEC
Paul Kreutzkamp	Next Kraftwerke
Marc Steensels	Otary
Dirk Vandercammen	Parkwind
Yannick Huyghebaert	Parkwind
Tiemen Maebe	Otary
Cédric Legros	SRIW
Wim Luyckx	Statkraft

Objective of this workshop

Present and validate the alternative design proposal elaborated by ELIA in answer to concerns raised by some market parties during the consultation of the offshore design note (Q4 2018). ELIA reminds that this procedure only applies with an installed offshore capacity of 2.3 GW and that it cannot be considered as a valid solution for a higher offshore capacity.

Timing and next steps

This workshop concludes the design discussions related to the storm problematic on offshore parks. To prepare it, ELIA organized several bilateral meetings with the following market parties:

- FEBEG;
- Belgian Offshore Parks;
- CREG
- Statkraft

These market parties had formulated their concerns about specific aspects of the initial design proposal (design document consulted by ELIA in Q4 2018).

Following this workshop, ELIA will adapt the initial design document to include the presented changes and publish it on its website.

As next steps, ELIA will work on the following two aspects:

- 1) Identification of the contractual impact : which terms and condition needs to be adapted to reflect the validated offshore design and by when
- 2) IT implementation : translation of design principles into the operational tools and procedures of ELIA's dispatching

Remarks formulated on ELIA's alternative proposal

FEBELIEC

FEBELIEC understands the reasoning followed by ELIA to propose this alternative settlement proposal and support it if the following aspects are considered:

- The concerns related to the initial settlement proposal were raised by **some** market parties only (not including FEBELIEC);
- The solution proposed by ELIA seems to go into the right direction, as it is essential to **keep the BRP fully responsible of the balancing of the offshore parks**. ELIA's proposal to start the activation of decremental bid following the usual merit order and not with the offshore parks is in that way as it leaves the entire offshore production in the BRP's portfolio (and therefore subject to the imbalance prices)
- The proposed methodology must be transparently monitored. From this monitoring, if significant adaptations are required (either in the development of the storm forecast tool or in the operational procedures) they must be presented by ELIA and validated in one of the official workgroup (WG Balancing or equivalent).

On top of these considerations, practical questions are raised by FEBELIEC and answered by ELIA:

- What are the differences between KMI's storm model and the one used by the parks?
 - ➔ According to ELIA, the benefit of KMI's model is the weather model it uses as input to forecast the windspeeds. Indeed, KMI has developed a specific weather model on top of the "classic" ones used by each commercial forecast provider. It will provide an additional and complementary source of information to market parties, on top of the forecasts they already receive from their suppliers.

The quality of this specific model will of course be analyzed after the test phase (running until end march) and presented to market parties via specific technical workshop (Q2 2019).

- Which balancing means are used for the evaluation of the risk assessment?
 - ➔ ELIA will consider the available balancing means (i.o.w the flexibility that can be activated within 15 min); being contracted capacity (R3 std; R3 flex) and free bids (if any).
- Who will pay for ex-ante activations triggered by ELIA?
 - ➔ Ex-ante activations will not set the imbalance prices. The associated costs will be covered via the balancing margin.

ELIA reminds the exceptional character of the ex-ante procedure: it only concerns a very limited number of storm event per year; for a limited volume (only the residual risk is dealt with by ELIA) and a limited period (a few quarter-hour before real time). Furthermore, this procedure is only activated in situation were the offshore BRP's have not taken mitigation measures by their own.

FEBEG

FEBEG appreciates ELIA's settlement proposal which is seen as a significant improvement compared to the initial one. It answers their concerns.

FEBEG understands ELIA's logic to consider the adaptation of the alpha component as an inherent feature to this alternative settlement proposal as it reinforces BRP's incentive to cover the forecasted storm events by taking and coordinating mitigation measures.

FEBEG however expresses some reservation on the proposed modification on alpha. FEBEG also indicates that they would not by default agree to Elia's initial settlement proposal in case the alternative settlement presented today would not be confirmed for instance because the modifications of the Alpha would not be validated

On top of these considerations, practical questions are raised by FEBEG and answered by ELIA:

- Is the impact of such offshore parks considered somewhere in KMI's model
 - ➔ Specific phenomenon such as gust or wake effects are not included yet in the storm forecast model. However, as ELIA and KMI are willing to increase collaboration and transparency on the model being developed for each park; market parties are welcome to dedicate time and effort into the model improvement to make sure these specificities – if relevant for their park – is effectively considered.

- When will the timing of the proposed procedure be known?
 - ➔ These practical aspects will be discussed with market parties during the technical workshop foreseen in Q2 2019.

Windparks

The alternative and action plan presented by ELIA today looks like a positive improvement of the initial proposal. However, as they are not in the driving seat for these discussions, they would like to take the time to discuss with their BRP about the impact of these proposals (including the adaptation of the alpha component).

On top of these considerations, practical questions are raised by the windparks and answered by ELIA:

- Windparks ask what the next steps are and what is expected from them in the coming weeks.
 - ➔ ELIA explains that – consecutive to this meeting – an alignment will be foreseen with the regulator (which could unfortunately not attend to the meeting today) to present workshop conclusions.In parallel, market parties can still react on the alpha component via the public consultation (going on).