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information?

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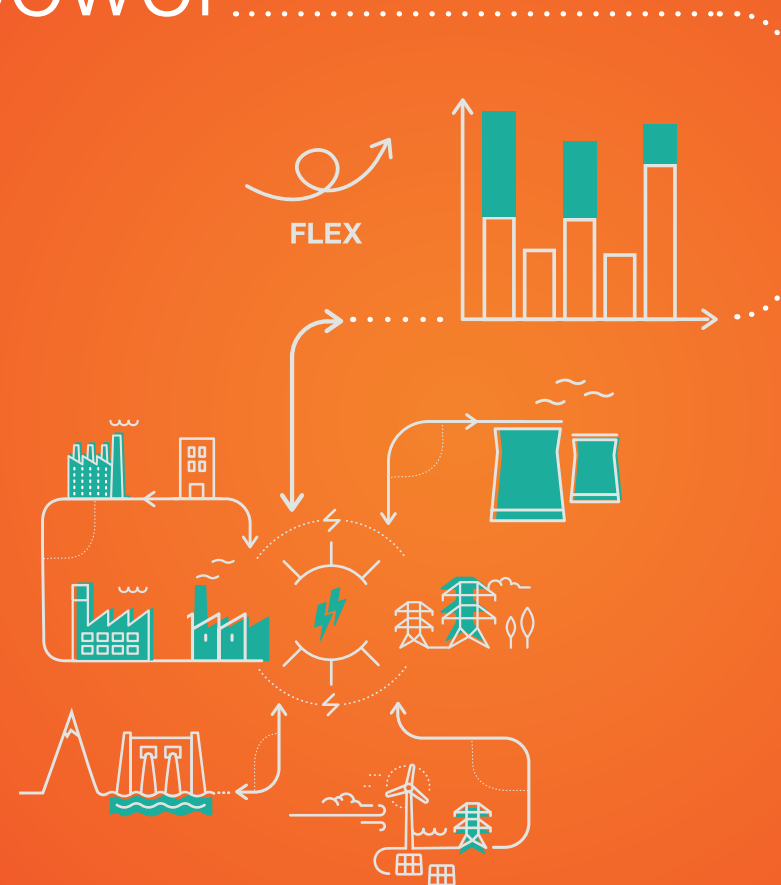
- your Contract Manager
- your Key Account Manager
- the Contracting Department (contracting_as@elia.be)



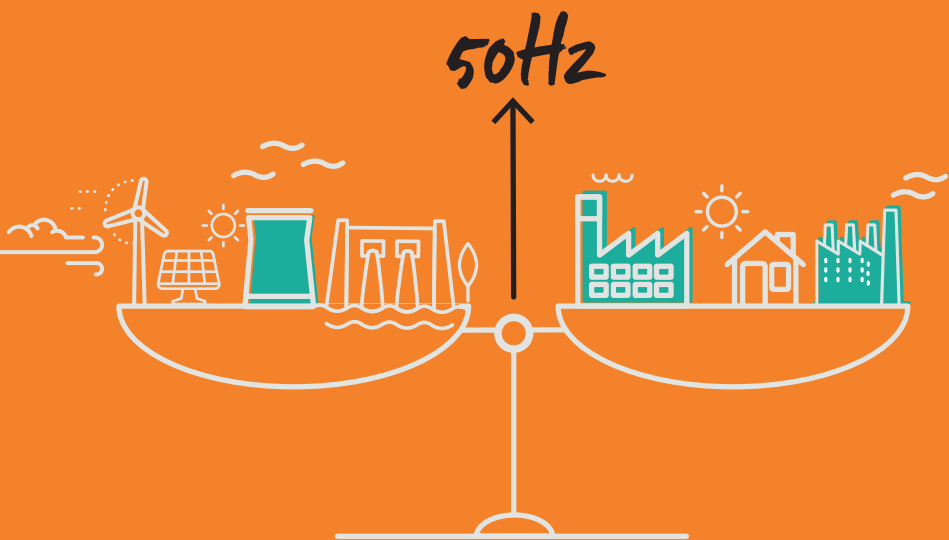
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www.elia.be

R3

Non-reserved
power.....



A question of balance



Elia faces a daunting challenge: maintaining a balance between injected and consumed energy 24 hours a day, seven days a week.

Control reserves

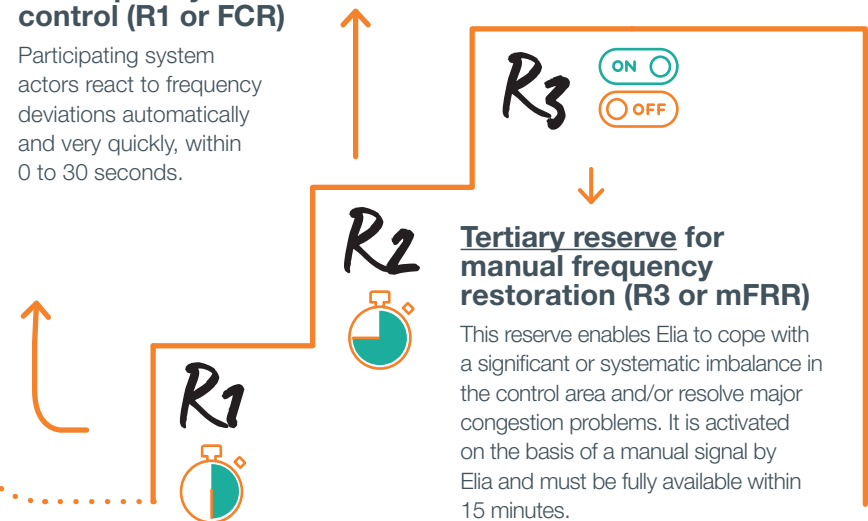
Elia works with its fellow European TSOs to maintain grid balance by means of a regulation procedure involving three types of control reserves:

Secondary reserve for automatic frequency restoration (R2 or aFRR)

This reserve is activated on the basis of a signal sent automatically and continually. System actors who participate in R2 must react within 30 seconds to 15 minutes to release the primary reserve and restore the grid frequency to 50 Hz.

Primary reserve for frequency control (R1 or FCR)

Participating system actors react to frequency deviations automatically and very quickly, within 0 to 30 seconds.



Tertiary reserve for manual frequency restoration (R3 or mFRR)

This reserve enables Elia to cope with a significant or systematic imbalance in the control area and/or resolve major congestion problems. It is activated on the basis of a manual signal by Elia and must be fully available within 15 minutes.

What can you offer Elia in return for payment?

Elia does not generate electricity itself. It must therefore rely on the market parties, including industrial customers like yourself, to acquire the flexibility it needs to maintain balance on the grid.

2 types of products



Reserved volumes

(= availability must be guaranteed throughout the contract, whether monthly, weekly or daily)



Non-reserved volumes

(= no availability requirement outside of the energy offer made to Elia)

R₁



Primary reserve
(activated automatically in a few seconds)

R₃

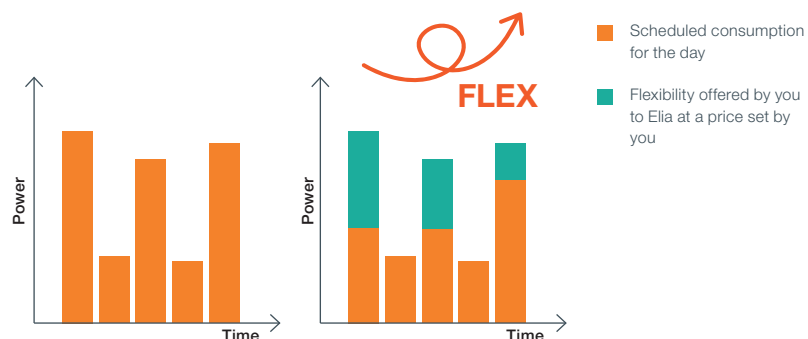


Tertiary reserve
(activated manually in under 15 minutes)



Elia refers to entities supplying ancillary services (such as R₃ Non-reserved) as **Balancing Service Providers** or **BSP's**. This definition allows to make the distinction with other market parties offering other kinds of services. This term should not be confused with the term **BRP** or **Balance Responsible Party** which designates an entity that is responsible vis-à-vis Elia for balancing an energy portfolio.

R3 Non-reserved (R3NR): Product Identity Card



What is it?

It is a **non-reserved** product: activated manually at Elia's request. The volume must be activated as quickly as possible after Elia issued the signal. Elia allows the BSP to provide the full volume after 15 minutes.



Who can offer it?

Consumers and holders of decentralised generation connected to the transmission system who are able to **react to a signal from Elia within a maximum of 15 minutes** for a period of at least 15 minutes.



Volume offered?

A minimum of 1 MW (can be spread across multiple sites or offered with a partner).



Types of services you can offer Elia?

Offers of MWh flexibility on a 15-minute basis at times that suit you and at a price that you set yourself.



How does Elia buy this service?

Offers are submitted **via a portal** for each quarter-hour of the 24-hour day. Elia activates the volume it needs up to the maximum offered. Of course, it is never an obligation to make an offer.



Availability of the service offered?

As it isn't a reserved product, the service **only has to be available at the time of activation**.



What's in it for you?

If you are activated, Elia will pay you a **fee based on the price you set** (Paid-as-bid).

How to participate to the R3NR product?

Become a Qualified Supplier

Candidates must submit an application form that is available on Elia's website in which they affirm that their entity is in respect of certain criteria of financial sanity and professional honorability that Elia applies for all its suppliers.



Sign GFA & register Delivery Points

The BSP must sign a General Framework Agreement to be able to offer his volumes to Elia, although the contract does not oblige him to do so. To participate to the service the BSP must also declare a list of Delivery Points (that needs to be validated by Elia) with which he will provide the service.



Execute & Pass Simulation Test

Through this procedure, Elia verifies that the BSP is able to execute end-to-end the procedure that is necessary to submit and activate an Energy Bid.



Bidding BMAP

Once approved by Elia, the BSP is allowed to submit his offers to Elia through the BMAP (= Balancing Market Platform) platform.



BSP Settlement & Imbalance Settlement

Every month, Elia does the settlement for activations and remunerates the BSP for the activated offers. Non-delivered energy due to failed activations will be included as imbalances in the perimeter of a Balance Responsible Party (BRP) designated by the BSP.



Activation & Delivery

Elia activates offers according to its needs. If called upon, the BSP must react at the time indicated by Elia.

R3 Non-reserved

A day in the life



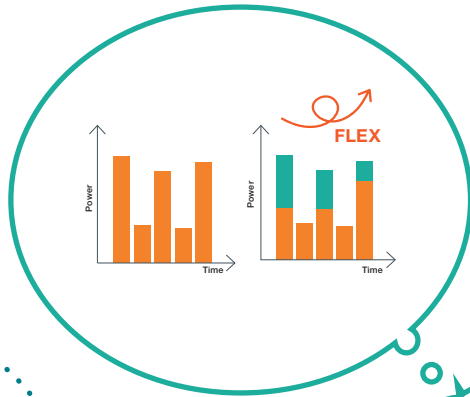
BSP's submit their offers to Elia for the day-ahead until 15h through a dedicated web platform (called BMAP); the BSP specifies the concerned quarter-hour, the offered volume, the asked price and the Delivery Points concerned by its offer.

BSP's have the right to adapt their offer up to 45 minutes before the beginning of the quarter-hour for which they offered their volume. After this Gate Closure Time (or GCT) offers remain firm and are at Elia's disposal for partial or full activation.

At a given time, Elia will call for the volumes that were offered to it by sending out an IT signal. The BSP must return a signal to confirm reception and to notify the volume that he plans to activate on each Delivery Point.

After the activation, the BSP sends back to Elia a message indicating the real volume activated on each of his Delivery Points.

The BMAP platform



Bid creation

Delivery day:

Contract ref:

Direction:



Step 1

Create new bid

Create a new offer by choosing the day, the concerned contract and by indicating if you want to submit an upwards or downwards offer. By offering an upwards bid you offer to increase your injection to the grid or to reduce your offtake. By offering a downwards bid you offer to decrease your injection to the grid or to increase your offtake.

ID	Direction	Edit	14:30	14:45	15:00	15:15	15:30	15:45	16:00	16:15	16:30	16:45	17:00	17:15
<input type="checkbox"/>	051-Dn	<input checked="" type="checkbox"/>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Price (€/MWh)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DeliveryPoint		0	0	0	0	0	0	0	0	0	0	0	0
	Max GR act		4	4	4	4	4	4	4	4	4	4	4	4
<input type="checkbox"/>	071-Dn	<input checked="" type="checkbox"/>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Price (€/MWh)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DeliveryPoint		0	0	0	0	0	0	0	0	0	0	0	0
	Max GR act		4	4	4	4	4	4	4	4	4	4	4	4

Step 2

Enter bid details

Fill up the details of your offer by indicating the volume that you are offering for specific quarter-hours and the corresponding price.

DeliveryPoint Selection Tool

Available Delivery Points				Selected Delivery	
<input type="checkbox"/>	Name	Ean	Rnl	Regime	<input type="checkbox"/>
<input type="checkbox"/>	Text DP3 BMAP	01224567...	10	ToE	
<input type="checkbox"/>	Text DP4 BMAP	1235478...	2	ToE	

Step 3

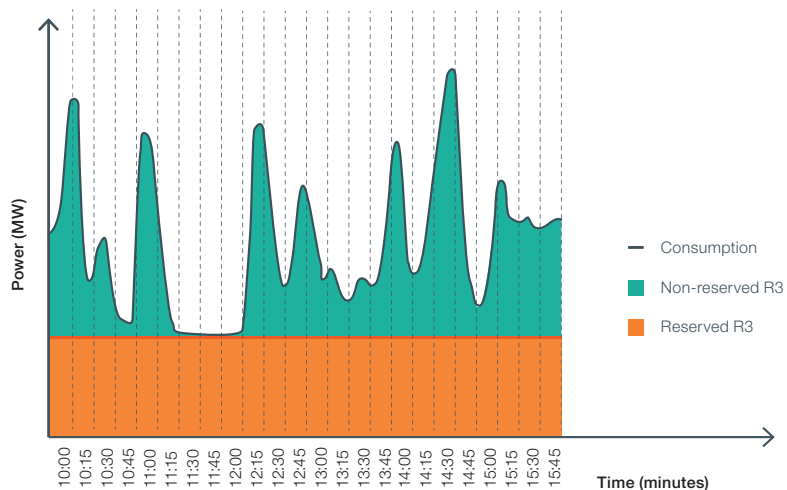
Select Delivery Points

Select the Delivery Points concerned by your offer. Once you have saved your offer you will receive an email confirming its registration.

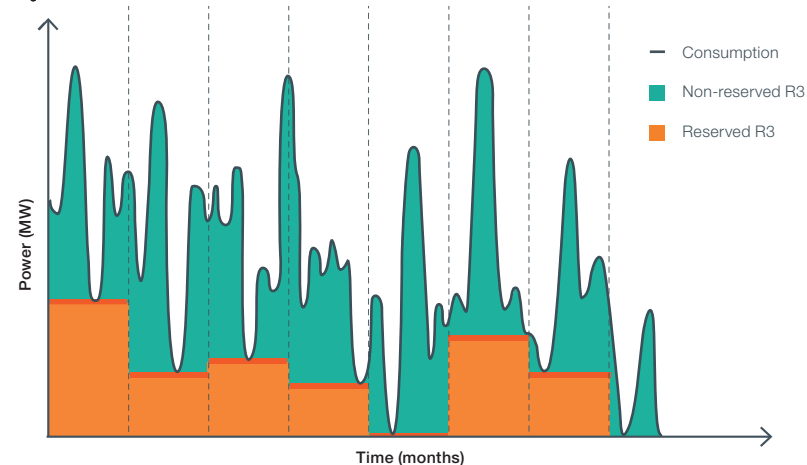
How can I valorize my flexibility optimally with R3 Non-reserved?

You have the ability to choose the volume you want to offer in different quarter-hours of the day and depending on your production program.

A daily power curve



A yearly power curve



The combination of the **R3 Non-reserved** service with the **R3 Standard** and **R3 Flex** products, which are reservation products, allows the BSP to maximize your revenue from offered services. If you have volumes that can be available for Elia at all times for at least one month you can offer them to Elia for the R3 Flex or R3 Standard services and receive a reservation remuneration.

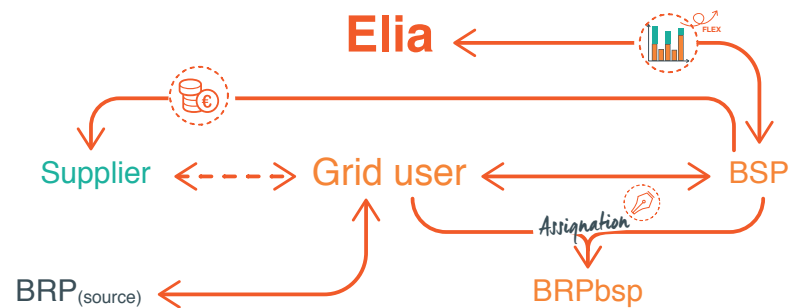
If on top of that you have volumes that can be made available to Elia less often, you have the possibility to offer them in the framework of the R3 Non-reserved product for a price that you choose. If activated by Elia, you will receive a remuneration for the activated volume.

Legal and contractual background: concept of Transfer of Energy (ToE)

When a Grid User wants to valorize its flexibility with R3 Non-reserved product, different market situations are possible.

Situation 1

Grid user wants to be its own Balancing Service Provider (BSP)



The grid user who wants to be its own Balancing Service Provider (BSP) has to:

1. Follow the qualification procedure to participate to the R3NR product (see page 8-9)
2. Assign the role BRPbsp to an existing or new BRP (or become BRPbsp himself) that will assume within his perimeter the volumes activated by Elia whenever there's an activation.
3. Ensure the financial compensation with the Supplier as a consequence of the Transfer of Energy.

Note!

In this case the BRP source won't be impacted by the flexibility offered by the grid user as its perimeter will be corrected by Elia.



The **Transfer of Energy (ToE)** is a concept that allows firstly the financial compensation between BSP and supplier and secondly the perimeter correction of the so-called BRPsource, i.e. the BRP responsible for the access point.

Two regimes are possible:

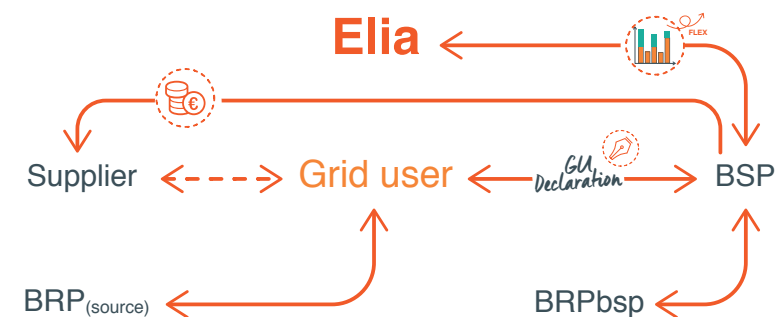
- Either all actors (BSP, BRPbsp, BRPsource and supplier) belong to the same entity or they have a joint agreement that allows all transfers of energy among themselves.
- Either one party is different and no such joint agreement exists.

In the first regime, Elia only performs an incentive correction of the requested volume for activation in the perimeter of the BRPsource and the parties arrange all other effects amongst themselves via a financial compensation and hub or financial transactions.

In the second regime, Elia doesn't only correct the perimeter of the BRPsource, but also provides the necessary information on activated volumes to the relevant BSPs and Suppliers allowing them to arrange the financial compensation (either at a negotiated price, either at a legally foreseen fall-back solution).

Situation 2

Grid user wants to assign the role of BSP to another party



In the case where Grid User wants to assign the role of BSP to another party, the Grid User has to sign a Grid User Declaration (= annex of the General Framework agreement signed between BSP and Elia).

FAQ

How long do my offered volumes need to be available for Elia?

The R3 Non-reserved service does not require having volumes available outside the periods for which you have decided to offer your volumes to Elia (one period is 15 minutes).

This means that you have the choice to put your volumes at Elia's disposal at any time you want and at the price you want. If you change your mind or if you face any difficulties you always have the total liberty to modify or withdraw your offer up until Gate Closure Time (GCT). After this GCT your offer is considered as firm and can be activated for up to 4 consecutive quarter-hours if you indicated that your bid might be prolonged.

How does Elia decide to activate a volume of R3 Non-reserved?

Depending on its balancing needs, Elia will choose the offers to activate by performing a technical & economic merit order.

If your offer is activated, you will be required to exchange the messages exposed in the previous page with Elia and activate the required volume.

Who takes responsibility for the effective delivery of the contracted volumes?

In the framework of the R3 Non-reserved service, the BSP must designate a BRPbsp who takes the financial responsibility of any divergence between the requested and delivered energy. He accepts to include the requested and delivered volumes in his perimeter.

What are the possible penalties for failing to deliver?

There is no direct financial penalization for failure to deliver the requested volumes. In case of delivery failure the non-delivered volumes will be considered as being an imbalance on the BSP's BRP (=BRPbsp) perimeter for which the BRPbps will have to pay the Imbalance Price applicable for the concerned quarter-hour. Also, in case of repeated failures Elia will apply a temporary exclusion of the BSP from the bidding platform which may lead to a contract suspension after a certain failure frequency.