

# Report on the consultation of the Procedure for Constitution of Strategic Reserves

## 1. Introduction

In accordance with Article 7quinquies (1) of the Law of 29 April 1999 concerning the organization of the electricity market (hereinafter 'Electricity Law'), ELIA determines and publishes the modalities of the Procedure for the Constitution of a Strategic Reserve after consulting grid users, distribution system operators, the regulator and the Federal Public Service for Energy.

On December 16<sup>th</sup> 2015, in anticipation of an instruction by the Minister to constitute a given volume of Strategic Reserve conform art. 7 quater of the Electricity Law, Elia launched a public consultation for the Procedure for Constitution of Strategic reserve for an entry into force as from February 15<sup>th</sup>, 2016. All market parties were invited to submit their views on the Procedure for Constitution until January 22<sup>nd</sup>, 2016.

On January 15<sup>th</sup>, 2016, the Minister did not decide to constitute an additional Strategic Reserve for the winter period 2016-2017.

Following the absence of a Ministerial decree, Elia will not hold a tendering procedure on 2016 and no new Procedure for Constitution will enter into force on February 15<sup>th</sup>, 2016.

In the present document Elia publishes a summary of received reactions (available hereby under) to the consultation so as to inform market parties and give its replies.

A new consultation for a Procedure for Constitution will be held in anticipation of a Ministerial Decree and tendering procedure in 2017; market parties will be invited again to submit their views at this time.

Elia stresses that it can only respond to issues for which Elia is competent. In the present document Elia does not reply to questions or remarks concerning legal aspects, or questions which are out of scope of the present consultation.

## 2. Overview of received feedback

In total, Elia received feedback from 7 market parties (one party preferred keeping its anonymity):

- BASF
- CREG
- Energy Pool
- FEBEG
- FEBELIEC
- REstore

Several remarks were made concerning legal aspects or were out of scope. As mentioned hereby above, these issues are not of Elia's competence and are not addressed in the present consultation.

Elia also received some remarks concerning issues that were proper to the market parties expressing them. These remarks were answered by Elia individually.

Some remarks were submitted concerning wording or formatting errors in the document; these will all be taken into account in the next proposal of the Procedure for Constitution in anticipation of a tender in 2017.

As there will be no new Procedure for Constitution coming into force in 2016, remarks will not result to any modifications to the Procedure for Constitution for 2016, but are mentioned for informative reasons and some of them will be taken into account for the next proposal of the Procedure for Constitution.

### 3. Received comments & replies

#	Author	Subject	Concerned section	Commentary	Reply by Elia
1	FEBELIEC	Volumes & prices imposition	§2.1	<p>In point 2.1, Elia states “the market actors, who fall into at least one of the categories identified in the Electricity Law, who have assets located in the Belgian Control Area and who meet the criteria and specifications, may take part in the strategic reserve; some of them are even obliged to submit an offer”. Febeliec would like to specify clearly also in this document that the latter only applies to generation units and not to demand units, especially as in point 5 is mentioned that fines can apply to market participants that do not respect their legal obligation to submit an offer.</p> <p>Furthermore in the same point 2.1 as well as point 5, it is written that the King, upon suggestion from the Minister based on recommendations from the CREG, can impose prices and volumes. Febeliec wants to reiterate its position that such imposition of prices and volumes can only apply to production units and not to demand response. Febeliec does not want to undermine the verification of the CREG on the reasonability of offers, but cannot accept the imposition of conditions for demand response in the SDR product, as this would imply involuntary curtailment of demand at prices that do not reflect the impact to the concerned party (e.g. based on the opportunity cost related to non-consumption of energy).</p>	<p>The first point stated by FEBELIEC is clearly mentioned in the Art. 7quinquies of the Law of 29 April 1999. As for the second point, FEBELIEC refers to a legal disposition (Law of 29 April 1999 Art. 7sexies.) that is not within Elia's competences; Elia considers thus that this comment is not within the scope of the current consultation.</p>
2	FEBEG	Planning	§3.1	<p>FEBEG also wants to address a concern as regards the planning of the tendering. Contract awarding can run until the 1st of November, 2016 (§3.1) but not being able to supply the strategic service as of the 1st of November, 2016 (§5.4) can be penalized. This is very unfair and unreasonable towards candidates that have to adapt/invest in their installations to be able to supply the strategic reserve service. Elia should provide sufficient time after contract rewarding to allow for these investments, and should exempt these candidates from penalties.</p>	<p>Under current planning dispositions Elia is at measure to publish the Contract Award notice at end of July, as was the case for 2015, leaving to Suppliers 3 months for their implementation. Nevertheless, Elia agrees to explicitly mention in the Procedure for Constitution that the Contract Award will take place at latest one (1) month after the regulator's final decision.</p>

3	BASF	CDS Access Points	§4.1	<p>In hoofdstuk 4 moet verduidelijkt worden dat de principes van artikel 4.1 en 4.3 uitdrukkelijk NIET gelden voor leveringspunten op een CDS aangesloten op het Elia net (want zeker de scope van 4.1. is zodanig omschreven dat er zou kunnen worden geargumenteed dat ook de leveringspunten op een CDS aangesloten op het Elia-net hieronder vallen). In die zin zou bij de beschrijving van de categorieën "c" en "e) beter worden vermeld "een ander punt in de elektrische installaties van een netgebruiker (niet CDS) achter een Toegangspunt aangesloten op het Elia-net" / "een punt in de elektrische installaties van een netgebruiker (niet CDS) achter een Toegangspunt aangesloten op het net van de DNB".</p>	<p>Elia does not agree with BASF's understanding. The difference between CDS-connected points and all others is clearly described in the beginning of Chapter 4 and specifications for CDS-connected points are clearly defined in §4.2.</p>
4	ENERGY POOL	Submetering	§4.1.1	<p>4.1.1: "In the case of portfolios containing Delivery Points with Submetering, it should be noted that the service cannot be delivered with more than 4 Submeters per MW offered": We do not understand the rationale for this constraint. Also we believe the fact submetering has a cost means this requirement will be anyway met due to economic reasons.</p>	<p>This rule was introduced as a limit to make sure that Elia will be able to ensure the commissioning of all submetering installations within due dates and with means available.</p>
5	FEBELIEC	Submetering	§4.1.2	<p>With respect to point 4 (Delivery points) and more specific point 4.1.2, Febeliec would like to draw the attention to the (4<sup>th</sup>) option for submetering for Closed Distribution Systems related to the transfer of validated data through the CDS operator. This option was discussed during the Task Force Implementation Strategic Reserves of 08/10/2015 and mentioned in the minutes and the presentation. Febeliec would like to see this option added to the document under consultation.</p>	<p>The modalities of communication of metering data from a CDS Operator are described in §4.2 of the Procedure for Constitution with reference to the related technical documents where all further details can be found. These documents can be found on Elia's website in the address: <a href="http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information">http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information</a>.</p>

6	FEBEG	Submetering	§4.1.3	<p>The submeter installations on transmission or distribution grid level have to be commissioned before the 17th of October, 2016: penalties are foreseen if this deadline would not be met (§4.1.3 and §4.3.3). Meters at CDS level don't face the risk of penalties (§4.2): this is again unfair and results in an uneven playing field.</p>	<p>FEBEG's remark does not take into account the fact that Suppliers offering with Submetering need to make sure the communication with Elia's system is functional and leave an interval in order to have sufficient metering data history based on which Elia will apply a Baseline as from the 1st of November; this is not the case for Suppliers offering through a CDS. However, Elia acknowledges that in case new metering installations have to be installed within a CDS a similar time lapse will be needed in order for Elia to control compliance and collect metering data that are necessary to constitute a Baseline on the 1<sup>st</sup> of November. Thus, Elia will propose for the next tendering procedure that the same deadline be kept for start of transmission of metering data for for any newly installed metering devices.</p>
7	CREG	Submetering	§4.1.3	<p>Hoofdstuk 4.1.3. van het voorstel van proceduremodaliteiten bevat een tabel met technische gegevens die aan Elia dienen bezorgd te worden voor "leveringspunten Submetering TNB". In de twee onderste lijnen (met "bestaande submetergegevens") dient gespecificeerd te worden dat deze moeten beschikbaar zijn voor meer dan 6 weken ten einde complementair te zijn met de voorgaande regel van de tabel.</p>	<p>This will be corrected in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.</p>
8	BASF	CDS metering	§4.2	<p>Artikel 4.2, eerste bullet: "de technische gegevens vermeld in de tabel moeten daarnaast bezorgd worden aan Elia". Het is volstrekt onduidelijk welke technische gegevens nu precies aan Elia moeten worden bezorgd, want in de tabel staan enkel een voetnoot <sup>3</sup> (zie de lijst van de gevraagde technische gegevens) en deze lijst bestaat o.i. nog niet. Wordt met deze lijst "de checklist voor technische informatie over Submetering" (zie hierboven) bedoeld ?</p>	<p>This information is indeed contained in the CDS Metering Technical Information Checklist document that will be made available on Elia's website. This will be clarified in the next proposal of the Procedure for Constitution in anticipation of a tender in 2017.</p>

9	BASF	CDS metering	§4.2	Article 4.2, tweede bullet: voor de juiste formats wordt zowel verwezen naar de Samenwerkingsovereenkomst (zonder aanduiding van de correcte paragraaf – wij vermoeden dat dit onderdeel zal vormen van Annex 1 van de Samenwerkingsovereenkomst maar deze Annex is tot op heden nog steeds niet beschikbaar) als naar de website van Elia. Gaat dit dan over één en hetzelfde document of zal op de website van Elia een ander/bijkomend document staan dat verschilt van Annex 1 van de Samenwerkingsovereenkomst ? Wat is de link met de checklist waarnaar hierboven werd verwezen ?	The specifications for exchange of metering data are indeed described in the CDS Metering Data Exchange Document that is currently available on Elia's website on the following link: <a href="http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information">http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information</a> , and that is annexed to the CDSO Collaboration Agreement.
10	CREG	General comment	§4.3.3	In hoofdstukken 4.3.1. en 4.2. wordt telkens in voetnoot 3 aan de tabel m.b.t. de technische gegevens die moeten worden overgemaakt verwezen naar een lijst van gevraagde technische gegevens. Het is de CREG niet duidelijk waar deze lijst terug te vinden is. Bovendien wordt de desbetreffende tabel telkens voorafgegaan met de tekst dat de onderstaande tabel de technische gegevens vermeldt die aan Elia moeten bezorgd worden.	This information is indeed contained in the CDS Metering Technical Information Checklist document that will be made available on Elia's website. This will be clarified in the next proposal of the Procedure for Constitution in anticipation of a tender in 2017.
11	CREG	Submetering	§4.3.3	In hoofdstuk 4.3.3. wordt gesteld dat de administratieve penaliteit voor niet-naleving van de termijn voor indiening van de submeter-installatie bepaald wordt in het contract. Om op een transparante manier een gelijke behandeling van alle kandidaten voor deelname aan de strategische reserve te garanderen, meent de CREG dat dergelijke bepalingen niet individueel in de contracten mogen worden ingevoegd. De CREG meent dat deze sancties voor niet-naleving van de installatietermijn, transparant en duidelijk moeten worden gedefinieerd in de procedureregels en/of de werkingsregels.	Elia will describe the modalities of such administrative penalty in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.
12	ENERGY POOL	Participation of local production	§5.1.2	5.1.1: "Important disclaimer: The assets in the SDR Unit used to provide the SDR Service with the SDR Reference Power should reduce electricity consumption (in MW) by changing, stopping or slowing down an energy-consuming process without relying on increased generation of electrical energy" : Although this comment is beyond the scope of this Procedure, we believe backup generators should not be excluded from the participation in strategic reserve as they can provide added value to	The provision of Strategic Reserves by local production units is clearly excluded in the Electricity Law in letter and in spirit. Elia is open to discuss this issue in case the law changes but this comment is not within the scope of the current consultation.

				the electrical system and reduce the cost of sourcing the strategic reserve.	
13	FEBELIEC	Participation of local production	§5.1.2	In point 5.1.2 of the document under consultation, Elia includes a disclaimer with respect to the definition of demand response for SDR units ( <i>The assets in the SDR Unit used to provide the SDR Service with the SDR Reference Power should reduce electricity consumption (in MW) by changing, stopping or slowing down an energy-consuming process without relying on increased generation of electrical energy</i> ). Febeliec wants to reiterate its objection to this definition of demand response, as it does not value the impact of an increase of local production (e.g. by emergency generators) that reduces the offtake of a demand site on the Elia grid, resulting in a similar effect for the TSO grid as a reduction of consumption of this site. In general, Febeliec wants to reiterate its concerns with the definition of demand response written into the Electricity Law, as it does not take into account the abovementioned impact of an increase of local production on the offtake from the grid, nor does it validate an increase of consumption as demand response in case of incompressibility on the grids. Febeliec rather prefers the definition of demand response proposed by ACER and CEER, which is much more balanced and covers all the above points.	The provision of Strategic Reserves by local production units is clearly excluded in the Electricity Law in letter and in spirit. Elia is open to discuss this issue in case the law changes but this comment is not within the scope of the current consultation.
14	FEBEG	Pmax	§5.2.1	FEBEG also wants to point to the differences in the definition of Pmax in CIPU and in the procedure for constitution of the strategic reserves. FEBEG urges Elia to remove this inconsistency, e.g. by adding an amendment in CIPU for the generation unit contracted in the strategic reserves.	In the Functioning Rules for 2016/17 submitted to the CREG, Elia introduced the parameter Pmax Ref that is also described in §5.2.1 of the Procedure for Constitution in order to make a distinction with the CIPU definition of Pmax technical. This term is mistakenly referred to in the Procedure for Constitution as "Pmax technical" and is not referenced in the Definitions section. Elia accepts the remark and will correct this in

					next proposal of Procedure for Constitution in anticipation of a tender in 2017.
15	CREG	Certificatio n	§5.2.1	In hoofdstuk 5.2.1. wordt in de eerste alinea gesteld dat SGR-Productiecentrales gecertificeerd kunnen worden tot 9 maart 2016. De CREG meent dat hier bedoeld wordt dat de kandidatuur voor certificatie kan worden ingediend tot 9 maart 2016. De certificatie volgt pas nadien.	This will be clarified in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.
16	CREG	Pmax	§5.2.1	Verder wordt in de vijfde alinea van hoofdstuk 5.2.1. verwezen naar de term "Pmax_technisch" van een installatie. Deze term wordt echter niet gedefinieerd in het voorstel van proceduremodaliteiten. Verder merkt de CREG op dat deze term ook in het voorstel van werkingsregels niet langer gebruikt wordt, maar vervangen werd door "Pmax Ref". De CREG meent dat het nuttig is deze term te definiëren hetzij in de proceduremodaliteiten, hetzij via een verwijzing naar een ander publiek toegankelijk document.	In the Functioning Rules for 2016/17 submitted to the CREG, Elia introduced the parameter Pmax Ref that is also described in §5.2.1 of the Procedure for Constitution in order to make a distinction with the CIPU definition of Pmax technical. This term is mistakenly referred to in the Procedure for Constitution as "Pmax technical" and is not referenced in the Definitions section. Elia accepts the remark and will correct this in next proposal of Procedure for Constitution in anticipation of a tender in 2017.



17	Reaction by a supplier	Deduction of "Belpex-sensitive" power	§5.2.2	<p>Dans les règles de fonctionnement de la réserve stratégique pour 2016-2017, Elia introduit un critère de disponibilité pendant les heures à prix Belpex DAM élevé. Ceci afin de s'assurer tant que faire se peut que la puissance mise à disposition par un fournisseur de RS n'ait pas déjà été vendue sur le Belpex DAM en cas de prix élevé. Dans ce cas de figure Elia se retrouve en effet à payer pour une capacité qui est d'ores et déjà sur le marché. Ceci provient du fait que, comme il a déjà été soulevé à diverses reprises, Elia contracte des réserves SDR qui restent dans le marché (contrairement à la SGR qui sont des actifs hors-marché) et pour lesquelles Elia est dans l'impossibilité de vérifier qu'elles n'ont pas déjà été ou ne seront pas contractées par le marché (ARP). Si Elia venait à remettre en cause cet état de fait, alors il serait selon nous plus opportun de repenser fondamentalement la SDR afin d'éviter son défaut originel de manière à rendre le système moins coûteux pour l'utilisateur final. Toute autre alternative reviendrait à mettre un emplâtre sur une jambe de bois. D'autant plus que la nouvelle approche proposée par Elia (introduction d'un critère de disponibilité pendant les heures à prix Belpex DAM élevé) pourrait s'avérer contreproductive car elle risque de détourner du marché DA de la flexibilité qui s'y trouve actuellement à un prix largement inférieur à celui de la RS. Or dans un système libéralisé, le DAM joue un rôle crucial et tout doit être fait afin d'en favoriser sa liquidité et donc son efficacité, et non le contraire.</p>	<p>Elia considers this solution to be the best compromise in the current context as explained during task Force of December 2<sup>nd</sup> 2015. Elia will also await the regulator's decision on the matter and will benefit from the fact that there is no tendering for Strategic Reserve in 2016 to further discuss this point, if necessary, with market parties in Taskforce meetings to come.</p>
18	FEBEG	Deduction of "Belpex-sensitive" power	§5.2.2	<p>FEBEG has always been of the opinion that the market design should be such that demand flexibility is at maximum used within the actual market. Therefore, FEBEG applauds and supports the proposal of Elia to check the price sensitivity of the demand that is offered as SDR: capacity that consistently responded to Belpex prices higher than 150 EUR/MWh is excluded.</p>	<p>Elia considers this solution to be the best compromise in the current context as explained during task Force of December 2<sup>nd</sup> 2015 and therefore welcomes FEBEG's support. Nevertheless this point raised questions and negative reactions within the Task Force. Elia will await the regulator's decision on the matter and will benefit from the fact that there is no tendering for Strategic Reserve in 2016 to further discuss this point, if necessary, with market parties in Taskforce</p>

					meetings to come.
19	ENERGY POOL	Grid User declarations	§5.2.2	<p>"Signed grid user declaration confirming exclusivity regarding the participation of the grid user's Delivery Point in the SDR Candidate's SDR Unit and granting ELIA access to the Delivery Point's (past) metering data ;": In the case of potential multiple years contracts (e.g. 3 years contracting period for SDR), the requirement to have a signed grid user declaration by March 2016 is a barrier to new entrants. Indeed, if a new entrant wishes to enter the SDR market, he will be largely limited in its number of MW it wishes to grow over the next 2 years as this number will be constrained by the March 2016 grid user declarations. It also forces grid users to commit to work with the SDR provider for a period of 3 years which is against the establishment of a competitive market on the SDR resources side. Therefore, we recommend applying the following evolutions:</p> <ul style="list-style-type: none"> <li>• Delaying the need to provide a signed declaration for the first year of delivery</li> <li>• Removing it for year 2 and 3 and applying a deadline during year 2 and year 3 where the end user will have to provide the signed grid user declarations for delivery in year 2 and year 3.</li> <li>• In addition allowing for secondary trading between SDR Service providers should facilitate the fulfilment of the contract.</li> </ul>	<p>Elia does not agree with Energy Pool's comprehension. As stated in the previous year contracts, the Supplier has the right to update his pool by adding new Delivery Points twice a year and can provide a Grid User Declaration for his new points at any moment. Elia recognizes though the fact that Grid User Declarations should have specific validity periods in order to also cover participation in multi-annual contracts. In any case, given the importance of the Strategic Reserve product Elia needs to ensure prior to the selection that the offered power in each offer is valid and guaranteed and cannot accept any offers without certifying their actual presence and volume.</p>

20	ENERGY POOL	Exclusivity criteria	§5.2.2	<p>“Exclusivity criteria governing the combination of Delivery Points participating in SDR DROP-TO, SDR DROP-BY and/or other ancillary services” : We believe the following combination should be made possible:</p> <ul style="list-style-type: none"> <li>• R3DP and SDR : we believe issues related to the calculation of energy when there is a combined activation on both reserves can be treated by setting an order of priority in the way the delivered reserve is calculated (e.g. delivery of R3DP could be calculated in priority followed by the calculation of SDR delivery)</li> <li>• SDR DROP BY and ICH with the condition that the SL ICH is higher than the Unsheddable Margin SDR</li> <li>• We support the possible combination of SDR DROP BY and TO with R1 load and we would like the same possibility to be open when DSO connected access points will be authorised to participate in R1 load</li> </ul>	<p>Elia makes always its best effort to open up its products to as many Suppliers as possible in its effort to reduce costs. These possibilities have been thoroughly studied, concluding to the proposed possible combinations because of issues that are linked among others to settlement.</p> <p>These issues were presented and explained the last time in the experts working group session June 29<sup>th</sup> 2015 (slides 11-13 in presentation available through the following link:  <a href="http://publications.elia.be/upload/UG_upload/3F8Y4FE6E1.pdf">http://publications.elia.be/upload/UG_upload/3F8Y4FE6E1.pdf</a>).</p> <p>Elia is of course available to re-explain these reasons further at any time and reminds the fact that the Submetering solution was introduced especially in order to allow a unique site (or access point) to offer separate Demand products.</p>
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21	ENERGY POOL	Deduction of "Belpex-sensitive" power	§5.2.2	<p>This provision will limit the capabilities of Grid users with spot market indexed contracts to participate in the SDR. Access to the market should be on equal footing: Grid users with spot market indexed contracts have an incentive to adapt their behaviour based on price signal but should be able to access the SDR market in a similar way than customers without a spot market indexed contract.</p> <p>SDR is remunerating the availability of the sites and the safety associated with a guarantee to see reduced load during critical hours. There is no behaviour change guaranteed just based on market signal.</p> <p>Since the change in behaviour will be linked to the type of contract the Grid user has (indexed or not to spot market price) we think that a reduction based on historical behaviour cannot correctly capture the possible change in behaviour in the coming year.</p> <p>Furthermore, we believe there is a threshold effect in ELIA's proposed formula. Indeed, there will be a significant discriminatory treatment between a pool for which R is 19% (no adjustment of Rref) and a pool for which R is 21% (21% adjustment of Rref). For a pool for which R is &gt; 20%, we would recommend to adjust the Rref only by the points of percentages above the 20% threshold.</p>	<p>Elia considers this solution to be the best compromise in the current context as explained during task Force of December 2<sup>nd</sup> 2015. Elia will also await the regulator's decision on the matter and will benefit from the fact that there is no tendering for Strategic Reserve in 2016 to further discuss this point, if necessary, with market parties in Taskforce meetings to come.</p>
22	ENERGY POOL	Certification	§5.2.2	<p>"and flexible volume Rref<sub>i</sub>. The sum of the flexible volumes for all Delivery Points i must be equal to the SDR Reference Power "Rref" of an SDR Unit" : It would be useful for SDR providers to be able to only provide metered data and receive from Elia the maximum SDR Reference Power as Elia may have more accurate/more complete metered data than the SDR providers.</p>	<p>When performing the certification, Elia retrieves the metering data according to the dispositions described in the Procedure for Constitution and certifies a total pool Rref for each pool submitted. Individual Rref values are submitted by the Supplier on the moment of the signature of contracts.</p>

23	FEBELIEC	Deduction of "Belpex-sensitive" power	§5.2.2	<p>With respect to point 5.2.2, on the determination of the maximum Reference Power for SDR, Febeliec wants to draw the attention of Elia, the CREG and the Minister to the fact that this new methodological approach entails a large risk, as it builds on the premise that results obtained in the past are a good prediction of the future, which does not necessarily have to be the case! The Strategic Reserve has always been presented by Elia, the CREG and the Minister as an insurance against loss of load in case of system adequacy issues during winter periods, yet Elia proposes not to pay an insurance premium to the SDR participants that have shown to be responsible market participants in the past. By banking on results from the past, Elia takes a non-negligible risk that these market price reactions will not take place in future situations of stress on the system (e.g. because of order books and production obligations of these demand sites), especially since the results from the past are not representative for a period with high conjuncture, as economic activity has been rather depressed during the last few years. As a result, this approach will neglect cheap and easily accessible sources of SDR volumes and risks having to contract and activate much more expensive sources of SDR. Moreover, this approach leads to discrimination, as market participants that have over the course of the last three winters shown to react to stress signals on the system would be punished for doing so in the determination of their SDR maximum reference power, whereas market participants that would have neglected such responsible behaviour in the past would not be impacted. On top of this, of the proposed data points by Elia, only one took place during the winter period, so the representativeness of the sample for the determination of the maximum reference power is also questionable.</p>	<p>Elia considers this solution to be the best compromise in the current context as explained during task Force of December 2<sup>nd</sup> 2015. Elia will also await the regulator's decision on the matter and will benefit from the fact that there is no tendering for Strategic Reserve in 2016 to further discuss this point, if necessary, with market parties in Taskforce meetings to come.</p>
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24	BASF	Certificatio n	§5.2.2	<p>Artikel 5.2.2. – Meetgegevens voor Certificatie van SDR Referentievermogen (p. 20 e.v.):</p> <p>- p. 20: er wordt hier gesproken over 'meetgegevens' en 'gevalideerde metering', maar er worden geen concrete specificaties van deze meetgegevens vermeld. Op welke tijdsbasis en voor welke periode moeten deze meetgegevens aangeboden worden?</p>	The specifications asked for figure in §4.2.
25	BASF	Certificatio n	§5.2.2	<p>Artikel 5.2.2. – Meetgegevens voor Certificatie van SDR Referentievermogen (p. 20 e.v.): -er wordt verwezen naar §4.1.4, maar dat artikel bestaat niet</p>	The correct reference should read §4.1.3. This will be corrected in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.
27	BASF	Certificatio n	§5.2.2	<p>Artikel 5.2.2. – Meetgegevens voor Certificatie van SDR Referentievermogen (p. 21): er wordt verwezen naar paragraaf 4.1.5 maar die paragraaf bestaat niet. Vallen CDS-toegangspunten ook onder de beschrijving "Leveringspunten met Submetering" (en slaat dit m.a.w. op de drie categorieën beschreven in artikel 4.1, 4.2 en 4.3 ?)</p>	The correct reference should read §4.1.3. This will be corrected in the next proposal of Procedure for Constitution in anticipation of a tender in 2017. However, the difference between CDS-connected points and all others is clearly described in the beginning of Chapter 4; specifications for CDS-connected Delivery Points are clearly defined in §4.2 and specifications on the metering data to be used

					for certification are contained in the fourth bullet point of §5.2.2.
30	BASF	Certification	§5.2.2	Checklist voor technische informatie over Submetering: is dit modeldocument (zie definitielijst) al bekend ? Zo nee, wanneer zal Elia deze checklist ter beschikking stellen ? Als wij 5.2.2 goed lezen, zal een dergelijke checklist voor 21 maart 2016 moeten worden ingevuld door de CDS-beheerder. Zal deze checklist dan de vereisten bevatten waaraan de submetering op een CDS moet voldoen ?	This information for CDS connected Delivery Points is contained in the CDS Metering Technical Information Checklist document and for Delivery Points using Submeters without being connected to a CDS this information is contained in the Submetering Technical Information Checklist document; both will be made available on Elia's website. This will be clarified in the next proposal of the Procedure for Constitution in anticipation of a tender in 2017.
31	CREG	General comment	§5.2.2	De CREG meent dat het nuttig zou zijn (met het oog op het verbeteren van de leesbaarheid) om de lay-out van bepaalde passages in de Nederlandstalige versie af te stemmen op de Franstalige versie (zoals de opsomming onder 5.2.2. Lijst van meetgegevens voor certificatie van SDR Referentievermogen).	This will be corrected in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.
32	CREG	General comment	§5.2.2	Bij de bepaling van de het maximum SDR-Referentievermogen in Hoofdstuk 5.2.2. wordt de beschikbaarheidsgraad van Rref gedefinieerd, namelijk $AcVolperiod(Rref)$ . De CREG merkt op dat de formule van $AcVolperiod(Rref)$ verschillend is met deze gebruikt in de voorgestelde werkingsregels. Verder stelt de CREG ook vast dat de tekst met betrekking tot de bepaling van het maximum SDR-Referentievermogen afwijkt van deze beschreven in het voorstel van werkingsregels. De CREG meent dat het belangrijk is dat Elia waakt over de overeenstemming tussen de werkingsregels en de procedure van aanleg van de strategische reserve. Het gebruik van identieke bewoordingen in beide documenten vermindert in ieder geval het aantal mogelijke interpretatieconflicten.	Formulas in the two different versions have the same outcome. However, Elia understands the necessity for alignment in order to facilitate understanding and will thus adopt for both documents the version of the formula figuring in the Functioning Rules.

33	CREG	Deduction of "Belpex-sensitive" power	§5.2.2	In hetzelfde hoofdstuk 5.2.2., wenst de CREG aan te geven dat, wat betreft de aanpassing van het SDR-referentievermogen voor de verminderde beschikbaarheid als reactie op hoge Belpex DAM-prijzen, deze aanpassing mogelijks nog kan worden beïnvloed door de toekomstige eindbeslissing over het voorstel van de werkingsregels. Zoals in de ontwerpbeslissing over het voorstel van werkingsregels <sup>3</sup> evenwel aangegeven, heeft de CREG begrip voor de beweegredenen van Elia voor het invoeren van deze aanpassing.	Elia takes note of the regulator's remark and will await further decisions on this issue.
34	BASF	CDS Metering	§5.3.1	<p style="text-align: center;">Artikel 5.3.1</p> <p>- Het is ons volstrekt onduidelijk wat nu precies wordt bedoeld (en wat het verschil is) tussen de twee laatste streepjes (document met de Algemene Technische Specificaties van Elia voor de Submeters van de sites aangesloten op het Elia-net vs Technisch Addendum voor de Submeters van de sites aangesloten op het Elia-net). Wat is de link met de checklist en de tabel met technische gegevens waarnaar hierboven werd verwezen (maar die dus op p. 27 niet staan vermeld als documenten die worden meegestuurd)?</p>	The General Technical Specifications for Submeters document (not concerned by the current consultation) describes the specifications to which Submeters of Delivery Points connected to the Elia grid (and not CDS-connected Delivery Points) must comply. The Technical Addendum document (also not concerned by the present consultation) is communicated by mail along with the offer example mentioned in the same paragraph and describes the technical details relative to this offer. The list in §4.1.3 mentions the documents and technical information to be supplied to Elia as a prerequisite for the acceptance of a site connected to the Elia grid offering through a Submetering installation.
35	BASF	Planning	§5.3.1	"ELIA zal de Call for Tender documenten rond 15 maart...": dit zou veranderd moeten worden in "voor 15 maart" of "ten laatste op 15 maart". Ook op andere plaatsen in het document wordt deze verwoording gebruikt indien Elia documenten moet toesturen, maar deze is niet concreet genoeg.	This formulation was selected to describe the fact that the date of the Call for Tender will be function of the Minister's instruction. However, given that the 15 <sup>th</sup> is indeed the latest date possible for launching the Call for Tender under the current calendar Elia will modify this mention.



36	BASF	General Commentary	§5.3.2	<p>Artikel 5.3.2: zie onze opmerking van vorig jaar (ook bevestigd door Febeliec) ivm de (onaanvaardbare) éézijdige mogelijkheid voor Elia om prijzen te wijzigen. In een dergelijk geval zou de SDR-deelnemer de mogelijkheid moeten hebben om het SDR-contract te beëindigen, zonder enige schadevergoeding te zijn verschuldigd aan Elia of een andere marktspeeler.</p>	<p>BASF refers to a legal disposition (Law of 29 april 1999 Art. 7sexies.) that is not within Elia's competences; Elia considers thus that this comment is not within the scope of the current consultation.</p>
37	ENERGY POOL	Contract duration	§5.3.2	<p>5.3.2 SGR/SDR Contract // Relationship between the SDR Contract and other contracts</p> <p>"SGR Contracts concluded following the Call for Tender will cover a contractual period of 1, 2 or 3 years from the 1 November of the Winter Period(s) for which the unit is selected until the 31 October following said period(s).":</p> <p>We believe there is a typo here: SDR should be stated instead of SGR.</p> <p>We welcome the fact that SDR contract could cover two or three years as it would give some revenue certainty to SDR providers and support the development of new SDR resources. However we believe it should be clearly stated that when a SDR unit is not delivering SDR (i.e. between April and October), the access points constituting this SDR unit should be free to participate in other ancillary services.</p>	<p>From Elia's point of view and given the necessity of constant evolution of the SDR product, the ideal would be to tender only yearly volumes. However depending on the necessity for reserves the Minister can instruct Elia to procure SDR volumes for more than one winter period as described in the Procedure for Constitution. In the current spirit and design of SDR Elia aims at giving market parties the largest possible access to its products, therefore it would be open to discussing the possibility of a Supplier offering extra Ancillary Services in between winter periods.</p>

38	ENERGY POOL	Contract duration	§5.3.2	<p>“ SDR Candidates can submit an offer for the 1st or several consecutive Winter Periods(always including the 1st) for which a volume of strategic reserve from SDR is stipulated by the Minister's instruction. Thus, if the Minister's instruction relates to an SDR volume for 3 years, SDR Candidates can make an offer covering the 1st Winter Period only, or multiple offers covering successively the 1st Winter Period as well as the 1st and 2nd Winter Periods and/or the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Winter Periods”</p> <p>Although part of this comment is out of the scope of this consultation, we believe the constraint to make offers which always include the first year of delivery is against the principle of allowing new entrants to participate in SDR.</p>	<p>In respect to legal dispositions (art. 7 sexies of the Electricity Law), in case of tender Elia must procure Strategic Reserve volumes with a delivery starting date at the 1<sup>st</sup> of November of the following year.</p>
39	CREG	General comment	§5.3.2	<p>In hoofdstuk 5.3.2. wordt met betrekking tot het onderwerp van de SGR- en SDR- contracten gesteld dat het contract aanvullende vereisten en taakomschrijvingen zal bepalen met inbegrip van sancties voor het niet naleven van de beschikbaarheids- en activatievereisten. Om op een transparante manier een gelijke behandeling van alle kandidaten voor deelname aan de strategische reserve te garanderen, meent de CREG dat dergelijke bepalingen niet individueel in de contracten mogen worden ingevoegd. De CREG meent dat deze vereisten en taakomschrijvingen, met inbegrip van de sancties voor niet- naleving ervan, transparant en duidelijk moeten worden gedefinieerd in de werkingsregels en/of de proceduremodaliteiten.</p>	<p>Elia describes all specifications and reference terms concerning the Strategic Reserve in the Functioning Rules and Procedure for Constitution documents. The contracts give the necessary detail and clarifications to market parties but do not in any way go to the contrary of what is stated in the Functioning Rules and Procedure for Constitution documents nor do they add specifications or reference terms that have not been described in them. In case of any term or clause that is contradictory to these documents, the Functioning Rules and Procedure for Constitution prevail as clearly described in §3.4. In order to avoid confusion though Elia will modify this mention in the next proposal of the Procedure for Constitution in the sense described hereby above.</p>

40	CREG	Contract duration	§5.3.3	<p>Met betrekking tot de bidding principes voor SGR-kandidaten in hoofdstuk 5.3.3. van het voorstel van proceduremodaliteiten, wordt gesteld dat een productie-eenheid die gecontracteerd is in de strategische reserve (die dus een SGR-contract onderschreven heeft) offertes moet indienen voor de winterperiodes die niet gedekt worden in het lopende SGR-contract. De CREG meent dat de toegevoegde bepalingen niet stroken met de bestaande wetgeving inzake de aanleg van strategische reserves. In artikel 7sexies van de elektriciteitswet wordt immers duidelijk gesteld dat de overeenkomsten gesloten worden vanaf 1 november van het lopende jaar. Hoewel er ongetwijfeld gefundeerde argumenten kunnen worden aangereikt om de toegevoegde bepalingen te motiveren, meent de CREG dat de proceduremodaliteiten het wettelijk kader niet mogen en kunnen aanpassen.</p>	<p>As expressed in detail in its reaction to the public consultation organised by the CREG for its decision relative to the Functioning rules for winter 2016/17, Elia believes this mentions to be in respect of the spirit of the law, but takes note of and understands the remark made by the regulator. Since this will not be a problem as from a tender in 2018, Elia will consult with the competent authorities in order to clarify that point by the deadline mentioned above.</p>
41	BASF	CDS Metering	§5.6.1	<p>Artikel 5.6.1</p> <p>- Laatste bullet: er zou een "geldig Bewijs van Submeter Conformiteit" moeten voorgelegd worden. Wederom de vraag hoe dit document eruit ziet, hoe zich dit verhoudt t.o.v. de checklist en de andere omschrijvingen die Elia doorheen de procedure gebruikt om te verwijzen naar technische gegevens ivm submetering op een CDS.</p>	<p>This information for CDS connected Delivery Points is contained in the CDS Metering Technical Information Checklist document and that will be published on Elia's website. For relations between this document and the others mentioned also see replies by Elia hereby above.</p>

42	FEBEG	Simulation tests	§5.6.1	<p>Simulation tests are tests before the start of the SDR or SGR contract to check whether the SDR or SGR supplier meets the technical requirements of the SDR or SGR contract. On the top of that, Elia reserves the right to ask for such simulation tests to check the 'good supply' of the service. FEBEG recommends Elia to improve the definition of a simulation test taking into account the following:</p> <ul style="list-style-type: none"> <li>- As the simulation test is a cost for the candidate that is not remunerated by Elia and in order to have a fair arrangement and a level playing field, all selected candidates should undergo a simulation test. Elia can off course negotiate with the candidates about the timing of the test in order to optimize costs.</li> <li>- Contrary to the supply tests during the SDR or SGR contract, simulations tests are performed before the start of the SDR or SGR contract. As the sentence 'On the top of that Elia reserves the right to ask for such simulation tests to check the 'good supply' of the service' is somewhat misleading, FEBEG recommends to explicitly exclude contracted SDR or SGR from the simulation tests as they have already proved their capability to supply the strategic reserve service. Elia can still ask for supply tests.</li> </ul>	<p>Elia does not agree with FEBEG's understanding: Elia's initial proposition was that Elia would reserve the right to perform simulation tests before the beginning of the contract in case of doubt. After the beginning of the contract only delivery tests can be performed on demand of the Supplier or on demand of Elia. Elia takes note of FEBEG's remark on the fact that all parties should undergo simulation tests for competition reasons and accepts to adapt this rule as of the next tendering.</p>
43	FEBELIEC	Simulation tests	§5.6.1	<p>Febeliec would like Elia to specify if there is a limitation in number and duration on the simulation tests Elia can request to be carried out if it deems it necessary to check the correct delivery of the service. For Febeliec, there should only be one single simulation test, which should be short enough to avoid causing losses for the demand facility offering an SDR product. Any additional test requested by the transmission system operator should be compensated.</p>	<p>In its initial proposition, Elia asked that in order to verify volume availability before beginning of the contract the Supplier should be able to succeed to a single simulation test if such was asked by Elia; Elia would demand additional simulation tests before beginning of the contract only in the case where previous simulation tests have failed. However, Elia accepted the remark made by FEBEG (see hereby above in the present document) and will perform simulation tests for all Suppliers in tenders to come.</p>

44	BASF	General commentary		<p>Op diverse plaatsen wordt verwezen naar de Algemene Voorwaarden (zie bijv. p. 11 en p. 27). Volgens de definitie zijn dit de algemene voorwaarden die op het ogenblik van het afsluiten van het SDR-Contract de strategische reserve regelen. Waar kunnen wij de laatste versie van deze Algemene Voorwaarden terugvinden ? SDR wordt geregeld in de Elektriciteitswet, de werkingsregels, deze procedure en in het SDR-contract, dus wij begrijpen niet waarom er dan nog naar "Algemene Voorwaarden" moet worden verwezen.</p>	<p>The General Conditions of the Strategic Reserve remain unchanged since the last tender and are communicated to all market parties at the moment of the Call for Tender. The General Conditions are not within the scope of the present consultation.</p>
45	BASF	CDS Metering		<p>Algemeen: geen duidelijkheid over wat nu precies de technische metering vereisten zullen zijn die gelden voor SDR-deelname door een leveringspunt op een CDS aangesloten op het Elia-net. De DB Client metering oplossing zou o.i. moeten worden beschreven in het Toegangscontract, waarnaar er dan in de contracten voor de verschillende producten kan verwezen worden. De metering specs (i.e. eendraadschema's, meetsnelheid, ...) en data uitwisseling zijn aspecten die per product kunnen worden gespecificeerd. Voor SDR zou dit in de Samenwerkingsovereenkomst en in de Procedure voor Aanleg van Strategische Reserve moeten komen.</p>	<p>The only requirements Elia has in concern of metering from Delivery Points within a CDS for provision of the Strategic Reserve service are described in §4.2. Also mentioned in §4.2, transmission of metering data issues are settled with the CDS Operator in the CDS Collaboration Agreement which is not in the scope of the present consultation; as also mentioned in §4.2 the related document is available on Elia's website (in the following address: <a href="http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information">http://www.elia.be/en/grid-data/extranet-for-customers/metering/technical-information</a>). The Access Contract is not in the scope of the present consultation either.</p>
46	BASF	CDS Metering		<p>Uit onze onderstaande detailopmerkingen ivm submetering blijkt dat in plaats van een duidelijke beschrijving van de DB Client oplossing momenteel doorheen het proceduredocument voortdurend wordt verwezen naar allerlei technische documenten, telkens met een andere naam en zonder duidelijke inhoud...</p>	<p>See Elia's responses in other remarks concerning the documents by BASF. Elia understands BASF's point and will make an effort to further clarify the mentions towards external documents in the next proposal of Procedure for Constitution in anticipation of a tender in 2017.</p>

47	FEBEG	General commentary		<p>FEBEG wants to repeat its concern that the already small Belgian market for ancillary and adequacy products is too fragmented. The fact that the market for ancillary and adequacy products consists of so many products has several downsides: - it considerably reduces liquidity and competition; - it becomes a real challenge for market parties to commercially and operationally manage such a large set of products; - it hampers the evolution towards cross border exchange of such products. Therefore FEBEG wants to repeat its recommendation to limit the number of standard products in order to increase liquidity, volumes and competition for each of the products and to avoid undue market fragmentation; this recommendation is – as regards the ancillary products - in line with the (draft) Network Code 'Electricity Balancing'.</p>	<p>Elia takes note of the demand for simplification of Ancillary Services products, but points out the fact that this comment is not within the context of the current consultation.</p>
48	FEBEG	Further evolution market design		<p>FEBEG has always supported the mechanism of strategic reserves as it is a relatively easy to implement transitory measure with limited market distortion. Strategic reserves do buy some time, but don't as ensure security of supply on the long run. FEBEG is of the opinion that the strategic reserves are not an enduring solution and that an initiative needs to be taken as soon as possible in order to develop an adequate and sustainable market design ensuring security of supply in Belgium.</p>	<p>Elia takes note of FEBEG's remark, but points out the fact that this comment is not within the context of the current consultation.</p>
49	RESTORE	General commentary		<p>Seen the uncertain context about the future of the strategic reserve as seen in the news about the idea of a structural reserve and the Q&amp;A session in the federal parliament a few weeks ago and the recent decision to cancel the procurement of strategic reserves for 16-17 we suggest to keep the existing procedure as was used in 2015. Indeed this minimises the cost for all participants in the unclear context as there is no requirement to implement any changes to tools used to participate in the auction for strategic reserves.</p>	<p>As mentioned in the introduction of the present document, following the absence of the Minister's decision to hold a tendering in 2016, Elia will not proceed with establishing a new Procedure for Constitution for 2016.</p>

50	RESTORE	General commentary		<p>We are in favour of a longer period between the definition of the need and applicable rules and the deadline to submit the portfolio. Indeed the proposed time remains extremely short.</p>	<p>Elia makes its best effort to give its Suppliers sufficient preparation time within the current limits fixed by law; in any case, given the importance of the Strategic Reserve product Elia needs to ensure prior to the selection that the offered power in each offer is valid and guaranteed and cannot accept any offers without certifying their actual presence and volume. The current planning has already been optimized in past years to the possible extent and Elia continues taking new initiatives such as the publication of the volumes report in order to give increased visibility to market parties.</p>
51	CREG	General commentary		<p>De CREG meent dat verwijzingen naar documenten op de Elia-website voldoende duidelijk dienen te worden weergegeven om de betreffende documenten ook gemakkelijk te kunnen terug vinden en dus meer gedetailleerd dient te zijn dan de vermelding "beschikbaar op de website van Elia". Ook wordt er in de tekst soms naar tabellen verwezen. Het lijkt de CREG nuttig om de tabellen te nummeren of te betitelen teneinde een eenduidige referentie te creëren.</p>	<p>Elia will do its best effort to further clarify references, although for some cases it is made clear in the documents are currently under progress and should be published in due date.</p>