

From: Peter Schell [mailto:peter.schell@restore.eu]

Sent: dinsdag 28 juni 2016 9:20

To: Usersgroup

Cc: Pieter-Jan Mermans; Rob Loos; ARBEILLE Jacques; Andreas Flamm; Cedric De jonghe; Arnaud Latiers; alain.vandevenne@energy-pool.eu

Subject: re: TF "Implementation Strategic Reserve" Public consultation on the design of the volume of strategic reserves

Dear Madam, Dear Sir,

Here REstore's feedback and comments on the methodology and assumptions for the SR volume 2017-18. Due to other priorities and because the comments were already made in the past by the BDRA it was not possible this time to coordinate the aggregators and consolidate the feedback into a joint BDRA answer. We will make sure that for the next consultation on actual volumes this will be the case.

The methodology is basically unchanged compared to the previous report last year. It is well known and understood by all market parties and we have no further comments on this part

The assumptions are also very similar to those taken for the previous report. Our main comment which was already made last year regards the availability (forced outage risk) of the thermal power units (4.2.2) As was the case last year the assumption is based on the average past availability and does not take into account the rise of unavailability that is visible in the historic data and confirmed by Eurelectric (see past replies for link to the actual study). Not only is this not included in the base case it is not even one of the sensitivities evaluated.

As mentioned last year we want to caution Elia regarding the results of the Poyry study (4.2.11). These are not based on the actual measurement of the elasticity of demand to prices but on a questionnaire sent to the TSO connected consumers of "what would you do if prices were very high". There is a large uncertainty associated to the results of such a study. A specific study on the price spikes of last September and October would be advisable to confirm or infirm the results of the Poyry study. The CREG report on those events already provides a partial view on this topic and could be extended to cover the question above.

Regards

Peter Schell*
Vice-President Regulatory Affairs

 **REstore**
London | Antwerp | Paris