

## **B-DRA Position:**

## **Bidladder consultation reply Elia 8/9/2016**

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## 1.1. General Remark

This BDRA answer to the consultation is complementary to the reply provided individually by Teamwise.

The BDRA welcomes the initiative taken by Elia to further open the balancing market to non-CIPU assets through the bidladder project. In general we agree and support the proposed solutions but we would still like to make the following comments.

## 1.2. Comments and remarks

- 2.2.1.3 The current proposal only works if the tests are executed and the volume is activated when it helps the system and the imbalance remuneration covers the cost of the transfer of energy as well as other costs incurred. This needs to be explicitly stated.
- 2.2.1.4 This is by far our major concern regarding the proposed design. Indeed as for CIPU units the idea of the bidladder is the aim is to “capture” the remaining free capacities once the other markets are closed. This implies that as for CIPU units the same unit can offer in the main market and the bidladder. We therefore strongly support the option described in 2.2.1.4.2, which in our eyes is key to generate significant liquidity on the bidladder. Although the alternative option 2.2.1.4.1 regarding flexible pools on a quarter hourly basis is a step in the good direction it is still structurally inferior to the preferred option of combining R3 and bidladder on the same pool:
  - It is significantly more complex as action per action the pools need to be redefined
  - It does not perfectly deal with the fact that a given pool's capacity is not constant, however does allow some more flexibility for some quarter hours
  - Say using this method you define 2 pools of 5 MW that are both 99% available (same as a CCGT) and you offer 1 in R3 and the other in bidladder. Combining those pools delivers significantly more than 10 MW at 99% availability leading to lower prices and increased liquidity.
  - Allowing the combination as proposed in 2.2.1.4.2 does not significantly increase the complexity of the project while significantly increasing the benefits and should be included in the scope
  - Checking the availability of varying DR capacity is important and as announced by Elia will be one of the key topics of further design work. We are convinced workable solutions can be found and this should not delay the logical possibility for non-CIPU assets to combine bidladder and R3 as CIPU assets already can.
- 3.5 We understand Elia's willingness not to promote overdelivery, but we find that the proposed solution is not the best way to achieve this objective. We suggest to re-open this specific point for discussion to find a better solution to meet the stated objective. We refer to the proposals made during the previous workshops on this specific subject
- 5.0 The proposed deadline for changes to the legal framework is 30/11/16. We assume this regards the changes to the electricity law and that the detailed decrees can come at a later stage without endangering the project. We ask Elia for more clarity on this point.

Kind Regards

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