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Sent: maandag 3 oktober 2016 12:35
To: Usersgroup
Cc: Rob Loos; VANDEVENNE Alain; Cedric De jonghe; Andreas Flamm; Bénédicte Vignoboul; Arnaud Latiers; arnout.aertgeerts@actility.com; Pieter-Jan Mermans
Subject: BDRA reply SR consultation

Dear Elia,

please find below the BDRA answer to your consultation on SR volume data inputs xls sheet.

The BDRA is happy that you have taken action on the concerns we have raised in past consultation on the same topic. We appreciate the considerable effort you make in forecasting the system adequacy margin of Belgium and making the process as transparent as it can be.

In our eyes what is key in this process are the sensitivity analysis you will perform. As discussed when the results where presented 2 sensitivities stand-out for the coming winter:

1. The availability of the nuclear power plants. As mentioned by Elia, recent history should push us towards cautiousness as we need to have sufficient back-up capacity for cases when the nuclear park is partially unavailable. Therefore we strongly suggest to make sure this sensitivity analysis gets the right exposure in the final recommendation
2. The actual maximum demand that will need to be served in case of a high prices. As was discussed during the meeting, the methodology of the Pöyry study has been contested by different parties and results therefore need to be considered with a wide sensitivity/error margin further confirmed by the difference between the updated and original Pöyry study. Further the forecast of Demand growth shows that the Demand that will be present (when prices are high) is highly uncertain. Indeed as Elia correctly suggests a sensitivity regarding this important figure is critical and a political choice needs to be made how much Demand will be secured for the winters to come.

Assuming the Elia proposal leads to a government decision on the volume of strategic reserve that is non-zero then the errors of the past should not be reproduced

- same contract duration for all
- no minimum capacity reserved for a given technology
- maximum duration in-line with actual needs (avoid 2016-2017 situation)

It is evident from the 2017-2027 study that a very large proportion of the capacity needed (if any), is only needed for a very short duration. This needs to be reflected in the product design such that the most economic solution can be chosen.

Regards

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* in the name of a service company