

Subject: Elia public consultation on the input data for determining the volume of strategic reserves for winter 2017–2018
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Introduction

Elia is organizing a public consultation on the input data for determining the volume of strategic reserves for winter 2017–2018. The deadline of the consultation is the 3rd of October, 2016.

FEBEG welcomes this consultation and thanks Elia for creating this opportunity for all stakeholders to express their comments and suggestions. The comments and suggestions of FEBEG are not confidential.

Comments and suggestions

Transparency on input data is welcomed

Elia has presented the methodology and the different assumptions and data sources that will be used to determine the volume of strategic reserves for the winter 2017–2018. At the same time, Elia has put the raw input data used for the calculations to the disposal of the stakeholders.

FEBEG welcomes the far-reaching transparency of Elia: FEBEG is convinced that this will contribute to the confidence of market parties in the methodology and the data used.

FEBEG also acknowledges that Elia considerably improved its methodology based on the experiences of previous assessments and recommendations of the stakeholders.

Too short consultation period

FEBEG wants to point out that the consultation period was too short to allow a thorough analysis of all the assumptions and input data. The short period made it also difficult to cross-check certain assumptions with own business models and forecasts.

FEBEG recommends to adjust the process to accommodate a longer consultation period in the years to follow.

More details for data of other countries

Elia has put the raw input data used for the calculation to the disposal of the stakeholders. FEBEG considers the data for Belgium very complete and detailed, but regrets that similar data are not available for the neighboring countries.

FEBEG understands that there are issues with regard to confidentiality, but wants to point out that the input data that are used for the other countries are very important as well as Belgium is highly interconnected. Because of the interdependency between France and Belgium, especially the input data for France are relevant. Elia stated that the reference scenarios are being used for France, but FEBEG

would welcome more details on these scenarios and more specifically on the sensitivities that Elia has investigated.

Combination of sensitivities

For the moment, Elia models sensitivities separately. FEBEG would like to suggest to Elia to combine certain sensitivities as it is very likely that certain events, e.g. cold wave, affect several countries at the same time. FEBEG proposes to – in cooperation with the stakeholders – assess combinations of sensitivities, e.g. simultaneous tight situation in the United Kingdom and France.

Sensitivity on gas-fired power plants

Elia will assess the volumes for the strategic reserves for winter 2017–2018, but will also make some forecasts for the next two winters. For the moment, Elia proposes to keep the capacity of gas-fired power plants at the same level in the input data for the next three years. FEBEG suggests to also make a sensitivity analysis with lower capacity of gas-fired power plants assuming that some power plants will close.

Demand response

Upon request of Elia, Pövy has updated its ‘overview of net off-take reduction potentials in Belgium’. The objective is to use these data as input for the calculations to determine the volumes of strategic reserves for the winter 2017–2018.

Due to time constraints and a poor methodology, the results were heavily questioned by all stakeholders. Therefore, Elia decided to use the data of the previous assessment by Pövy.

FEBEG supports an evaluation and improvement of the methodology to estimate the net off-take potential in Belgium. FEBEG also believes that there could actually be less flexibility in the market as, for the moment, prices are not favorable for demand response flexibility and as the risk of a scarcity situation is reduced for the upcoming winter 2017–2018.

Final input data

FEBEG assumes that Elia will modify some of the input data based on the suggestions and comments of the stakeholders. Therefore, FEBEG would appreciate it if Elia would publish the final input data effectively used for the calculations to determine the volume of strategic reserves for winter 2017–2018.
