

Consultation report for the “General Framework for the Tertiary Control Non-Reserved Power Service”

Context

In case of residual imbalance in the Belgian control zone via the balancing market Elia calls upon both reserved (like contracts for R3 CIPU, R3 Non-CIPU and ICH) and non-reserved power (so-called “free bids”). Today such free bids can only be provided by remaining flexibility on large production units (so-called “CIPU-units”).

Elia’s ambition is to also create the possibility for offering free bids on the balancing market from flexibility coming from grid users, aggregators and smaller production units.

To realize this Elia created the product « Tertiary Control Non-Reserved Power » (presented in the past under the project « Bidladder ») in the framework of which all non-CIPU market parties will be able to offer their flexibility by the 30th of June 2017 from delivery points in the Elia grid.

Consultation

On 9/3/2017, Elia launched a public consultation on a General Framework for the Tertiary Control Non-Reserved Power that will enter into force on the 28th of June 2017. Elia reminds that in its current version the General Framework will only concern flexibility that can be activated without a “Transfer of Energy” (or ToE) in expectance of a new legislative framework that will make it possible that grid users, via a so-called Balancing Service Provider, can easily bring their flexibility to the market without requiring preceding arrangements with their supplier.

Elia would also like to remind that in the first version of the product that is materialized with the present General Framework participation of DSO-connected Delivery Points is not yet possible. Elia is actively working together with DSOs to address this concern as quickly as possible.

Elia received reactions from 6 market parties for this consultation (of which 1 wished to remain anonymous):

- Actility
- EDF Luminus

- Next Kraftwerke
- Restore
- TeaMwise
- Anonymous

The replies of the above mentioned market parties can be found on Elia's website.

Non-confidential remarks together with replies by Elia are listed hereunder. Elia stresses that it will not answer to remarks or questions that are not within the scope of the consultation at hand.

Elia also publishes in parallel the final version of the General Framework modified with accepted remarks made by market parties. The definitive General Framework can be found on Elia's website.

#Comment	Company	Paragraph/Chapter	Remark	Answer by Elia
1	Restore	General comment	We ask Elia to continue to put pressure on the Belgian DGOs to open up the bidladder to DGA connected end-consumers.	Elia acknowledges the market's request to open up to DSO Delivery Points and is actively working together with DSOs to address this concern as quickly as possible. However as indicated at several occasions, participation of DSO Delivery Points is not foreseen in this first version of the pilot project.
2	Restore	General comment	We ask Elia to continue to insist on the urgency of the ToE law to complete the implementation of the bidladder non-CIPU.	Elia acknowledges this comment and will indeed continue to insist on this subject.
3	Restore	§3.1	3.1 is not clear. If the provider is an independent aggregator who does he need a contract with? In our view the provider's ARP needs an agreement with the ARP of the concerned delivery points. Please confirm.	Elia confirms this reading.
4	Restore	§8.1	8.1: we disagree with this proposed penalty on principle. As we repeated multiple times during the workshops the notification prior to the activation is the best estimate of what will happen, but should not limit the aggregator in his ability to switch volume from one delivery point to another in real-time. We suggest that the quality of the notifications are monitored and reported on aggregated level. No penalties.	Elia understands this concern and accepts to not apply a penalty for these cases; Elia will only include a "best effort" clause but reserves the right to introduce a penalty after evaluation of the pilot project.

5	Restore	Annex 7	Annex 7. We are confused by the formulas. If as we assume the difference between P_{ref} and P_{meas} is positive then it is always larger than 0 and therefore the minimum is 0 every time. We assume that what is intended is that the value per delivery point is either 0 or positive. Please confirm.	Indeed. This will be corrected in the text.
6	Restore	General comment	Although not specified in the GFA we would like to continue to express that the asymmetric way in which imbalance is managed in the context of the bid-ladder is the wrong solution to a valid concern. We ask Elia to analyze alternatives based on a symmetric imbalance transfer for future implementation in the bid ladder.	This comment concerns the ARP contract and is thus out of the consultation scope. Elia has however explained its position and the reasons for this mechanism during the design phase.
7	Teamwise	General comment	As mentioned above, we support the project. We however urge for an opening of the BidLadder to DSO level as soon as possible. Perhaps DSO access could in fact already be supported, in case a Joint Arrangement exists between the Provider, the Provider ARP, and ARP and Supplier of the DSO Delivery Point, similar to the proposed agreement for TSO Delivery Points. It seems that the same checks and procedures could in such cases be used as for the TSO Delivery Points with such Joint Arrangement. Especially since no ToE will be implemented, DSO	Elia acknowledges the market's request to open up to DSO Delivery Points and is actively working together with DSOs to address this concern as quickly as possible. However as indicated at several occasions, participation of DSO Delivery Points is not foreseen in this first version of the pilot project.

		<p>access would make it possible to provide the necessary liquidity to the BidLadder. In fact, §7.5 of Elia’s proposed “functioning rules for the compensation of quarter-hourly imbalances”, about which CREG recently consulted, doesn’t seem to exclude DSO Delivery Points. The only conditions mentioned there are that the Provider is itself the ARP and Supplier of the Delivery Point, or that he has an agreement with all involved parties. No exclusivity is given to TSO access points. If, as required in §3.8 (3rd bullet), only Delivery Points that are already prequalified for reserved R3 would be allowed to participate, the concerned DSO would have already agreed to the participation of those delivery points to similar services offered to Elia. In absence of the possibility to use DSO Delivery Points, the threshold for the APP service (currently 25 MW) could be lowered and non-CIPU units could be allowed to participate.</p>	
8	Teamwise	Definitions	<p>The definition of “Delivery Point” should be altered in line with the above feedback about DSO access. The definition shouldn’t be exclusive for Access Points connected to the Elia Grid or a CDS, and should be open to DSO clients.</p> <p>See above reply on the possibility of participating with Delivery Points connected at the DSO level.</p>

9	Teamwise	§3.8	<p>Bullet three of §3.8 (page 11) seems too strict. It's unclear why, if the Provider wants to offer to the BidLadder while also providing reserved Tertiary Control, all BidLadder Delivery Points also need to be contained in a GFA for reserved R3, and thus be prequalified for it. Why would a Delivery Point that would never be used as reserved R3, and only for the BidLadder, need such R3 prequalification, as a prequalification procedure exists for the BidLadder? An exception could be foreseen if this would allow DSO access: to ensure DSO approval, the existing prequalification procedure for reserved R3 could be used for DSO Delivery Points, which would justify the above requirement for those delivery points only.</p>	<p>First of all Elia would like to remind that, to be included in a pool for Tertiary Control by non-CIPU Technical Units a Delivery Point needs to undergo a procedure that is almost identical to the one for Tertiary Control Non-Reserved Power and does not need to undergo a prequalification test. In this sense, no extra effort is required. Registration also in R3 Non-CIPU is necessary to allow settlement of Delivery Points combining the 2 services.</p>
10	Teamwise	§3.8	<p>Bullet eight of §3.8 (page 11) contains a typo: it says Sumbetering, instead of Submetering.</p>	<p>Indeed. This will be corrected in the text.</p>
11	Teamwise	§5.6	<p>§5.6 indicates that over-delivery will constitute a failed activation. This isn't in line with the principles of reactive balancing: why would an ARP be allowed to have an imbalance that helps to restore system balance on all access points in its portfolio, except for those access points that have been involved in a BidLadder activation, where over-delivery would also help to restore system balance? We refer to the point</p>	<p>As any overdelivery is attributed to the BRPsource, ELIA will not penalize an overdelivery via the activation control mechanism as this would limit the right/opportunity for a BRPsource to perform reactive balancing (via the BSP in a bilateral contract or directly via the GU on a given delivery point). This is fully compatible with the principle of asymmetric imbalance adjustment but Elia will change the foreseen activation control</p>

			about over-delivery in combination with ToE that we made in the consultation from September 2016 about the BidLadder concept, and stress that (although we still support that position) we don't want to reopen that discussion. The above point is valid for access points within the portfolio of the Provider ARP.	mechanism.
12	Teamwise	§6.5	The last sentence of §6.5 allows Elia to exclude the Provider from the bidding procedure, in case intentional falsification of data is proven. Elia should indeed have the right to act firmly in such cases, but shouldn't punish the Provider for any intentional falsification committed by a Grid User. This could be clarified.	Elia wishes to maintain this clause; the Provider is the contractual counterparty for Elia and he must keep responsibility for falsification of data by his clients, also considering that an eventual falsification could also go to his benefit.
13	Teamwise	§9.2	The list in §9.2 only has one bullet. Are bullets missing? If not, removing the bullet might improve readability and ease of understanding.	Indeed. This will be corrected in the text.
14	Teamwise	Annex 2B	Annex 2B requires the Provider to meet certain criteria, such as having a secure and redundant communication channel. The criteria in this annex differ from the criteria of the GFA R3, while the aim is probably the same. We suggest that Elia copy the requirements from the GFA R3 where possible, to maximize harmonization between both specifications.	This requirement concerns mostly data that could be communicated eventually through a real-time connection (SCADA or else). In the present case such a requirement can be removed from the General Framework.

15	EDF Luminus	General comment	<p>EDF Luminus would like to make a remark with regards to the activation rules as described in paragraph 5. We take note in this paragraph that Elia can activate part or all of the volume indicated by the Provider of the Bid. In addition, Elia can change the quantity of volume activated during one single activation. We see two possible ways to partly activate the volume of an energy bid:</p> <ul style="list-style-type: none"> - In the first case the Provider bids a volume that is spread over different delivery points. In this case a partly activation could be done by the activation of a part of the delivery points of the bid. Each activated delivery point is activated for the whole volume while the other points are not activated. - In the second case the Provider bids a volume that is solely delivered by one delivery point. In this case partly activation could be done by the activation of a part of the volume offered by a single delivery point. <p>We would like to point out that an activation of a part of the volume for a single delivery point as described in case 2 could sometimes not be possible because of technical constraints related to the installation of the customer (Pmin, a limited set of running modes, consumption processes). We think that the</p>	<p>EDF raises a reasonable question that Elia will analyze in months to come. However Elia reminds that CIPU units participating in R3 are also obliged to offer volumes that can only be partially activated. This would mean that allowing providers to make indivisible offers would not make a level playing field. Also, Elia has accepted to not penalize overdelivery; thus an overdelivery in case of a partial activation would not result in any penalties.</p>
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			<p>activation rules in paragraph 5, should clarify the notion of partly activation of an energy bid. We don't see any problems with a part of the volume being activated as long as the delivery points are always activated at max. This implies as well that Elia should ensure that the activated volumes of a bid are always a feasible combination of the estimated maximum volume of the delivery points.</p> <p>Allowing only full activation of a single delivery point, would of course lead to a loss of flexibility for some delivery points that have volumes that can be partly activated. To address this problem a subdivision could be made between energy bids with divisible volumes and energy bids with indivisible volumes. The first group would only contain points that can be fully activated while the second group would contain the divisible volumes. The type of bid should be communicated in the offer of the provider.</p>	
16	Anonymous	General comment	<p>The activation of the free bids on the bidladder will happen before the contracted R3 products. This can lead to high imbalance prices not reflecting true scarcity on the balancing market, as high priced free bids will be called while other reserves are still available. To avoid such situations, we ask to put a high priority on the</p>	<p>Elia acknowledges this risk. ELIA is investigating the feasibility from a technical and legal perspective of a common merit order in the context of its mFRR roadmap.</p>

			development of an integrated merit order.	
17	Anonymous	General comment	We regret that it is currently not possible to participate on the bidladder with delivery points situated in the DSO grid. We hope that this possibility will be included in the next release.	Elia acknowledges the market's request to open up to DSO Delivery Points and is actively working together with DSOs to address this concern as quickly as possible. However as indicated at several occasions, participation of DSO Delivery Points is not foreseen in this first version of the pilot project.
18	Anonymous	General comment	We would like to ask Elia, to communicate the specifications and requirements with regards to the bidladder platform well in advance, to allow for a smooth IT implementation.	Elia has already published IT implementation guides for the XML communication via Probid. Technical documentation for BMAP will be provided shortly.
19	Anonymous	General comment	We would like to be informed why activation penalties are applicable in case of over delivery. We understand the need to limit the contribution of the BSP to the contracted volume: as he is only responsible for what he committed towards Elia, and that this safeguards reactive balancing as a prerogative of the BRP. But penalizing the activation beyond this contracted volume will discourage additional available flexibility to be offered to the market, for example: When the BSP of the service and BRP have a contractual agreement on this specific behavior. Therefore we propose to keep the rules created for the case of over	As any overdelivery is attributed to the BRPsource, ELIA will not penalize an overdelivery via the activation control mechanism as this would limit the right/opportunity for a BRPsource to perform reactive balancing (via the BSP in a bilateral contract or directly via the Grid User on a given delivery point). This is fully compatible with the principle of asymmetric imbalance adjustment but Elia will change the foreseen activation control mechanism.

			<p>delivery, by limiting the contribution of the BSP to the contracted volume as described in the final design note document, but remove the penalties associated with over delivery.</p>	
20	Next Kraftwerke	General comment	<p>We strongly support the development of the bid ladder and we have no major concerns about the current design proposal but one: Next Kraftwerke is an advocate for market designs in which all grid users regardless of whether they are connected to the TSO or DSO level should have equal access to any market for system service. No grid user should be discriminated. In our opinion there should only be one exception to this guideline: There are sound technical reasons to exclude certain grid users, because their participation is a threat to safe system operation. In our opinion any new product - even in the framework of a pilot project - should therefore allow both TSO and DSO connected clients to participate from the very start.</p> <p>In the case of the Bidladder Pilot all DSO-connected grid users are excluded, which comes along with the following points:</p> <ul style="list-style-type: none"> · A significant potential of flexibility that can bring the 	<p>Elia acknowledges the market's request to open up to DSO Delivery Points and is actively working together with DSOs to address this concern as quickly as possible. However as indicated at several occasions, participation of DSO Delivery Points is not foreseen in this first version of the pilot project.</p>

		<p>necessary liquidity to the product is not tapped.</p> <ul style="list-style-type: none">· DSO grid users are excluded just because of the point of connection and are therefore discriminated. <p>We understand that Elia will not further delay the Pilot to integrate DSO connected grid users, but we would be happy if the evolution of the design takes the inclusion of DSO grid user as a priority point.</p>	
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