

## Febeliec answer to the Public Consultation by Elia on the thresholds for the maximum capacity for electricity generation units of type B-C-D

Febeliec would like to thank Elia for this final opportunity via a public consultation to react to the topic of the thresholds for the maximum capacity for electricity generation units of type B-C-D, after already having participated to all the meetings of the Task Force Implementation Network Codes and having provided ample input during those meetings as well as during bilateral and multilateral meetings with Febeliec representatives on specific topics related to the consultation at hand. Febeliec wants to stress that it is the representative of the industrial energy consumers, including the closed distribution systems operated by its members, and as such is directly and highly concerned by the proposed thresholds, as many of the generation units covered by the codes and the thresholds are connected in demand facilities and/or closed distribution systems of its members, with potentially very important impacts both on the cost for its members as well as their operations.

Febeliec greatly appreciates the work that has been done by Elia during the abovementioned meetings and believes that through the endeavor of Elia as well as all other involved stakeholders, not in the least Febeliec itself, convergence on a wide range of sub topics has been reached. Febeliec would also like to thank Elia for its willingness and openness to have discussions on all topics considered relevant by the stakeholders, either in plenary sessions or in bilateral meetings, allowing to present all the relevant viewpoints and elements, to come to a better understanding of all the issues.

Nevertheless, Febeliec still wants to raise its major concerns with the proposal at hand, without necessarily diving into all the detailed and technical arguments that have been presented and discussed during all the above-mentioned meetings and exchanges. This is especially necessary as even though Elia has taken note of all the input provided by the involved stakeholder, the current proposal is still “only” an Elia proposal and not necessarily a consensus proposal that reflects the position of each and every individual stakeholder.

Febeliec wants to stress explicitly the importance of the thresholds upon which is being consulted, as they will not only define, based on the Requirements for Generators (RfG) Network Code, the required capabilities of all generation units, but also, through the Operational Network Codes System Operation Guideline (SOGL) and Emergency & Restoration (E&R) Network Code, on their operation. Applying a more stringent obligation under the RfG Code, applicable only to new generation units unless a positive and validated Cost Benefit Analysis (CBA), will also create additional (more stringent) obligations for **all** units<sup>1</sup> in this category, new **and** existing, which is in its principle unacceptable for Febeliec as this would

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<sup>1</sup> Febeliec also refers to the minutes of the first meeting of the Elia Task Force iCAROS of June 7<sup>th</sup> 2017: “Febeliec expresses doubt on the need of such data exchange for Elia on PGM as small as 0.25MW (part of the PGM type B). Elia understands the expressed concern but points out that for TSO-connected PGM B this is a legal requirement imposed by the GL SO: the task force cannot put into question the need for a design compliant to this rule but should discuss the implementation of a pragmatic solution”. Elia presents this as an inevitable requirements, but this is only the case for all units above 1MW. All units, including the existing, between 250kW and 1MW will only be subject to these requirements because of Elia’s proposal for a more stringent threshold, which will lead to

imply a retro-active application of obligations, which could be quite onerous. Elia has itself indicated that the purpose is not to make data exchange retrospectively applicable, but only to existing PGMs where existing capability is usable without additional investment costs, as noted down in the final proposal of the slides of the session on Significant Grid Users of 27/03/2017. Such approach would thus not only negatively impact the future investment climate of Belgium but also deteriorate the competitiveness of the current investments as compared to other Member States as well as the rest of the world. As a result, Febeliec can formally under no circumstance agree with more stringent thresholds than the upper limit allowed by the RfG code, even despite the (non-quantitative) analysis by Elia and the presented list of justifications.

Febeliec welcomes the willingness of Elia to try to be as pragmatic as possible in the translation of the obligations imposed by the Network Codes, amongst others for the application of the Network Codes to Closed Distribution Systems. Nevertheless, Febeliec regrets the fact that even though Elia during the meetings of the Task Force Implementation Network Codes as well as during bilateral and multilateral meetings has indicated to proceed according to an evolutionary instead of a revolutionary approach and try to be as pragmatic as possible, as can also be seen in the minutes of the aforementioned meetings, an approach that was highly welcomed by Febeliec, this approach is according to Febeliec not sufficiently reflected in the consultation document at hand. The main concern for Febeliec is that no guarantees are or can be given at this point on the specific application of the technical requirements to its members and as such agreeing with the current proposal without a full understanding of **all** the underlying parameters (e.g. detailed and concrete values for all technical requirements) would result in signing a blank check towards Elia, which is unacceptable to Febeliec and its members.

### **Process-driven generators**

With respect to process-driven generation units, Febeliec remains firmly of the opinion that such generation units should not be subject to the full range of obligations of RfG, based on their specific nature, but should only fulfill the requirements insofar they are able to do so. Febeliec during many meetings also presented clear examples and justification for this case. It would for example be impossible for a process-driven generation unit to provide fault-ride through capabilities in case the grid fault causes the principal process to trip, resulting in the tripping of the process)driven generation unit. Febeliec refers to the provision which allows in case of an industrial site (demand facility or CDS) to define and coordinate with the TSO de required capabilities as well as the operations of such generation units. This provision should be applied. Elia has agreed during the task force meetings as well as during bilateral meetings to analyze each situation on a case-by-case basis, based on the critical aspects of each industrial process, and apply a pragmatic approach. This is however not reflected in the proposal from Elia.

### **Reasonable balance between the advantages to Elia versus the administrative, technical and financial burden**

For Febeliec, a correct balance between the advantages for Elia for system operation versus the financial and administrative and technical burden for the individual grid users should always be maintained. Although Febeliec does believe this is the intention of Elia, it nevertheless has the feeling

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additional costs for the operators of these units as well as the operators of the demand facilities or closed distribution systems where they are connected.

that Elia is sometimes taking unjustified margins and precautions in establishing the thresholds and technical capabilities for generation units, especially in light of the near future. Applying more stringent thresholds for the limit A-B and the limit C-D than the minimal limits imposed by the RfG Network Code according to Febeliec goes beyond such reasonable balance, insofar that no clear near-term risks can be discerned. In its reasoning, Elia refers towards potential future evolutions of the Belgian system, yet proposes to apply already these more stringent thresholds, as opposed to for example the position that France, but also other Member States, seem to follow, where a wait-and-see approach is followed for the immediate future, with a potential more stringent threshold to be applied in the future, based on a better view and clear understanding of the direction of all the evolutions in the electricity (and energy) system. For Febeliec, harmonization on the European level does not mean that Belgium should apply more stringent requirements than imposed by the network codes because some other Member States chose to apply such more stringent requirements,, but rather that a coordinated and sufficiently justified and validated definition of the thresholds should be done, also duly taking into account the potentially huge impact on the costs for grid users and thus their international competitive position.

Concretely, Febeliec asks to apply for A-B a 1MW threshold, until can clearly be proven in the future that a more stringent value should be applied. Febeliec also refers to its comments on the cascading of the obligations related to this categorization from the Connection Codes to the Operational Codes and thus the impact on existing generation units (Cf. above). Moreover, Elia itself also indicates in its proposal upon which is being consulted that an important uncertainty still exists on the expected medium and long term growth for such units and thus their future potential impact on the grid, yet despite this imposes already immediately the more stringent threshold.

For the C-D threshold, Febeliec states that those units between 25 and 75 MW connected via a demand facility which is itself connected to a voltage level of at least 110kV should also be considered type C and not type D as is proposed by Elia, as this would otherwise create a discrimination between identical generation facilities merely on the voltage level of the grid to which they are connected and not to their own connection's voltage level nor technical differences between such installations.

### **Coordination with DSOs**

With respect to the coordination with DSOs conducted by Elia, Febeliec wants to stress again that whenever such consultation has only taken place with Synergrid members, of which Elia is one, this does exclude all CDSs and CDSOs. Within the consultation document, Elia refers to RfG stating that article 5(3) of this Network Code was interpreted in a large sense to also include CDSOs, but such interaction has only happened after insistence from Febeliec to provide some coordination and that this only occurred with Elia and not jointly with the public DSOs. Moreover, Elia always states that, based upon also the DCC Network Code, CDSOs are to be considered DSOs (whereby Febeliec explicitly wants to state that the CDSO is indeed a system operator, but also and in the first place is a demand facility). Elia should thus be consistent in its interpretation and include the CDSOs to the consultation and coordination with DSOs, while nevertheless taking into account the specific nature of the CDSOs.

### **Technical and legal solution: Package deal**

With respect to the proposed legal solution of Elia to implement and apply the more stringent thresholds but then apply for only certain requirements less stringent obligations for those generation units between 250kW and 1MW through the use of derogations, Febeliec is not convinced that this

solution should have precedence over the solution of applying the least stringent threshold (1MW) and then through national and regional legislation imposing some extra requirements for the category generation units between 250kW and 1MW. For Febeliec, the “package deal” as proposed by Elia creates, notwithstanding all previous comments on the effect of the cascading of the chosen typology through the Operational Codes, an additional risk for all concerned grid users, as in case for any reason such derogations would not be granted, non-necessary requirements would be imposed. Moreover, derogations are only for a limited period in time, which in itself would also create a risk exposure and thus would affect the investment climate in Belgium.

Without clear and precise guarantees on the above, Febeliec cannot accept the proposal of the “package deal”, but remains on its position as always defended and communicated also through all stakeholder meetings to apply at least initially a less stringent threshold, to be evaluated and modified in the future if needed and justified by a detailed cost-benefit analysis. For precision, up until now and despite requests from stakeholders, Elia has never provided a quantitative cost-benefit analysis for its request for more stringent thresholds, allowing it to justify its position, yet implies that grid users should provide an in-depth analysis to justify their diverging position, as can also be discerned in the questions asked by Elia in this consultation. Febeliec would have expected Elia to be able to provide at least a start of a quantitative cost-benefit analysis, as the Elia “package deal” entails applying for derogations, where based on the decision of the regulators on the criteria for granting such class derogations such cost-benefit analyses would have to be provided for each of the requirements for which a derogation should be granted. Febeliec also refers to its publicly available comments to these consultations from the Belgian regulators.

### **Connection point**

Febeliec also asks Elia to provide more clarity on the concept of connection point as to be applied for the RfG and other Connection Codes. Febeliec refers here to the slides presented by Elia for example during the Belgian Grid meeting of 25/01/2017 (slide 9). Febeliec continues to disagree with the position of Elia where identical technical generation unit constellations are to be treated completely differently based merely on the fact whether they are connected to a demand facility or to a CDS. For Febeliec, such distinction entails a discrimination and is not justified by any technical basis. Febeliec can understand the need for coordination with the relevant system operator, whether public DSO or TSO or CDSO, but does not understand nor accept the distinction made by Elia and the implications this has on many levels due to the different application of the Network Codes and thus the application of different capabilities and requirements as well as differences in the operation of these units.

### **Paragraph 4.1.2: Clarification required**

Elia states in this paragraph that *“De eisen voor de gesloten distributienetten (CDS) zullen zoveel mogelijk worden afgestemd op die voor demand facilities en de DNB”*. Febeliec would like Elia to provide more clarity on this point, as it is first unclear whether this applies to 4.1.2 or also other parts and second whether this entails applying only the relevant and absolutely necessary requirements and capabilities from either demand facilities or distribution systems and not the combination of both. Subsequently, if only the relevant and absolutely necessary requirements and capabilities are meant by Elia, which these would entail (exhaustive list).