



PUBLIC CONSULTATION REPORT ON BALANCING SERVICE PROVIDERS CONTRACTS (« BSP CONTRACTS »)

Proposal in accordance with art. 18 of EB GL

18/06/2018

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1. Context

From 15 March 2018 to 15 May 2018, Elia has organized a public consultation on balancing service providers contracts (hereinafter referred as « BSP Contracts »).

In accordance with art. 18 (1) of the European guideline EB GL¹ that entered into force on 18 December 2017, the TSO must prepare a proposal of Terms and Conditions applicable to balancing service providers and submit it to the regulator (hereinafter referred as « CREG ») six months after the entry into force of the European guideline EB GL.

The purpose of this consultation report is to consolidate the remarks received and to present the precise reasons for which the opinions expressed during the consultation were or were not taken into consideration. The remarks relate to various topics explained in detail below. Elia relied on these to draft the final BSP contracts that were submitted to CREG on 18 June 2018.

The BSP Contracts, subject of this consultation, were based on the versions of the General Conditions and the General Framework Agreements or "GFAs" at the moment the consultation was launched on 15 March 2018.

2. Remarks received

Elia received the reactions of three parties, one party requested to keep its participation and its remarks as confidential:

1. FEBEG
2. FEBELIEC
3. ANONYMOUS

¹ Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing :

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2195&from=EN>

3. Analysis of the remarks and answers by Elia

3.1. Remarks on the General Conditions

Party	Article	Remark consultation	Answer Elia
FEPEG	Definitions	Terms which are already defined in applicable legislation (a.o. the Electricity Law, the Federal Grid Code, ...) should not be defined in the contract again; possibly a reference to the applicable legislation could be integrated.	Elia agrees with the proposal and made the corresponding references.
	Definitions	add the following paragraph for clarification: 'Terms used but not defined shall have the meaning assigned to them in applicable legislation' (a.o. the Electricity Law, the Federal Grid Code, ...)	Elia added this clarification in art. 1 of the General Conditions part.
	Definitions	Some terms and wording should be corrected or further clarified: BSP (distinction between the party to this contract and any other BSP); Terms and Conditions (the Terms and Conditions as set out in Part 2 and/or Part 3 of this Contract); CIPU Technical Units; Non-CIPU Technical Units; Long Peak Hours (to correct);...	Elia clarified some definitions.
	2.1	It should be made clear that when a BSP has both CIPU and Non-CIPU Technical Units, the two Terms & Conditions apply independently from each other: separate portfolios, separate 'FCR Contracted', separate 'Monthly Remuneration',...	Elia added this clarification in art. 2.1 of the General Conditions part.
	4.2	As regard the contract duration, the following is stated: 'This Contract terminates on December 31st, 2021.' Why is there an end date introduced? What is the objective?	These contracts are also under the public procurement law. Calls for candidatures for these contracts must be launched every 3 years. The next period is 2019-2021.

	7	As regards 'Force Majeure' the article refers to 'the following situations...'. This description should be fully aligned with the Federal Grid Code and apply for both parties. Also the words 'previous sentence' must be replaced by 'previous paragraphs'.	Elia aligned the "Force Majeure" articles with the Federal Grid Code as suggested.
	8.2	The BSP declares that it has been personally and specifically informed by ELIA and has familiarised itself with the specific provisions on confidentiality obligations regarding the operator of the Belgian electricity transport network (at both federal and regional levels).' Could Elia please be more specific and re-inform the BSPs about these provisions?	Elia's confidentiality obligations can be found in the applicable legislation: European network codes and guidelines, the Electricity Law (Article 9ter and 9quater) and the Federal Grid Code (Article 7 of the version submitted to the SPF / CREG).

3.2. Remarks on the Terms and Conditions for the Frequency Containment Reserve Service by CIPU and Non-CIPU Technical Units

Party	Article	Remark consultation	Answer Elia
FEBEG	Definitions	Counterpart BSP': the BSP itself may be a Counterpart BSP	The existing definition already allows this possibility
	Definitions	'Monthly Remuneration': to specify 'for the Service in these Terms and Conditions'	Elia added a clarification in the art. 2.1 of the General Conditions part, regarding the independent application of the Terms and Conditions.

	5.2	<p>'The BSP should always, even in case of Forced Outage, maintain his Contracted FCR Power available to ELIA either by providing its FCR Obligations by himself or by transferring part or all of them to a Counterpart BSP.'</p> <p>After 'Forced Outage' should be added 'in so far such Forced Outage does not qualify as force majeure'.</p> <p>FEPEG proposes to add 'in so far as reasonably possible' before 'maintain', as the BSP is dependent of the availability and liquidity of the secondary market (see also FEPEG comment on article 247 of the proposal for FTR).</p>	<p>This is a design question that is not within the scope of this consultation.</p>
	6.1	<p>'In the event where the entire volume nominated on a Providing Group with limited energy reservoirs (as defined in Annex 7) has been activated for a minimum of 25 minutes continuously, the concerned group is authorized to reconstitute its reserve of energy within a maximal period of 2 hours'. However article 156.9 of the SOGL foresees that, in alert state, the time period during which the FCR providing units with limited energy reservoirs must be able to activate FCR continuously may be adapted 'in case of frequency deviations that are smaller than a frequency deviation requiring full FCR activation' into 'an equivalent length of time'. This should apply to the 25 minutes defined by Elia when the frequency deviation is larger than 50 mHz, to authorize the group to reconstitute its reserve.</p>	<p>This is a design question that is not within the scope of this consultation.</p>
	9.5 (non-CIPU)	<p>The penalty cap should include the penalties for missing nominations.</p>	<p>Elia agrees and adapted art. 9.5 of Terms and Conditions Non-CIPU to include in the cap the penalties related to missing nominations.</p>
	Annex 12	<p>the calculation of the penalty (Reduction 3) in the examples 1 and 2 is not conform the penalty formula, but it is correct in the Terms & Conditions Non-CIPU.</p>	<p>Elia made the correction in Annex 12 of the Terms and Conditions Non-CIPU.</p>

3.3. Remarks on the Terms and Conditions for Secondary Control Service by CIPU Technical Units

Party	Article	Remark consultation	Answer Elia
FELEG	Definitions	As regards the prequalification procedure, the use of the terms 'Delivery Points' and 'Providing Group' are not defined/used for aFRR.	Elia adapted the definition accordingly.
	3.3.2	The article states that 'Awarded capacity bids are fixed in a purchase order', but there are no purchase orders for aFRR	Elia adapted art. 3.3.2 of Terms and Conditions accordingly.
	3.5.2	The comment on article 5.12 of the Terms & Conditions FCR T&C is also valid for this article.	This is a design question that is not within the scope of this consultation.
	3.7	The correction of the BRP's imbalance is about the imbalance of the BRP of the BSP. This is also to correct in Annex 4.	The BRP _{BSP} concept only applies in the context of Transfer of Energy. At this date the product R2 is not yet in this regime.
FELEGIEC	Definitions	On p3, Elia has twice the definition of "Confirmed Transfer of Obligation"	Elia eliminated the redundant definition.
	General comment	Febeliec regrets that there is still no possibility for non-CIPU units to deliver secondary control services to Elia and hopes that such service will soon be made available, as tests and pilots have been conducted in the past years to validate the possibility for such units to deliver the service. For Febeliec, this should increase competition and should thus result in a lower overall system cost to the benefit of all grid users.	This is a design question that is not within the scope of this consultation.

