

Febeliec answer to the Elia consultation on the methodology, hypotheses and data sources for the dimensioning of the volumes of strategic reserve for winter 2019-2020

Febeliec would like to thank Elia for this consultation on the methodology, hypotheses and data sources for the dimensioning of the volumes of strategic reserve for winter 2019-2020. Febeliec has been involved in similar consultations in previous years as well as in workshops and studies on certain aspects related to this consultation and Febeliec appreciates that Elia has taken into account some of its comments and adapted its methodology and hypotheses accordingly.

As also commented during the last Task Force implementation Strategic Reserve, Febeliec remains with questions on the (quantitative) impact of the incorporation of NEMO and ALEGRO (as well as BeDeLux) into the flow-based domain and thus their impact on the determination of the need for strategic reserve. In addition, the application of a 6% outage rate for the interconnectors is according to Febeliec not sufficiently validated in the report, as it is unclear whether this value is based on existing interconnectors or taking into account particularities of the new HVDC technologies that will be applied, while Febeliec is also wondering if the 6% is taking into account that these interconnectors will be brand new in the following winters and thus should not yet be subject to ageing issues occurring over time.

Febeliec also takes note on the fact that for market (demand) response, Elia will take into consideration new available data from May 2017 to March 2018, but has not yet received an answer to the impact this update of data will have. Febeliec in any case wants to point out that despite the fact that the bidladder up until now has not seen an abundance of activity, this should be treated very carefully in the analysis, as this is partially due to economical elements, as many industrials are producing at or near maximum output levels, but also because the Transfer of Energy, which should enable and facilitate market actors to market their flexibility without prior consent from their supplier and his BRP, has not yet been fully implemented. Febeliec asks Elia to take into consideration the aforementioned elements when determining the level of demand side response in the next winters, as the near past might not be a completely relevant proxy and an underestimation of the real potential.

Febeliec wants to reiterate its position towards the methodological approach (point 4.3) of increasing the margin and/or strategic reserve volume by blocks of 100MW in the iterative process for the determination of the potential required volume. For Febeliec, a finer granularity than 100MW should be used, as even the lack of 1MW under the current approach would immediately lead to a need of 100MW additionally. Applying a finer granularity would avoid sourcing unneeded volumes. Alternatively, an approach could be implemented where very marginal transgressions of the LOLE criterion do not automatically lead to an increased contracting of strategic reserve volumes, through the application of a deadband, taking into account the multiple layers of sensitivity already applied by Elia in combination with low probability, high impact scenarios, which already skew all the results towards a very conservative approach. For Febeliec, it should in any case be avoided to increase the cost for the grid users unnecessarily by following a much too conservative approach.