Febeliec answer to the Elia public consultation on input data for determining the volume for Winter 2019-2020

Febeliec would like to thank Elia for this consultation input data for determining the volume of Strategic Reserve for winter 2019-2020, as it is very important to have a clear, common and accepted understanding of which hypotheses, generation and demand volumes and capacities will be taken into account for the analysis conducted by Elia. Just as for the previous consultations on this input data in previous years, Febeliec regrets that Elia has not provided in the excel file under consultation more of the assumptions and hypotheses it has applied to come up with the proposed numbers, other than some vague references in the accompanying document (e.g. "information received from regions"), without referring to which reports or sources were used; a large array of different estimates have been made by different parties for a multitude of purposes and it would be helpful if it would be indicated which of the documents and thus underlying sets of assumptions from those parties have been used in order to be able to validate the proposed numbers by Elia.). As a result and despite the added value of the accompanying document provided by Elia, it is still difficult to get real insight in the methodology applied by Elia.

With respect to the generation capacity, Febeliec will not comment the availability of individual thermal production units, but takes note of the list as provided by Elia. Febeliec however would like to iterate its request from previous years for a public and official list with a clear status of all the announced closures of thermal generation units as well as their end dates. Such list still does not exist, which has all parties to rely on information to be found in the press and/or on company websites, which is not the most transparent process.

With respect to renewable production, Febeliec has no specific comments, but observes a very significant increase in both PV and onshore and offshore wind in the numbers proposed by Elia. Febeliec wonders whether this increase is based on hard evidence (e.g. permits granted, investment decisions taken, construction and planning of offshore windmills) or rather based on extrapolation of current trends and/or growth paths. Febeliec insists on the need to take into account the evolution of the minimum load factor of renewables since this is an important factor in the analysis of the determination of the volume of strategic reserve.

With respect to the demand, just as in previous years Febeliec continues to wonder why Elia takes such fairly steep increases for the following years, taking into account that the average over 2011-2017 is still close to zero and over 2014-2017 is slightly negative. Moreover, CREG studies also show that the (residual) load and peak load profile in Belgium have undergone non-negligible changes in the last few years. Can Elia provide the basis on which to forecast yearly increase of around 0,5%? Is this based on a macro-economic top-down approach, and if so, which GDP-growth rates and other macro-economic parameters have been used for the calculation, or is it based on an additive bottom-up approach and if so, which segments of consumption are expected to increase over time? If anything, the historical data for the years 2011-2017 shows that it is very difficult to draw a line on consumption increase/decrease, yet Elia takes a significant yearly increase into account, leading to a consumption of several TWh per year more in 2022, thus leading automatically to an increased need for generation capacity and thus potentially also a larger Strategic Reserve. For Febeliec, such approach might prove overly cautious, and comes at a cost for all electricity consumers as they will have to foot the bill for the resulting outcome of these Elia assumptions.

On the volumes of market response, Febeliec has provided ample input and comments during the work conducted by both Elia and E-cube in the subgroup of the Task Force implementation of Strategic Reserve and is pleased to see that this input has been taken into account..

With respect to the flow-based domains, Febeliec refers to its comments provided during the public consultation on methods, hypotheses and data sources. Febeliec welcomes the inclusion of more granularity with respect to flow-based domains in the analysis by Elia and also welcomes the inclusion of Alegro within this analysis. On this last point, Febeliec wonders what the impact will be of this interconnector, and which outage rates and other derating elements will be taken into account by Elia in its model for this interconnector. Febeliec regrets that Elia does not provide a description of the expected impact of the inclusion of both new interconnectors as well as other interconnectors or increases in cross-border capacity in the CWE/CORE region (e.g. increase in capacity between a NL and DE), nor the impact of other measures (e.g. 20%minRAM, DE/AT split), which would be very helpful information to the stakeholders. Febeliec hopes that Elia will provide an in-depth analysis on these elements in its report on the required volumes for 2019-2020, after its analysis, as this information would be very useful for the stakeholders, also beyond the scope of "just" the calculation of the need for a Strategic Reserve.

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