



EXPLANATORY NOTE ON THE PUBLIC CONSULTATION OF THE RULES FOR THE ORGANIZATION OF TRANSFER OF ENERGY

ELIA

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PRACTICAL INFORMATION

This note serves as an explanation for the current consultation on the **Rules organizing Transfer of Energy**. The purpose of this consultation is to obtain comments from the market players involved. At the end of the public consultation, Elia will provide a consultation report that will be available to all market parties.

All responses on this public consultation will be made public via a consultation report on Elia's website, except those comments for which market parties ask to treat their contribution as confidential. However, all responses on this public consultation will be submitted to the CREG in the context of the official approval procedure¹ for the Rules organizing Transfer of Energy.

Stakeholders have a period of **4 weeks** to submit their comments. The responses must be submitted no later than the **16th of July 2019** via the online form on the Elia website. The draft proposal for the Rules organizing Transfer of Energy that is available for consultation can be consulted on the Elia website.

Questions regarding these documents can be sent to the following email address: BMM_consult@elia.be

¹ Art. 19 bis of the law of 19 April 1999 concerning the organization of the electricity market

INTRODUCTION

The proposed changes in the present Rules organizing the Transfer of Energy relate to the inclusion of the alternative **pass-through regime**².

In 2018, Elia received feedback on the aFRR design note³ from two market actors proposing an alternative set-up for delivery points where the grid user has signed a pass-through contract with its supplier. Elia described and consulted on this proposal via the aFRR implementation plan⁴. This solution has the following benefits:

- ✓ It allows **easy market access** via an independent BSP without needing prior consent from the BRPsource or Supplier (only for those delivery points where the grid user has signed a pass-through contract with its supplier);
- ✓ It is **technology neutral** since it is applicable for delivery points with an average net-offtake **or** net-injection character on a yearly basis. It therefore partially resolves the observed obstacle w.r.t. the exclusion of net-injection in the current ToE-framework;
- ✓ It is **product neutral**: it will be applicable on the market of aFRR, mFRR and SDR. In particular for the market segment of aFRR it meets stakeholders' needs to find a solution for the participation of assets with an average net-injection on a yearly basis (as observed in the R2 non-CIPU pilot project and as requested by market players via the aFRR design note).

Henceforward, this public consultation proposes the pass-through regime for all non-CIPU units (those with a **net-offtake** or **net-injection** character⁵) and for the following market segments:

1. The market segment of reserved and non-reserved mFRR,
2. The market segment of aFRR,
3. The market segment of SDR (strategic demand reserves),

² An extensive description of the pass-through regime is described in the presentation of Working Group balancing (28th of November 2019) which can be consulted via the following link: http://www.elia.be/~media/files/Elia/users-group/task-force-balancing/20181128_Slides_WG_%20Balancing.pdf

³ The aFRR design note can be consulted via the following link: http://www.elia.be/en/about-elia/publications/Public-Consultation/Archives/20180903_new-aFRR-design

⁴ The aFRR implementation plan can be consulted via the following link: http://www.elia.be/en/about-elia/publications/Public-Consultation/Archives/20181109_Implementation-plan-for-a-new-aFRR-design

⁵ Calculated as an average on a yearly basis

Elia reminds stakeholders that this solution will **automatically** be applicable for all delivery points for which the grid user has signed a pass-through contract with its supplier.

1. Proposed changes

1.1. Overall changes

The following clarifications are proposed throughout the whole document:

- “ARP” is changed into “BRP” (= Balancing Responsible Party) to align the terminology with the EBGL⁶ and the Federal Grid Code.
- A clear distinction is necessary between the specific rules regarding situations with transfer of energy, and the rules organizing transfer of energy as a whole (thus including all situations). Where mentioned, “Transfer of Energy rules” is changed into “Rules organizing Transfer of Energy” to clarify that the field of application of these rules is not limited to the market situations with a Transfer of Energy but also to the alternative regimes described in section 8.2 “Exception to the market situations with Transfer of Energy (implicit opt-out, explicit opt-out, pass-through regime).

1.2. Definitions

In Section 3 the following definitions are inserted to clarify the different regimes used further on in the rules:

- Pass-through regime
- Opt-out regime
- Transfer of Energy regime (or ToE-regime)

1.3. Field of application

In section 4 the following modifications take place:

- The Rules organizing Transfer of Energy are opened to the market segment of aFRR
- Section 4 is restructured to clarify that:
 - ✓ The Rules organizing Transfer of Energy are applicable for mFRR, aFRR and SDR (since the rules also describe the opt-out and pass-through regime)
 - ✓ Transfer of Energy itself is only applicable for mFRR and SDR

1.4. Entry into force and duration of the rules

Section 6 clarifies the entry into force of the newly proposed pass-through regime in each of the associated market segments. This new regime will enter into force with the upcoming evolutions respectively for the concerned market segments. In practice the “Pass-through” regime will enter into force

- in parallel with the daily sourcing modalities for the mFRR market segment;
- in parallel with the opening of the market segment of aFRR for non-CIPU units, and

⁶ Electricity Balancing Guidelines

- as from winter-period 2020-21 for the SDR.

1.5. Roles and responsibilities

The proposed track changes in Section 7 clarify that

- The existence of a pass-through contract is communicated via the Elia-Supplier convention, which is co-signed between both the Grid-User and the associated Supplier.

1.6. Market situations

Subsection 8.2 includes the pass-through regime that automatically applies for all delivery points that concluded a pass-through contract. The modalities for the perimeter corrections (of BRPsource and BRPbsp) are the following:

- No correction of the perimeter of the BRPsource: the BRPsource is not impacted by the activation as the financial implications of his imbalance are passed on to the Grid User;
- The perimeter of the BRPfsp is corrected with the requested volume (Erequested)
(please note those corrections are similar to the ones applied for the “Opt-out” regime.)

1.7. Penalties

Subsection 14.4 lays down the measures taken when or the Supplier or the grid user refuses to recognize the existence of the pass-through contract.

1.8. Principles of data-exchange

Subsection 15.1 deletes the existing modalities that take place in market situations with a Transfer of Energy for those delivery points with a pass-through contract. No individual volumes per delivery point will be send since the new pass-through regime implies that no compensation is necessary between FSP and Supplier and that all delivery points with a pass-through contract **automatically** fall under the newly proposed “pass-through regime”.