

From: Johannes Schulz <noreply@jotform.com>
Sent: Monday, 4 November 2019 17:57
To: Van den Waeyenberg Sofie
Subject: Re: 20191004 public consultation on the Terms and Conditions for the mFRR - Johannes Schulz

A new answer to consultation " LE NOM DE LA CONSULTATION " has been submitted on our website.



20191004 public consultation on the Terms and Conditions for the mFRR

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Organization	RWE Supply & Trading GmbH

Comments/suggestions to the consultation
RWEST supports most of the procedural changes announced by Elia and we welcome the introduction of pay-as-cleared remuneration for selected energy bids.

While we agree that reliability for the capacity bought by Elia is crucial, we urge Elia not to forget the technical reality that generation units may occasionally experience technical difficulties. We therefore call on Elia to reflect this in the penalty regime appropriately. Also during availability testing generation units may trip and the penalty regime should not be punishing diligent generators that suffer an occasional technical default in the performance of their balancing service.

In this context we would like to remind Elia that any such penalty / outage risk will have to be priced in and may lead to higher prices and/or less interest for market parties to participate in the balancing markets.

Furthermore, we do not agree that a price cap for mFRR energy bids, currently set at 13,500 Euro/MWh, should be included in the future set-up. In our opinion, such price cap would be in conflict with the principles set out in the Clean Energy Package, in particular with Article 3 of Regulation (EU) 2019/943 (the "Electricity Regulation") which states that member states, regulatory authorities, transmission system operators, distribution system operators, market operators and delegated operators shall ensure that electricity market rules encourage free price formation and avoid actions which prevent the formation of prices on the basis of demand and

supply. It is our opinion that prices should reflect the reality of the supply and demand of electricity in a transparent manner. Increasing the efficiency of the market will improve price signals in wholesale markets during episodes of scarcity or surplus. This will ensure that all types of capacity can be used properly and valued based on a level-playing field. It is therefore important that prices can fluctuate freely under the appropriate level of enforcement by the regulator.

Finally, we urge Elia to publish the demand for balancing energy in a day-ahead time-frame and not up until 7am on the day of energy bid submission. Allowing only three hours for market participants to calculate and submit their respective bids is not sufficient in an ever more complex environment with various types of generation.

Answer confidential ? No

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