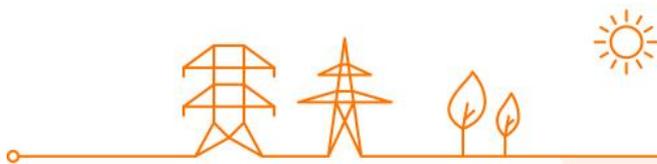


**CONSULTATION REPORT**

# **Public consultation on Rules for the Compensation of the Quarter- hourly Imbalances (Balancing Rules)**

**28 May 2020**

**NON-CONFIDENTIAL VERSION**



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## 1. Introduction

Between 26 March and 24 April 2020, Elia organized a public consultation on its new proposal for the Market functioning rules for compensation of quarter-hour imbalances (hereafter referred to as “Balancing Rules”)<sup>1</sup>.

The Balancing Rules are developed and amended pursuant to article 200 of the Federal Grid Code of 22 April 2019.

The consultation aimed to receive feedback from the stakeholders on the new proposal of the Balancing Rules, which were mainly related to the proposal and simultaneous entry into force of the new T&C BSP FCR and T&C BSP aFRR, i.e. the document “Balancing Rules FCR & aFRR”.

Elia also consulted on an alternative version of the Balancing Rules that would apply in case the application of the new design for aFRR is delayed and only the T&C BSP FCR enter into force on the 30<sup>th</sup> June (first daily auction) with first delivery day on the 1<sup>st</sup> of July 2020, i.e. the document “Balancing Rules FCR”. In this version, only design changes for the T&C BSP FCR are introduced.

Since the consultation, Elia was able to provide more information regarding the target go-live dates of the BSP Contract aFRR and BSP Contract FCR. Elia has decided to postpone the entry into force of the T&C BSP aFRR until the 31<sup>st</sup> of August 2020 (first daily auction) with first delivery day on the 2<sup>nd</sup> of September 2020. The go-live date of the BSP Contract FCR is maintained on the 30<sup>th</sup> of June (first daily auction) with first delivery day on 1<sup>st</sup> of July 2020, subject to confirmation by the FCR Cooperation.

Consequently the fall back version “Balancing Rules FCR” will apply when the T&C BSP FCR enter into force until the entry into force of the “Balancing Rules FCR & aFRR”, i.e. at the moment of the entry into force of the T&C BSP aFRR.

Elia received 4 non-confidential answers to the public consultation from the following parties:

- Centrica Business Solutions, hereafter CBS
- Febeg
- Febeliec
- Rent-a-port

In addition, Elia received 1 confidential answer to the public consultation.

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<sup>1</sup> Consultation webpage: [https://www.elia.be/en/public-consultation/20200326\\_public-consultation-on-the-market-functioning-rules-for-the-compensation](https://www.elia.be/en/public-consultation/20200326_public-consultation-on-the-market-functioning-rules-for-the-compensation)

This consultation report contains the overview of the non-confidential feedback from the stakeholders, and the answers of Elia thereon for both versions of the Balancing Rules. For the full responses of the stakeholders, Elia refers to the individual feedback responses. The consultation report follows the same structure as the Balancing Rules.

The response from Elia to the comments of the stakeholders clearly mentions whether or not Elia modified its proposal of the Balancing Rules following the consultation feedback.

Below, the summary of the modifications to the “Balancing Rules FCR”<sup>2</sup> in response to the consultation feedback.

<b>Article 13</b>	Elia corrects in article 13(1) the reference to the ACE instead of the System Imbalance and adds in article 13(2) the expected reaction of the BRP in the context of reactive balancing.
<b>Article 19</b>	Elia deletes “the exceeding of the maximum price” and “being inferior to the minimum price”.
<b>Article 20(2)</b>	Elia deletes article 20(2) since it is a repetition of article 20(1)
<b>Article 21</b>	Elia re-introduces the validation of the 15 minute data for the imbalance tariffs and its components.
<b>Title 6</b>	Elia updates this title after coordination with CREG.
<b>Article 30</b>	Elia clarifies that the French version will be published for information.

Below, the summary of the modifications to the “Balancing Rules FCR & aFRR”<sup>3</sup> in response to the consultation feedback.

<b>Article 12</b>	Elia corrects in article 12(1) the reference to the ACE instead of the System Imbalance and adds in article 12(2) the expected reaction of the BRP in the context of reactive balancing.
<b>Article 16(2) &amp; 17(2)</b>	Elia clarifies the application of the volume weighted average pricing for aFRR for the imbalance tariff by adding the formulas.
<b>Article 18</b>	Elia deletes “the exceeding of the maximum price” and “being inferior to the minimum price”.
<b>Article 19(2)</b>	Elia delete article 19(2) since it is a repetition of article 19(1)

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<sup>2</sup> A final version of the Balancing Rules FCR with track changes is also available on the consultation webpage.

<sup>3</sup> A final version of the Balancing Rules FCR & aFRR with track changes is also available on the consultation webpage.

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<b>Article 20</b>	Elia re-introduces the validation of the 15 minute data for the imbalance tariffs and its components.
<b>Title 6</b>	Elia updates this title after coordination with CREG.
<b>Article 29</b>	Elia clarifies that the French version will be published for information.

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On top of the modifications mentioned above, Elia has further introduced modifications to increase the readability of the Balancing Rules.

All relevant, non-confidential information on this consultation is available on the consultation webpage<sup>1</sup>. Elia has submitted the final proposal of the Balancing Rules (i.e. the document “Balancing Rules FCR” and the document “Balancing Rules FCR & aFRR”) together with the confidential and non-confidential consultation feedback and the consultation report to the CREG in line with Federal Grid Code.

Related to the Balancing Rules and relevant for the implementation of the new design for aFRR & FCR, Elia also organized two other public consultations. The non-confidential consultation feedback and reports are published on the concerned Elia website consultation pages.

- Public consultation on Terms and Conditions for balancing service providers for automatic Frequency Restoration Reserve (T&C BSP aFRR)<sup>4</sup>.
- Public consultation on Terms and Conditions for balancing service providers for Frequency Containment Reserve (FCR) (T&C BSP FCR)<sup>5</sup>.

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<sup>4</sup> [https://www.elia.be/en/public-consultation/20200303\\_public-consultation-on-terms-and-conditions-for-balancing-service-providers](https://www.elia.be/en/public-consultation/20200303_public-consultation-on-terms-and-conditions-for-balancing-service-providers)

<sup>5</sup> [https://www.elia.be/en/public-consultation/20200317\\_public-consultation-on-terms-and-conditions-for-balancing-service-providers](https://www.elia.be/en/public-consultation/20200317_public-consultation-on-terms-and-conditions-for-balancing-service-providers)

## 2. Feedback regarding “The balancing resources”

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Art 6(8) (FCR) **Febeg feedback**

Art 6(3) (FCR & aFRR) Imbalance Netting: the progressive removal of the limit on the pooling of imbalance power is described in the current balancing rules, but not anymore in the consulted document. Is this not applicable anymore, or is it described in another document.

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**Response Elia**

In the current document, it is indeed explained that this limit will be progressively removed by steps of 100MW, and that it should be fully removed by July 2020 if the intermediate analysis show satisfying results. Elia is still on track with the removal of the limit. Therefore, as the consulted version of the balancing rules will enter into force after the removal of the limit, it is not necessary anymore to keep this description.

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Art 8 (FCR) **Febeliec Feedback**

Art 8 (FCR & aFRR) With respect to article 8, Febeliec regrets that Elia has not included other units with technical limitations other than CIPU-units. Febeliec reiterates its comment that it considers it unwise to not include the slow-start non-CIPU product that had been developed for winter 2018-2019, as it removes an additional source of flexibility from the Elia arsenal while at the same time, and even maybe more impactful, reduces the believe from owners of other sources of flexibility to be treated equally. Indeed, by limiting this product to only generation units with a CIPU contract, the level playing field between technologies is not respected, to the potential detriment of the cost for consumers.

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**Response Elia**

Elia reminds that the introduction of the product for Slow non-CIPU Incremental bids was announced as a temporary measure that was applicable until 31 March 2019. The product for Slow non-CIPU Incremental bids was introduced as an exceptional measure under exceptional circumstances happening in the Winter 2018-2019.

Elia has maintained the use of slow incremental bids on CIPU units after this period given the obligation in article 226 of the Federal Grid Code for production units and asynchronous storage facilities of types C or D and with a nominal capacity of 25MW or more (as specified in article 35 § 2 and 4 of the Federal Grid Code) to put flexibility at the disposal of Elia regardless of ramping rates.

Nevertheless, Elia intends to investigate in 2021 the opportunity to create a technology-neutral framework to also allow the use of non-CIPU resources with technical limitation to support the balance of the system in specific circumstances.

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### 3. Feedback regarding “The use of the balancing resources to maintain the balance of the Elia LFC block”

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Art 13 (FCR) **Febeg feedback**

Art 12 (FCR & aFRR) Under the current balancing rules, Elia activates mFRR when it identifies a risk of saturating aFRR bids. Identification of this risk is done on the basis of a set of various information.

In the proposal for new balancing rules Elia refers to two new criteria, i.e. (1) to keep the System Imbalance within an acceptable range and/or (2) to relieve aFRR in case of long-lasting System Imbalances. So, the definition of the ‘trigger’ for Elia to start activating mFRR has changed.

Does FEBEG understand correctly that there is a change in the way mFRR activations are being handled? Will mFRR be activated more often? Or, does FEBEG have to expect more frequent aFRR saturation? FEBEG would welcome additional clarification on the impact of this modification.

As Elia is aware, FEBEG is concerned that the activation of aFRR could lead to price spikes in the imbalance prices although still cheaper mFRR bids are available. The occurrence of imbalance price spikes in such situations is dependent of the actual decision of Elia to start activating mFRR. Aside the concern on price, FEBEG wonders if the change in criteria, where prevention of aFRR saturation is not any longer a criteria as such, does not have an impact on system security. Therefore, FEBEG calls upon Elia to further and fully investigate more clear and transparent rules and/or indicators that could lead to the activation of mFRR, and that prevent frequent saturation of aFRR and possible related price spikes.

Elia has not demonstrated by means of an analysis that has been shared with market participants that transparent rules with regards to the activation of mFRR would be detrimental to the balancing cost.

As an alternative to a fixed set of rules, Elia could also consider a clear and numerative set of key indicators that could potentially lead to the activation of mFRR: this could give more transparency on the warning lights used by Elia dispatching to make this decision.

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#### **Response Elia**

Elia will continue to apply the rules applicable today for the activation of mFRR. The section in the Balancing Rules has only been rewritten to better reflect the ongoing practices.

Elia clarified article 13(1) of the “Balancing Rules FCR” (article 12(1) of the “Balancing Rules FCR & aFRR”) and corrected this article to refer to the ACE instead of the System Imbalance.

Finally, Elia added in article in 13(2) of the “Balancing Rules FCR” (article 12(2) of the “Balancing Rules FCR & aFRR”) the information that it would also consider the expected reaction of the BRP in the context of reactive balancing when identifying the need for a possible activation of mFRR. As its name indicates, the activation of aFRR is automatic and an activation of bids at the end of the merit order list cannot be avoided in a situation with quickly changing power deviations. Activating

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mFRR preventively to avoid the activation of the most expensive aFRR bids would require a forecast of the system imbalances and arbitrage rules for Elia. Considering the increased electricity production from intermittent renewable energy sources, the system imbalance is more and more complex to forecast.

However, Elia acknowledges the risk of having high imbalance tariffs, due to the activation of expensive aFRR energy bids. This risk is the main driver for maintaining a price limitation in the T&C BSP aFRR and the application of the volume weighted average pricing for aFRR in the imbalance tariffs. This price limitation has been set at 1000€/MWh after consultation of market participants and will have to be reviewed in 2021 in accordance with CREG's decision 2061. Elia will monitor the contribution of the aFRR component to the imbalance tariffs and may consider mitigation measures in case a saturation of aFRR frequently leads to high imbalance tariffs.

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## 4. Feedback regarding “The impact of the use of the balancing resources on the imbalance tariffs”

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### Art 19 (FCR) **Febeliec feedback**

Art 18 (FCR & aFRR) With respect to article 18, Febeliec does not understand following sentence: “whenever the price of an energy bid for activation in the upward (respectively downward) direction reaches or exceeds 100% of the maximum price (respectively, reaches or is inferior to 100% of the minimum price), Elia sends ...”, as it seems impossible that the price of an energy bid could exceed (be inferior) a predefined imposed maximum (minimum) price. Febeliec wonders whether this should not be X% (with X< 100, e.g. 60 as for the market price cap in the day-ahead market), after which a report is send to the regulator in order to evaluate whether the price cap should not be adjusted in order to avoid interfering with correct market behaviour (e.g. high prices when markets are tight as compared to undue high prices through market power abuse).

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### Art 19 (FCR) **CBS Feedback**

Art 18 (FCR & aFRR) Since the consultation of September 2018, several discussions around the implementation of an activation price cap in aFRR took place within the Working Group Balancing, as well as via formal and informal consultation:

- In the minutes of the aFRR workshop from 15th May 2019, Elia explains that “a price cap is not in line with the Guideline on Electricity Balancing”, but nevertheless “understands the question and the need for clarification and will come back later on this topic with a more detailed explanation”;
  - In the aFRR workshop from 23rd September 2019, Elia presents a new proposal regarding a ‘moving’ price cap of 1.000 EUR/MWh;
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- Annex 9.A of the recently consulted aFRR T&Cs 2020 introduces a price limit for aFRR Up and Down of respectively 1.000 EUR/MWh and -1.000 EUR/MWh;
  - Article 18 of the presently consulted Balancing Rules explains that this initial value can be adapted whenever the price cap is reached or exceeded, after submission of a report to the CREG and provision by Elia of a new proposal of the T&C BSP aFRR.

CBS understands the principle of a moving aFRR activation price cap as a means to limit the potential impact on BRPs, in combination with the application of weighted average pricing of activated aFRR for the imbalance prices. While Elia suggests to re-evaluate the moving price cap once it is reached or exceeded, the procedure laid down in the Balancing Rules remains vague. CBS suggests to clarify the procedure, and refers to the guideline on Capacity Allocation and Congestion Management (CACM), which foresees that in the event that the clearing price exceeds 60 percent of the harmonised maximum clearing price for single day-ahead coupling (currently set at 3.000 EUR/MWh), the latter shall be increased by 1.000 EUR/MWh the next day.

In addition, and in line with its previous consultation responses from September 2018, December 2018 and July 2019 as well as informal exchanges, CBS maintains that an initial aFRR energy price cap at 1.000 EUR/MWh is not acceptable, since:

- It is not in line with European regulation, amongst others with article 10 of the Electricity Regulation (EU) 2019/943, as well as EBGL;
- It is below the current harmonized clearing prices of the single day-ahead and intraday coupling, respectively set at 3.000 and 9.999 EUR/MWh;
- It excludes specific assets with opportunity costs above 1.000 EUR/MWh from the aFRR market.

To better reflect applicable regulation and remove identified barriers for free price formation and market access, CBS therefore urges Elia to increase the starting value of 1.000 EUR/MWh, and to improve the procedure which increments the moving aFRR activation price cap once it is reached or exceeded.

These measures will attract additional liquidity to aFRR, reducing the risk of high imbalance prices. This risk could be mitigated even further by reviewing the weighted average pricing of activated aFRR, i.e. assigning a lower weight to activated volumes with prices beyond the current proposed cap of 1,000 €/MWh.

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### **Response Elia**

The Balancing Rules foresee a mechanism to review the maximum prices set in the respective terms and conditions for BSPs, but do not include provisions on the level of the maximum price itself. This last aspect has been dealt with in the context of the public consultations on the T&C BSP for aFRR

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and on the T&C BSP for mFRR. The level of the maximum price for aFRR falls therefore out of the scope of the present public consultation.

The following procedure is foreseen in the Balancing Rules. Elia will send a report to the CREG within 3 weeks after the maximum or minimum price is reached<sup>6</sup>. Elia will coordinate with CREG on the need to increase the maximum price for aFRR and/or mFRR. In a next step, if deemed necessary, Elia will propose an amendment to the T&C BSP aFRR or T&C BSP mFRR, including an adjustment of the maximum or minimum price for the Energy Bids. After the public consultation, Elia will submit the amended T&C BSP aFRR or T&C BSP mFRR to the CREG for decision. The automatic increase (decrease) of the maximum (minimum) prices as described in the CACM cannot be applied as such since an update of the T&C BSP is required and the process of an update of the T&C BSP is clearly described in article 18 of EBGL.

Irrespective of the triggering of the review mechanism described in the Balancing Rules (see above), as requested by the CREG in its decision 2061, Elia will re-assess the price cap and investigate whether it can be increased to a value between 1,000€/MWh and 99,999€/MWh by one year after the entry into force to the T&C BSP aFRR. The evolution of the price limitation of the aFRR energy bids will be conditioned by the aFRR market conditions at the moment of the analysis, both in terms of liquidity and in terms of behaviour of the market parties. Elia considers therefore that lowering the trigger for a revision of the price cap is not necessary. Once joining the European platform for the exchange of aFRR energy, there will no longer be a moving price cap and technical limits will be harmonized for all concerned TSOs.

Finally, Elia notes CBS's proposal to assigning a lower weight to activated volumes with prices beyond a certain level. Elia doubts however that such proposal will be compatible with the future imbalance settlement harmonization methodology, and that it would not be considered as a mere manipulation of the imbalance tariff.

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Title 4 (FCR) **Rent-a-port Feedback**

Title 4 (FCR & aFRR) We understand that a cap on the prices of the aFRR energy bids may be seen temporarily necessary, as well as a pay-as-bid settlement, in the expectation of sufficient evidence that there is enough liquidity in the aFRR market.

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<sup>6</sup> Elia notes the question of Febeliec and confirms that the price of energy bids will not exceed (or be inferior than) the price limit, as this will not be allowed on the bidding platform. Elia adapts the Balancing Rules to clarify this point.

But we believe that the proposed methodology to calculate the imbalance tariff as the weighted average of activated aFRR bids does not provide the correct price signals to the market. Our opinion is that the principles of price cap and of pay-as-bid already sufficiently address risks related to illiquidity of the aFRR market. The calculation method for imbalance prices proposed in the balancing rules submitted to consultation may even have the adverse effect in our opinion to prevent the occurrence of enough liquidity in the aFRR market, as it makes it clearly more interesting for BRPs to rely on collective aFRR means instead of own balancing means in periods where mFRR is not activated.

We refer to Elia’s exemplary table on slide 11 of the presentation of last Balancing WG (ref screenshot below).

Price of bid 1 [€/MWh]	activation time of bid 1 [sec]	activated volume of bid 1 [MW]	Price of bid 2 [€/MWh]	activation time of bid 2 [sec]	activated volume of bid 2 [MW]
1000	60	5	60	840	145
1000	60	20	60	840	130
1000	300	5	60	600	145
1000	600	10	60	300	140

We have questions on the resulting imbalance price in the last column of this table first. We obtain the “Min imbalance price” given in the last column only if we divide the total cost paid by Elia for bid 1 and 2 by 150 MW x 15 min, assuming full activation on the considered 15 minute block, while sum of the energy in bid 1 and 2 is not 150 MW x 15 minute.

With our interpretation of the balancing rules submitted to consultation, we believe that the min imbalance price in the table should be between 62.31 EUR/MWh (1st line) and 177.5 EUR/MWh (last line). We assume that our interpretation is correct since balancing rules refer to “weighted average price of activated bids”. Methodology would also otherwise not really make sense if it results in a minimum imbalance price that is lower than the cheapest activated aFRR bid (in that case, imbalance tariff would be higher when imbalance is 0 than when 1st bid is activated).

Secondly, even with those higher imbalance prices that we computed ourselves, we believe that the imbalance price applicable with conditions in the last line of the table perfectly illustrates that the correct incentive is not sent to the market. A comment first is that in the example, bid 2 would probably have been activated for the full 900 seconds of the block, and bid 1 for 600 seconds. The minimum imbalance price using a weighted average activated price would then be 102.7 EUR/MWh. For us a situation where Elia had no other choice than to pay 1000 EUR/MWh marginal price for 10 full minutes to activate aFRR (while not having to activate mFRR) to desaturate the FCR, may, and even should lead to higher imbalance prices than ~100 EUR/MWh in order to attract more balancing means on the aFRR / incentivize BRPs to balance their perimeter instead of causing saturation of the aFRR means with 1000 EUR/MWh activated bid(s).

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If we push the example to assuming a saturated aFRR for the full 15 minute block (id est bid 1 and 2 activated for 900 seconds), the imbalance price would be 122.7 EUR/MWh with a weighted average methodology, and such price could remain valid for multiple hours in a row, while Elia activates a close to 10 times higher marginal price on aFRR over the same period, indicating long lasting saturation / illiquidity of aFRR, a situation that definitely should reflect in sufficient incentives to the market for de-saturating aFRR / provide more liquidity. Think about periods where few spinning reserve will be available due to low expected spot prices (high renewables) and of an unplanned outage on that spinning reserve after aFRR capacity procurement gate closure time, for instance.

As an alternative method, we propose that Elia would use a time-average marginal activated price on the 15-minute block, and to define imbalance tariff based on the activation time, not the activated volume at a certain marginal price. In the example of the table, minimum balancing price would then be respectively 122.7, 122.7, 373.3 and 686.77 EUR/MWh.

We believe that this addresses the concern that very short duration activations at high price would reflect in high imbalance prices that would take place with imbalance price purely based on the marginal activated price over the 15 minute block (activation of 1000 EUR/MWh price even for 4 seconds would give a 1000 EUR/MWh imbalance in that case), while staying as close as possible to the principle whereby imbalance price is set by the marginal activated balancing means and not by their weighted average price (if marginal price was 1000 EUR/MWh for the full 15 minute, then imbalance price deserves to be 1000 EUR/MWh), which is the only way to incentivize market players to not primarily rely on Elia's means (If market participants in the worst case pay the same weighted average price as Elia, what is their incentive otherwise to use own means?)

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**Response Elia**

Elia takes note of the feedback of the BSP regarding the application of the volume weighted average pricing for the imbalance tariffs and the impact on the liquidity of the aFRR market.

The objective of the formula determining the aFRR contribution to the imbalance price for a particular quarter-hour is to weight the prices of the different activations by the activated volumes. The proposed formula has been amended to properly reflect this. Elia has updated section 3.1 of the supporting document accordingly and has published it on its website<sup>8</sup>. Elia confirms that the interpretation of Rent-a-port for the calculation of the imbalance tariff is correct. Elia clarifies the

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<sup>7</sup>  $(1000 \text{ EUR/MWh} \times 600 \text{ seconds} + 60 \text{ EUR/MWh} \times 300 \text{ seconds}) / (600 \text{ seconds} + 300 \text{ seconds})$

<sup>8</sup> [https://www.elia.be/en/public-consultation/20200303\\_public-consultation-on-terms-and-conditions-for-balancing-service-providers](https://www.elia.be/en/public-consultation/20200303_public-consultation-on-terms-and-conditions-for-balancing-service-providers)

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application of the volume weighted average pricing for aFRR for the imbalance tariff by adding the formulas in the Balancing Rules.

Regarding the example where a bid 1 and bid 2 are activated both for 900 seconds, the imbalance tariff would indeed be 122.7€/MWh. Elia does not consider that such level of price would necessarily provide a wrong price signal to BRPs in a situation where the system imbalance would be limited to 150MW.

As mentioned by the CREG in its decision 2061, Elia will investigate the application of an average of the marginal prices of the 4-second intervals of the quarter-hour, weighted by the energy activated in the corresponding 4-second interval. We assume this to be in line with the future imbalance settlement harmonization methodology.

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**CONFIDENTIAL FEEDBACK**

**CONFIDENTIAL FEEDBACK**

## 5. Feedback regarding “Publication of information”

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Art 21(1) (FCR) **Febeg feedback**

Art 20(1) (FCR & aFRR) FEBEG welcomes the update of the chapter on the ‘Publication of information’ which is brought in line with article 12 of EBGL and article 17 of the Transparency Regulation.

FEBEG appreciates the efforts of Elia to regularly improve the balancing publications and considers it important that the publication is compliant with the applicable legislation, but true transparency also requires that the published information is accessible for market parties in an easy and user-friendly way so that the available information can be swiftly integrated in business processes.

In this context, FEBEG would like to point to an unfortunate change in the publication of the ‘Anonymous Capacity Bids’: as the URL linked to ‘Individual bids’ is no longer stable (random code), it becomes impossible to automatically download the information to the business tools. This is an unfortunate step back. Therefore, FEBEG calls upon Elia to make the information available again for an easy download in the systems, e.g. by temporary reinstalling the previous publication.

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### **Response Elia**

Elia takes note of the feedback of Febeg and will investigate whether Elia can further improve the accessibility of the publications.

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Art 21 (FCR)	<b>Febeliec feedback</b>
Art 20(FCR & aFRR)	With respect to article 20, Febeliec has always been in favour of transparency, yet in light of certain recent price evolutions in the mFRR market, wonders whether the currently applied transparency in almost real-time does not lead to adverse effects with actors not bidding in correct price levels but rather applying (undue) opportunity pricing, thus increasing the cost for consumers without reflecting any underlying real market fundamentals. Febeliec strongly believes that transparency is not a goal in itself, but an element toward the goal of better market functioning and while transparency is important for all market parties, it has to be handled in such a way that it does not impede correct bidding behaviour and thus market functioning.

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**Response Elia**

The publication of information on individual mFRR capacity bids is a requirement of EBGL and was launched together with the start of the daily procurement.

As also presented to the WG Balancing on 20 March 2020, Elia confirms that indeed immediately after the first publication of the individual mFRR capacity bids there was a strong increase of prices. However, after one month with high fluctuations where prices were doubled, the prices are back to the prior level (i.e. around 4€/MW/h). Elia concludes that although there was a change in the bidding behaviour of the BSPs shortly after the implementation of the new mFRR design and the publication of individual bids, the causes for this change are difficult to identify with certainty and such behavior may not be observed in the longer term.

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**5.1.1. Article 12 of EBGL**

Article 19(2) of the “Balancing Rules FCR” and article 20(2) of the “Balancing Rules FCR & aFRR” have no added value compared to Article 19(1) of the “Balancing Rules FCR” and article 20(1) of the of the “Balancing Rules FCR & aFRR” in which the reference to EBGL Article 12 on publications is already included. Therefore, Elia deleted article 19(2) of the “Balancing Rules FCR” and article 20 (2) of the “Balancing Rules FCR & aFRR”.

**5.1.2. Validation of the 15 min data**

Due the restructuring of the Balancing rules the validation of the 15 minute data for the imbalance tariffs and its components was no longer described in the versions of the Balancing Rules submitted for public consultation. The intention had never been however to remove this information from the document. Elia re-introduced therefore this procedure in the Balancing Rules, in line with the procedure described in the current version of the Balancing Rules.

**6. Feedback regarding “Reporting & Monitoring”**

After coordination with CREG, Elia has updated the section on monitoring and reporting towards CREG in the scope of the T&C BSP FCR & T&C BSP aFRR.

## 7. Feedback regarding “Final provision”

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Art 29

### **Febeg feedback**

The reference language will be Dutch, and there will be a publication in English for information. Is there no version in French foreseen?

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### **Response Elia**

Elia will publish a French translation of the balancing rules on its website for information purposes. However, this is without prejudice to the fact that – according to the Belgian language legislation (law of 18 July 1996) – Elia is not required to submit documents in both official languages (Dutch and French) when those documents have a direct impact only on Elia. Elia adapts the Balancing Rules accordingly.

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