

Subject: FEBEG comments on the market functioning rules for the compensation of quarter-hour imbalances (“Balancing Rules”)  
 Date: 24 April 2020  
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Please find hereafter the comments of FEBEG on ELIA’s public consultation on the market functioning rules for the compensation of quarter-hour imbalances (“Balancing Rules”)<sup>1</sup>

### Art. 12 – order of activation aFRR/mFRR energy bids

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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<sup>1</sup> [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)

## Art. 20 –Publication on the Elia website

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.

## Other comments

- Art. 6. aFRR and 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 ?
- Art. 29. The reference language will be Dutch, and there will be a publication in English for information. Is there no version in French foreseen ?