



FLEXCITY

by  VEOLIA

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Elia System Operator
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Brussels, 15nd October 2020

Subject: Flexcity's view on the study on the Smart Testing Logic

Dear Sir or Madam

Flexcity would like to thank Elia for giving the opportunity to participate in the consultation.

We also greatly appreciate that ELIA did, as promised, follow the feedback on the mFRR consultation by keeping the number of activation tests reasonable and by proposing a testing logic which does take into account successful activations.

Following a review of the available materials on the subject Flexcity would like to give following remarks or suggestions:

1) The proposed solution is very complex

Flexcity understands the relevance of the different scores (Activation Control, Availability Test & Margin Analyses). However, due to the complexity of the formulas, the absence of the weights and the unclarity on the relationship between low scores and the triggering of a test it is very difficult for Flexcity to assess what would be the consequences of this smart testing logic and whether the derived scores would be a good representation of the reliability of the service and/or a good indication of the need to test a CCTU or bid.

Therefore we would like to request ELIA to:

- Remain transparent throughout the further process meaning, amongst other things, to give insight in the determination of the weights.
- Foresee a parallel run period with the opportunity for the marketplayers to formulate feedback after this but before formal go-live.
This parallel run would entail that the scores are already calculated and shared with the BSP's but not yet acted upon by ELIA. This could give Flexcity more relevant insights on whether the score is really an accurate representation of the need to test a CCTU or bid. Seen the complexity of the formulas, this is something that is today difficult to assess.

2) Margin Analysis accuracy and technological neutrality

We appreciate the guiding principle of technology neutrality as this is an important principle for both Flexcity as for efficient and well functioning markets.

On the subject of the Margin Analysis we see the following elements:

- From the supplied materials it does not seem clear how ELIA is planning to identify the Unsheddable Margin (UM). Which period of time will be used to determine UM? Will it be based on the lowest quarter hour consumption or lowest average consumption over a certain time?

- With Margin Analysis it is very difficult to be technology neutral between Demand Side Management technology and ‘traditional’ suppliers of flexibility. There will never be a Negative Margin for the mFRR flexibility delivered by stand-by thermal plants (OCGT operated gas fired power plants, Turbojets, large diesel generators). However it is well known that these plants do have an important ‘Forced Outage Rate’ and corresponding statistical failure risk at start-up. In this set-up a 95% reliable standby plant will have better scores than a 95% reliable DSM profile.
- From the supplied materials it is not clear to Flexcity how the margin score for a CCTU would be determined based on the Margin QH’s of Annex 2. Is one quarter hour with a negative margin in a bid enough to consider the CCTU has a negative margin?

$$Score_{refMargin}(CCTU, D) = \begin{cases} 100, & \text{if } margin(bid) \geq 0 \\ 100 - \frac{Offered Volume (bid)}{Obligation (CCTU, D)}, & \text{else} \end{cases}$$

- For sites which use ‘high X of Y’ baselining the margin score might not be very suitable. A negative margin in one QH for a site does not mean that, if the site would have been activated in that quarter hour, the site would not have been able to meet the requirements as put forth in the terms and conditions for mFRR.

3) Prioritization of projects

As indicated earlier in this document, a methodology to verify the quality of the service provided is welcomed, but the proposed Smart Testing Logic project is very complex. It might require a considerable investment of ELIA’s and market players’ resources to put into production. Seen the many open and to-be launched ELIA projects Flexcity suggest to well align the prioritization of the different projects with the market players. This especially if the implementation of the Smart Testing logic will have its repercussions on the timeline of other projects due to shared ELIA implementation staff.

Kind regards,

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