

Subject: FEBEG comments on ELIA's public consultation of the study on a technology-neutral framework for the use of Units that cannot be activated following the FRR processes

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FEBEG thanks ELIA for having the opportunity to react ELIA's public consultation of the study on a technology-neutral framework for the use of Units that cannot be activated following the FRR processes¹.

The inputs and suggestions of FEBEG are not confidential.

General Feedback

FEBEG is mostly aligned with the content of the executive summary and fully supports the conclusions Elia puts forward in the document.

Elia has made a lot of developments with the objective to give any available flexibility the opportunity to find its way on the market. FEBEG believes that some of those developments were necessary while others (such as TOE DA/ ID, mFRR non-contracted DPpg) remain, today, very theoretical and only the future – with facts and figures (activated MWh) – will tell us whether it was necessary.

FEBEG believes that there are very few blind spots left in the market design when it comes to facilitating access to the market for an existing flexibility such as large DPpg. Therefore, any new developments are likely to have a low added value, while the overall efforts to implement these are significant, and therefore likely to be not very cost-effective.

Specific Remarks

FEBEG would like to react to some specific elements put forward in the note.

Several new schemes have been designed and implemented such as TOE DA/ID and mFRR non-contracted bids for DPpg. FEBEG would like to have a clear reporting and more insights regarding this market (frequency and impact of the related transactions). Those new schemes require dedicated implementation and resources that are sometimes imposed to market parties. Hence, it should not be seen as a free option because the costs

¹ <https://www.elia.be/en/public-consultation/20210820-public-consultation-of-the-study-on-a-technology-neutral-framework>

should be compared to the gains. FEBEG also reminds that the roadmap of coming months and years is extremely challenging.

A reference to the Winter product created at the time is made in the note. FEBEG would appreciate to have a view on the amount of transactions done. While Elia managed to put the Winter product live, BRPs managed at the same time to offer extra flexibility via DA and ID market (hundreds of MW). It is therefore unclear whether this new product contributed to the total welfare.

FEBEG is fully aligned with Elia when assessing that the probability that such slow-starting units DPpg would be activated is very low. Several circumstances would need to occur at the same time i.e. need of exceptional measures (exhausted, escalation measures or reduce FRCE), DPpg not offered on DA or ID (why wouldn't it be offered if there is flex?), having DPpg cheaper than DPSu (experience of mFRR energy MOL does not support this), etc.

Concerning the contractual framework, if Elia would develop this, FEBEG calls of course for a level-playing field between technologies. For instance, if a DPSu does not get a reservation/ preparation fee via the T&C Scheduling Agent, there is no reason to pay it to DPpg via a new specific contract for slow starting units. In the same spirit, current proposed rules to remunerate the re-dispatching bids of DPSu is cost-based; the same logic should apply to DPpg.

Also, from an operational point of view, OPA & SA will need to spend a lot of resources and efforts in the portfolio representation with the new ICAROS design. FEBEG asks Elia to maximize the alignment of the bid properties with those proposed in the ICAROS design. FEBEG would like to remind that its members are also active with DPpg and that it would not make sense to have two different ways to represent its portfolio (read different bid properties) i.e. one for DPSu and one for DPpg.

Finally we wish to underline that ICAROS phase 2 will include demand units. Wouldn't it be more pragmatic to wait for this phase 2 to go-live and assess in the meanwhile whether there is a market potential from DPpg?