

Subject: FEBEG comments on ELIA's public consultation of the study on the evolution of the BRP nominations

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FEBEG thanks ELIA for having the opportunity to react ELIA's Public consultation of the study on the evolution of the BRP nominations¹. The inputs and suggestions of FEBEG are not confidential.

General comments

FEBEG welcomes simplification and improvements

First of all, FEBEG welcomes and wishes to thank ELIA for its efforts to simplify the current operational processes. This is clearly an objective that is fully supported by the market, but – off course – one should keep in mind that the simplification process as such doesn't create too much burden, e.g. we recommend to go directly to the target and avoid transitory phases requiring each time operational adjustments.

As an efficient congestion management is important for the market, FEBEG supports the proposed improvements to the congestion forecasts, i.e. shift from the top-down approach to a more accurate bottom-up approach using BRP Offtake Nominations and at some point in time require the MW Schedules for demand facilities (provided by SA).

FEBEG lacks understanding of the drivers for this simplification

Although FEBEG fully supports the objective of simplification, it remains unclear to what extent ELIA still effectively uses (or will use) nominations for internal processes.

- As far as balancing is concerned, the focus is entirely on the shifting of the obligation to be balanced in real-time, as a result of which, we are in an ongoing process to gradually relax the day-ahead balancing obligation. What is then still the function of nominations? Is it to check if the BRP had the 'means' to go back to his position when he helps the system? Is it to identify accountability in case of security of supply issues? Are there any additional motivations we should know about?
- With respect to congestion management, improved forecasting and information obtained from other roles – often closer to real-time –, e.g. OPA, SA, ..., are becoming more important. To what extent do the nominations still have added value? Is it to be able to cross-check the quality of information of other roles? Or are there other reasons?

¹ https://www.elia.be/en/public-consultation/20220915_public-consultation-of-the-study-on-the-evolution-of-the-brp-nominations

In this context, FEBEG would really welcome some additional clarification on the effective use (or utility for ELIA or the market) of the information obtained through the nominations. The importance of this information for ELIA should also be taken into account, for example, if the information is nice-to-have but not essential, this should be reflected in the regulatory framework, for example regarding verification and control by ELIA and potential liabilities and implications. It seems to us, based on the information at hand, that the importance is changing, but the regulatory framework is not adapted accordingly.

FEBEG's recommendations:

BRPs are likely to prefer communicating net offtake/injection

From the considerations in the study, FEBEG understands it is more convenient for ELIA to receive the net offtake/injection. FEBEG acknowledges that it seems safer for a BRP to keep sending its total net BRP position and, hence, not to lose track on the positions of the Grid Users.

However, to be able to define a final opinion on the move towards the nomination of the net total off-take/injection nomination and the impact on the BRP nominations of no longer sending the MW schedules, more clarity on the roles, processes and liabilities between SA and BRP is needed.

FEBEG would welcome a roll-back option as a safety measure "if needed"

As stated before, the process towards simplification is highly appreciated. Nevertheless, FEBEG is wondering (especially as some understanding for the drivers of the simplification is lacking) if ELIA should not foresee – as for the relaxation of the day-ahead balancing obligation – a roll-back option as a safety measure. At this moment, for example, it is not clear if ELIA will be able to make accurate congestion forecasts without the spatial granularity on access points in the current calculations. If the quality of the congestion forecasts would deteriorate, ELIA should be able to revert to the current approach if necessary. Indeed, for FEBEG the quality of the congestion forecasts is extremely important and should not be at risk.

FEBEG urges Elia to further clarify roles, responsibilities and liabilities

First of all, roles and responsibilities need to be clearly distinguished. FEBEG wants to underline that in no way an inaccuracy of a SA (resp. BRP) can have an impact on a BRP (resp. SA), more particularly:

- A BRP cannot be liable of what SA does and vice-versa. E.g. Liabilities if DA imbalance of a BRP is computed based on injection/offtake nomination while MW schedules sent by another party. What is the impact of being unbalanced? While we acknowledge it might be a requirement from SOGL, do we have enough confidence

in the legal background of such a scheme? Are we certain there is no impact on the BRP regardless of how good the SA performs?

- A BRP/SA cannot be cornered and be obliged to accept – and take responsibility – for a very complex scheme that would be hard to implement or where risk would not be acceptable (e.g. far-fetched multiple BRPs on very complex industrial sites).
- Which role will ELIA play between SA, BRP and GU? Will there be coordination, cross-checks, etc. Will there be a tolerance margin when discrepancies would be detected?

Secondly, the contractual responsibilities and liabilities should evolve and be adapted to the new situation:

- The liabilities should be proportionate to the importance of the data for the operation of the grid. If the BRP nominations become less important, the related liabilities should decrease as well.
- On top of that, the liability rules should be harmonized between the different roles, to the extent they provide information with the same importance for the management of the grid.

Thirdly, article 3ter of the current BRP contract should anyhow be amended to clarify that only net off-take and net injection should be nominated.

FEBEG also wants to express some concerns regarding the implementation

As FEBEG, we would first like to have sufficient clarity on the roles, liabilities and responsibilities (cf above). If the clarifications and proposals of ELIA are reassuring and acceptable, we would ask ELIA to go directly to the target (final) solution, as we cannot afford to have multiple implementations with transitory solutions to reach the same target.

Indeed, it is for FEBEG still not clear – see also the first comment – why the final solution cannot be directly implemented without going through the intermediate step. Actually, the game changer seems to be the shift from gross injection/offtake to net injection/offtake as proposed in the second step. Step 1 seems to only tackle the legal obligation to split SA & BRP while it is really unsure whether or not there are parties which will make use of this split in reality (as there are still hurdles such as agreement between SA & BRP needed, RD activations,...).

ELIA should make sure that the developments are synchronized with iCAROS phase 2 (or next phase) and we ask ELIA not to impose extra implementations between the phases.