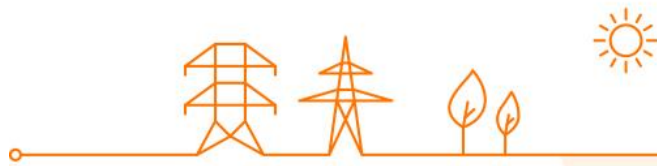


DESIGN NOTE OCTOBER 2023

Direct Market Access (DiMaX)

Letting you handle any power transaction by facilitating BRP and trading services



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1. Introduction

Electrification is spreading across society both earlier and at a faster speed than predicted. Next to that, society must quickly reduce the consumption of fossil fuels, among other things, by switching to forms of energy that emit less or no CO₂. For the power sector, this means producing energy from low-carbon sources such as solar and wind energy. This means that significant amounts of additional and mainly decentralized generation and consumption will be added to our electricity system in the coming decades. Without action, growing demand will increasingly become "peak demand".

Hence, in the coming years, there will be a greater need for flexibility to accommodate the strong growth in renewable energy sources (RES) and to meet the electrification of transport, heat and industry.... Until now, flexibility has often been offered in an implicit way (e.g. reactive balancing through adaptation of behavior based on (market) price signals), or served as a balancing service, helping grid operators to solve in real-time residual imbalances between supply and demand, addressing the variability of RES and disruptions to the operation of large-scale generation units. In the future, the flexible use of new electrical appliances will play a pivotal role in flattening consumption peaks and in adapting to moments when we have renewable energy in the system. **Harnessing end user flexibility is therefore a critical lever for mitigating the growing electricity demand, and the inherent variability of renewable energy sources, thus enhancing the efficiency and affordability of the energy transition.**

ELIA's adequacy & flexibility study for Belgium for the period 2024-2034 assumes that by 2030, 70% of the newly electrified industrial demand can be operated in a flexible manner, particularly during moments of scarcity. Newly electrified industrial processes could therefore deliver important benefits to the system. Similar to industrial flexibility, at the residential level, it is anticipated that two-thirds of EVs will hold intelligent charging capabilities, one-third of heat pumps will respond to local or market signals, and over half of home batteries will actively participate in the energy market.

As a System Operator and a Market Facilitator, ELIA is making best efforts to enable new products, and price mechanisms that could meet the objectives of all market participants and that can unlock flexibility. Building on the 'multiple BRP'-service and the 'Real-Time Price'-service of ELIA's Consumer-Centric Market Design¹, **ELIA is proposing a service to facilitate access to the DA and ID power exchanges, to propagate the real-time price for a full economical optimization of a flexible asset, and finally to decrease barriers to become a BRP leading to more competition in the creation of energy services.**

Currently, there are certain hurdles for becoming active on the wholesale markets, in particular for smaller and or new market parties. They struggle at accessing the wholesale market directly due to high costs stemming from financial entry barriers (e.g. power exchange onboarding costs, clearing conditions and collaterals) and operational entry barriers (e.g. IT operational set-up, operational obligations and energy system knowledge). To access the power exchanges

¹ <https://www.elia.be/en/public-consultation/20221219-public-consultation-on-the-design-note-consumer-centric-market-design>

and to be directly exposed to the imbalance price², it is a prerequisite to be a BRP. Also becoming a BRP entails certain barriers today.

The service as subject of this design note, called **DiMaX**, aims at **reducing the complexity to access the DA and ID markets and to become a BRP, as well as propagating the real-time price for a full economical optimization of a flexible asset over all time horizons, and lowering financial and IT infrastructure requirement to accommodate smaller portfolios or even individual assets.**

This design note aims to explain DiMaX and to facilitate discussions with market parties on the role DiMaX can play in their activities. Market parties are invited to share their preferences and own needs regarding DiMaX as feedback to the consultation of this design note.

² The imbalance price is currently under investigation to evolve to a real-time price. These evolutions are thoroughly discussed with market parties in the CCMD working groups.

2. Building upon ELIA’s Consumer Centric Market Design

DiMaX is building on the possibilities enabled by the Consumer Centric Market Design. Since 2020, ELIA is calling for an upgraded market design, the Consumer Centric Market Design, which addresses the challenges related to fast increasing share of renewables and the massive electrification of industrial and residential appliances, in terms of integration into the system.

The Consumer Centric Market Design combines two main features:

- The first pillar is to allow a decentralized exchange of energy, on and behind the head-meter, between the consumer and any other market party, allowing him to benefit from dedicated energy as a service per appliance.
- The second pillar is the evolution to a “Real-Time Price”. ELIA is engaged in a major reflection on the evolution of the imbalance price, that makes it easily interpretable by the consumer and/or its Energy Service Provider and that facilitates the valorization of flexible assets in accordance with the real-time system needs. The real-time price should decrease high volatility of the imbalance price, trigger right reaction in accordance with the system needs and become a single ex-ante indicator for the market.

The Consumer Centric Market Design consists of evolutions related to an individual correction of the measurements based on energy transactions. The concrete application of individual correction principle has been shown in three different services, among which “multiple BRP”. The service “multiple BRP” offers the possibility for a consumer to appoint a separate BRP for a specific asset (or series of assets) behind the same Access Point (i.e. main meter). It gives the possibility to split for instance flexible and non-flexible load, and to increase competition for energy services behind the meter. An example of how the “multiple BRP” service could be applied for one company is shown in Figure 1.

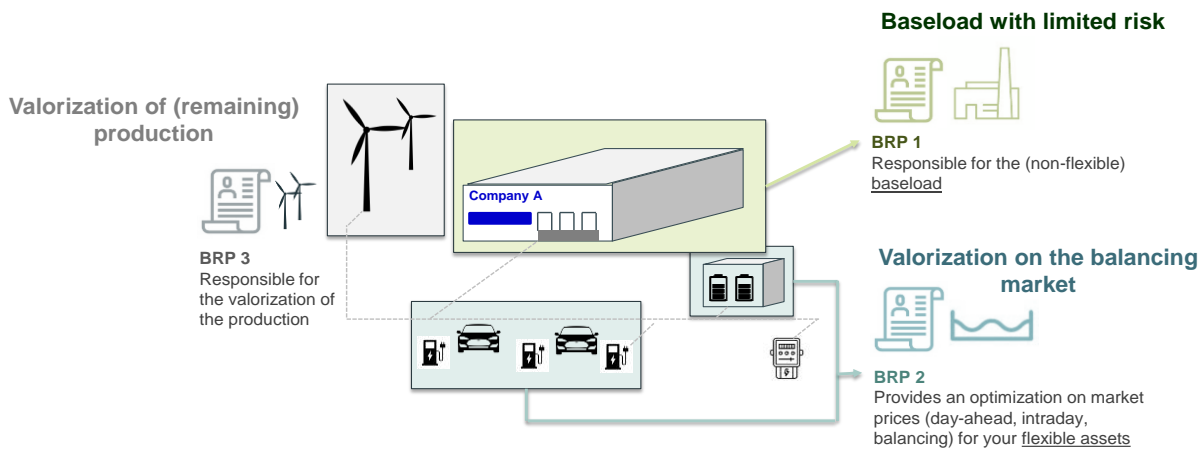


Figure 1. Example of "multiple BRP" service applied at company A.

Via the “multiple BRP” service, ELIA will among others enable the separation of the balance responsibility of flexible assets from other loads. This will give the opportunity to valorize flexibility in all market segments (day-ahead, intra-day, real-time and/or via balancing services). Via the real-time price evolutions, ELIA aims to give accurate price incentives to optimize these assets in real-time through reactive balancing³.

Building on both services, DiMaX will break down barriers and facilitate easier access to wholesale and real-time markets stimulating existing and new parties to fully access and benefit from the Consumer Centric Market Design.

³ Reactive balancing is allowed in the Belgian control area. It means, without prejudice to any BRP’s individual balancing obligation, that a BRP can contribute in real time to the overall objective of maintaining the balance of the Belgian control area by deviating from the balance of its balancing perimeter. If the BRP avails itself of the possibility of deviating from its individual balance, it must at all times retain the resources and ability to restore, in real time and at any time, the balance of its balancing perimeter.

3. Long-term view on Direct Market Access

DiMaX aims in the long-term to facilitate access to the day-ahead & intraday power exchanges and to foster competition in the BRP field, and as such increase exposure to market price signals. To do so, different potential barriers for becoming a BRP and/or accessing the power exchanges have been analyzed and possible solutions to reduce these barriers have been identified. The key characteristics of the final product, DiMaX, are explained in the following paragraphs.

3.1 Review of the financial collaterals

The current minimum financial guarantee required by ELIA for a BRP equals € 93.000⁴. This minimum amount is applied to BRPs for which the maximum daily average electricity consumption or sold volumes is below 50 MW. For smaller players for which the average volumes sold/consumed are well below this level of 50 MW, the minimum financial guarantee currently applied could form an unnecessary barrier.

In addition to the financial collaterals as a BRP, the current collateral and fee structure of power exchanges were historically built to fit bigger portfolios. Within the scope of DiMaX, Elia will investigate, in collaboration with the power exchanges, the possibilities to lower the financial barriers as part of becoming a BRP and an exchange member by reviewing the current calculation methodologies.

3.2 Limit financial exposure and long period of time for BRP settlement

Potential BRPs must provide a financial guarantee to ELIA as per Appendix 1 of the Terms and Conditions for BRPs. The guarantee may take the form of a bank guarantee or of an account deposit. The financial guarantee serves as a first-ranking security or surety for Elia, guaranteeing the fulfilment of all the obligations arising from the Terms and Conditions for BRPs, including the payments of the Tariffs for Imbalance and/or external inconsistency.

To reduce this possible financial barrier for a potential BRP, ELIA investigated ways to decrease the amount of the financial guarantee. Among others, the reduction of the imbalance settlement lead time could be a solution as it directly reduces Elia's exposure to potentially unpaid invoices. By introducing a dynamic e-wallet making use of pre-payments and daily invoicing based on close to real-time data, DiMaX will enable faster imbalance settlement for all BRPs.

3.3 Increase transparency

ELIA aims to increase the user experience of all BRPs choosing for the e-wallet. In the dynamic e-wallet, BRPs will be able to have a clear overview on their financial balance both for BRP services as well as for the trading. In this way, a single interface is created for financial reporting.

Additionally, DiMaX is willing to support parties who are interested in becoming a BRP or who are a BRP today to take up this role. ELIA believes that close to real-time information can be used by the BRP to optimize his actions in the market. Furthermore, new and small players could benefit from additional support. ELIA will therefore strive to

⁴ In case the maximum imbalance invoice of the past 12 months exceeds this minimum value, the maximum imbalance invoice of the past 12 months forms the minimum required bank guarantee.

make specific reporting and standardized analytics on the BRP behavior based on close to real-time data available for the BRPs. On top of that, alerts on extreme events on the grid and imbalance costs will be provided so the BRP can adapt its behavior in the line with the system needs.

Finally, the Terms and Conditions for BRPs describe the requirements and responsibilities for BRPs. However, this document has gradually evolved over time, has become lengthy and not always easy to fully understand. Therefore, a full revision of the structure of the Terms and Conditions for BRPs is foreseen. ELIA intends to combine this revision with the updates in the Terms and Conditions for BRPs required in the scope of DiMaX.

3.4 Provide facilitation tools for operational obligations

ELIA aims at providing more and more a one-stop-shop for all services within its client portal, EPIC. Onboarding of new BRPs, provision of nominations as a BRP, getting information on the power exchange memberships... will all be available in EPIC as part of the DiMaX service.

Today's BRP onboarding process is quite manual with many human interactions. Also, the power exchange onboarding process is quite lengthy. A digitalized and common onboarding process with clear 'how to...' -pages will be foreseen in EPIC to reduce lead time and improve user experience of BRPs.

One of the BRP obligations is to send nominations to ELIA in day-ahead and intraday timeframes. A nomination refers to a formal communication or notification that a BRP sends to ELIA containing critical information about the electricity generation and consumption that the BRP expects to occur within its portfolio of assets and about the trades performed on the electricity market. ELIA uses these nominations to efficiently manage energy flows and grid security. The consolidated data provides a comprehensive view of injection and offtake, allowing ELIA to optimize grid operations and ensure system security. To send these nominations, the BRP requires resources and the setup of daily operational processes. Currently, a tool called E-Nomination is used by BRPs for sending its nominations. A separate login and installation is needed to access the tool. With DiMaX, the BRP will get immediate access to E-Nominations within the EPIC portal (including APIs).

Finally, ELIA is aware that the 24/7 availability for BRPs can be an operational barrier as well, in particular for small BRPs. It is being investigated whether or not this obligation could be facilitated (for certain BRPs).

4. Implementation plan built upon two phases with different speeds

The implementation of DiMaX will take place in two phases (Figure 2):

- BRP-service: this phase will focus on the implementation of all BRP related updates as proposed within DiMaX.
- Access to Market-service: this phase will focus on the creation of a common and improved BRP and trading solution to access the day-ahead & intraday power exchanges with lowered entry barriers.

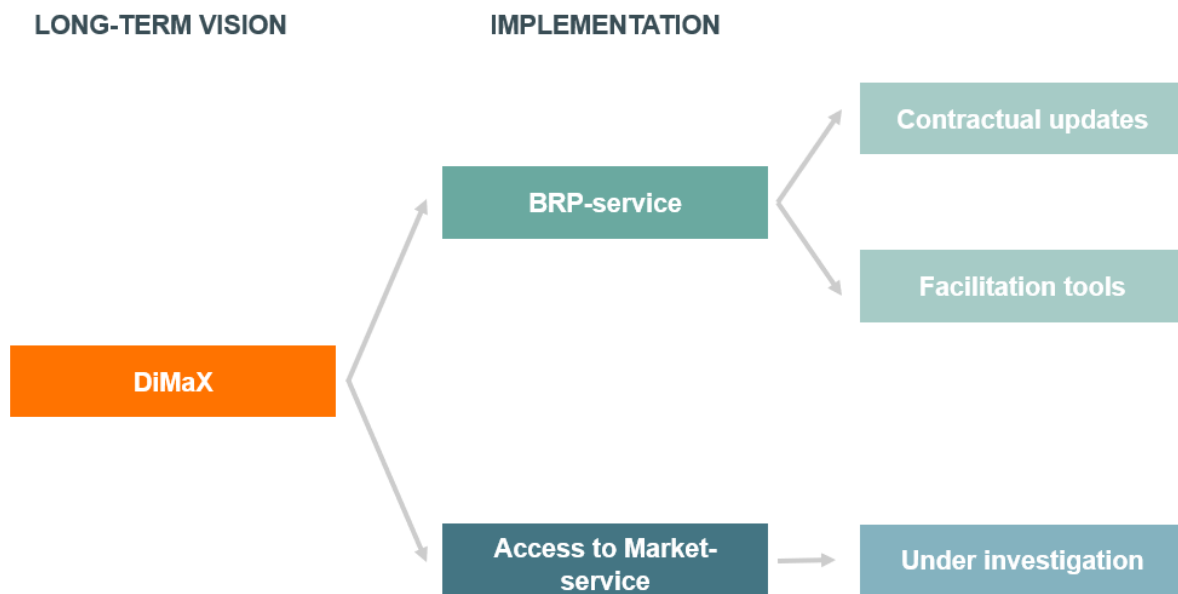


Figure 2. DiMax implementation plan in two phases.

4.1 Design assumptions

In this section you will find all the design assumptions. These assumptions should always be kept in mind when reading this document as it often justifies the design choices.

4.1.1 Voltage neutral design

Considering the massive adoption of electric vehicles, heat pumps and other flexible assets, and the massive electrification of industrial processes, facilitated by an expected evolution towards more digitalization, it becomes clear that consumers at all voltage levels will become active participants in the balancing and electricity markets. Consequently, tomorrow's flexibility sources may be connected to lower voltage levels than today's ones, with an important shift towards decentralized sources at residential level. In addition, the number of individual assets that participate to a service will significantly increase. It is therefore ELIA's ambition to propose a DiMaX design that integrates this evolution and ensures robustness and relevancy of the proposed digital solutions and contractual updates independent of the connection level of the flexible asset. Nevertheless, the first release of the faster settlement of DiMaX will be available for high-voltage connected assets only.

4.1.2 Neutral and future proof design

To avoid complex and contradictory requirements, it is essential to propose generic market design rules whenever possible. This will also make it much easier to implement for both system operators and market parties. When a generic design rule is not possible, it will be highlighted and clearly justified in the document. Finally, when some documentation and market rules already exist, all design rules are not repeated here.

4.1.3 Metering requirements

For the metering requirements of an Access Point, we refer to the rules as defined in ELIA's access contract. For the metering requirements of a TSO connected delivery point, we refer to the rules as specified in the document "General technical requirements of the submetering solutions" published on the Elia website. For a DSO connected delivery point, a smart meter following metering regime 3 will be required.

4.1.4 Implementation plan

In chapter 3 ELIA has explained its long-term vision for DiMaX. The remainder of Chapter 4 will explain the phased approach that will be followed for the implementation. Whenever a release is ready, ELIA will make its best effort to make it available as soon as possible.

4.2 Phase 1 – BRP service

In this part of the design note, the focus will be on the concrete design updates related to the role of a BRP.

4.2.1 Financial

Within this paragraph ELIA describes two design proposals: the adaptation of the minimum financial guarantee and the proposal to have faster invoicing of BRP's imbalances. Both solutions will require amendments in the terms and conditions for BRPs. Therefore, feedback of market parties is requested on the proposal in order to timely integrate it in a proposal for amendment of the Terms and Conditions for BRPs.

Adaptation of the minimum financial guarantee

Today's minimum financial guarantee for a BRP (i.e., 93.000 EUR) is applied to BRPs for which the maximum daily average electricity consumption or sold volumes is below 50 MW. For these players (i.e., portfolio below 50MW) the minimum financial guarantee currently applied could form an unnecessary barrier. This minimum financial guarantee is based on an assumed volume that could be not representative of their actual position and ELIA's corresponding financial exposure. As ELIA wants to foster competition in the BRP-field, enabling in this way more energy services for grid users, ELIA proposes an adaptation of the calculation of the minimum financial guarantee. It goes without saying that this adaptation still covers the payment risk following the settlement rules as defined in the Terms and Conditions for BRPs.

The calculation of today's minimum financial guarantee is based on a formula for which a minimum position of 50 MW is being used. As ELIA expects more parties with portfolio's lower than 50MW will become interested to take up the role of a BRP, ELIA proposes to update the current formula and to **remove the minimum position of 50MW for the calculation of the financial guarantee.**

By removing the minimum position of 50 MW, financial guarantees that are unnecessarily high could be avoided as the assumed position used for the calculation possibly does not reflect the actual position very well.

In addition, ELIA aims to enable faster imbalance settlement (see next paragraph). A faster imbalance settlement would further reduce ELIA's exposure to potentially unpaid invoices and hence could allow a further reduction of the financial guarantee requirements (for all BRPs doing a fast settlement).

Improvement of imbalance settlement process

Today's imbalance settlement process has long lead times (M+2 invoicing, with payment in M+3) and contains financial exposure risks for all parties involved. In addition, and although ELIA provides several data for BRP operational use, the long period of time for the BRP settlement might lead to limited visibility on occurring imbalance costs for BRPs. To reduce payment risk for all parties, ELIA proposes to fasten the current imbalance settlement process.

A prerequisite to enable faster imbalance settlement is the access to quarter-hourly metered data. TSO connected delivery points comply to this and are able to deliver validated metering data, while DSO connected delivery points require a smart meter following metering regime 3. In a first instance ELIA will open the faster imbalance settlement as part of DiMaX to TSO connected delivery points only and will use the quarter-hourly metered data from ELIA's standardized meters. For these points, Elia proposes an evolution towards daily imbalance settlement based on

close to real-time data, combined with a monthly regularization invoice. This evolution entails more automatization and increased efficiency in the settlement process. Therefore, **ELIA introduces the use of a dynamic e-wallet for faster imbalance settlement.**

The core of the dynamic e-wallet is about daily imbalance invoices based on close to real-time data which would be settled via prepayments. For this, ELIA will send a base invoice or credit note in the e-wallet every day. In a first instance, this invoice or credit note is based on D+5 data. Internal analysis has shown better data quality and results in imbalance calculations with D+5 data. **ELIA invites market parties explicitly to share their needs regarding the frequency of the imbalance invoices and the required delay of the data as feedback to this consultation.** In the meantime, ELIA will continue to investigate the possibility to use of D+1 data for the daily imbalance invoices.

To settle the daily invoices, the BRP is responsible to have enough money (prepayment) in the e-wallet available. In case of inadequate prepayment (e.g., prepayment amount insufficient to cover the estimated invoice), the BRP will receive an automatic warning to update the prepayment amount. The BRP is given 5 working days to replenish the e-wallet. If not, ELIA sends a registered letter requesting the BRP to meet its contractual obligations (start of the procedure that could eventually lead to suspension of the BRP, following the current process as described in the Terms & Conditions for BRPs). **ELIA invites market parties explicitly to share their thoughts on the feasibility of a payment term of 5 days to replenish the e-wallet.** In case of a credit note, the amount will be taken into account in the monthly regularization invoice (see below).

As the daily invoices are based on close to real-time data, ELIA aims at sending a regularization invoice for the period M at M+16 calendar days in the e-wallet. All validated TSO data and ancillary services activations are then considered. DSO allocations data are not considered yet, as DiMaX will only be available for high-voltage BRP portfolios in 2024.

Finally, the end of the settlement cycle is the update of the financial guarantee, which remains unchanged. The final total invoiced amount for the month is the basis to check the need to update of the financial guarantee. This update happens according to current rules in the Terms and Conditions for BRPs (based on position or largest validated monthly imbalance invoice over a period of 12 month). It remains the responsibility of the BRP to ensure the update of the financial guarantee in a timely manner. In case the financial guarantee is not updated after the reception of the regularization invoice, existing processes are followed.

Figure 3 shows a schematic visualization of the different financial flows that could be followed up with the dynamic e-wallet for imbalance settlement. All investigations about the e-wallet will be discussed in the following CCMD working group meetings.

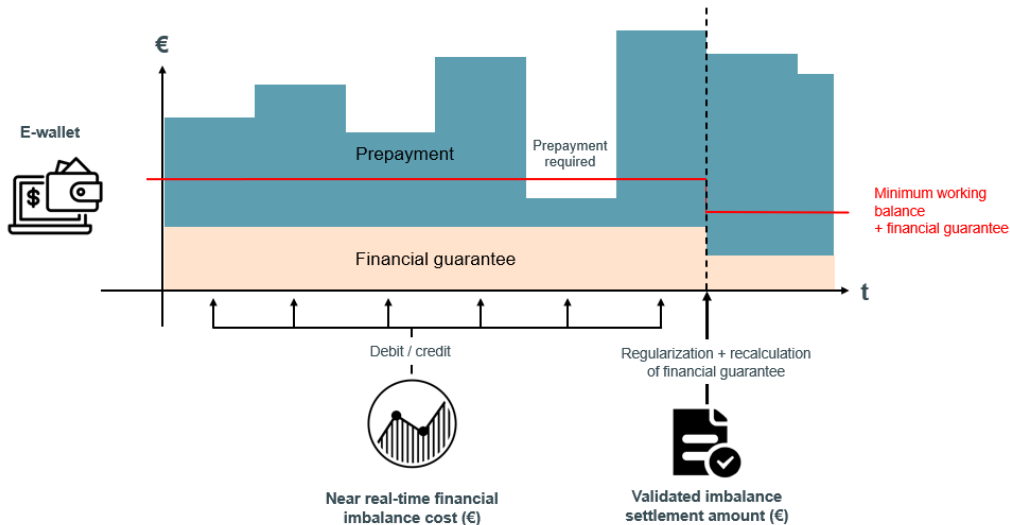


Figure 3. Schematic visualization of the different financial streams in the dynamic e-wallet for imbalance settlement.

Below it is illustrated how the use of the e-wallet could look like for a new BRP and for an existing BRP:

Example 1: new BRP

1. The user registers in EPIC to become a BRP and to make use of the e-wallet.
2. ELIA sets up e-wallet and request payment of financial guarantee through form of cash collateral. If the BRP prefers to have bank guarantee, there will be no request for the payment, but to deliver a proof of the bank guarantee.
3. In case of a cash collateral, the BRP must transfer the financial guarantee to the e-wallet. The money is blocked in the e-wallet and cannot be used as a prepayment for the imbalance invoices.
4. ELIA sends an estimated invoice or credit note in the e-wallet each day.
5. BRP ensures to have enough money (prepayment) in the e-wallet available in order to settle the daily imbalance invoices. It is recommended to have more money in the e-wallet to pay multiple estimated invoices daily in order to not have to update the e-wallet too frequently.
6. ELIA sends a regularization invoice for the period M.
7. ELIA collects the money of the regularization invoice in the e-wallet or transfers the money of the regularization credit note to the e-wallet⁵.
8. If needed, the financial guarantee is updated according to the existing processes.

Example 2: existing BRP that chooses to use the e-wallet

1. To access faster imbalance settlement, any existing BRP can choose to make use of the dynamic e-wallet by making a registration in EPIC. If not, the current settlement process is kept.

⁵ ELIA is currently discussing with different suppliers for the e-wallet in order to better understand the technical set-up of such a solution.

2. ELIA sets up the e-wallet. There will be no request for the payment of a financial guarantee through form of cash collateral as the financial guarantee is already arranged with ELIA. In case of a previous cash deposit, the amount will be visible in the e-wallet but will not be allowed to be used as a prepayment.
3. Everyday an estimated invoice or credit note is available in the e-wallet.
4. BRP ensures to have enough money (prepayment) in the e-wallet available in order to settle the daily imbalance invoices. It is recommended to have more money in the e-wallet to pay multiple estimated invoices daily in order to not have to update the e-wallet too frequently. ELIA transfers money to the e-wallet in case of an imbalance credit note.
5. ELIA sends the regularization invoice for period M.
6. ELIA collects the money of the regularization invoice in the e-wallet or transfers the money of the regularization credit note to the e-wallet.
7. If needed, the financial guarantee is updated according to the existing processes.

Important remarks regarding the implementation:

- The proposed implementation solutions are targeted to be available end of 2024 for TSO connected delivery points.
- Depending on the speed of the implementation and resource availability, it might be that the faster imbalance settlement is earlier available than the e-wallet itself. An intermediate solution will be proposed so BRPs can benefit from the faster imbalance settlement as soon as possible.

4.2.2 Operational facilitation

Within this paragraph ELIA describes some of the facilitation measures that will be implemented to assist the role of a BRP.

Digital onboarding

A digitalized onboarding process will be foreseen to reduce lead time and improve user experience of new BRPs. Via EPIC, ELIA's client portal, users will get the option to subscribe to the BRP Service. As an illustration, we describe the steps that could be followed:

1. User subscribes to the BRP service on EPIC.
2. ELIA verifies subscription.
3. ELIA performs solvency check.
4. ELIA sends BRP contract in EPIC and request for digital signature.
5. User checks contract and digitally signs it.
6. User decides which type of settlement process will be used (traditional vs. e-wallet, taking into account the specific requirements to be able to use the e-wallet).
7. In case of the choice for an e-wallet, ELIA sets up e-wallet and request payment of financial guarantee.
8. Users deposits financial guarantee and prepayment.
9. ELIA verifies deposit.
10. ELIA signs the contract and opens BRP services for user.

Transparency and insights

ELIA proposes to use close to real-time information to provide specific reporting and standardized analytics on the BRP behavior so the BRP can optimize his actions in the market. **ELIA would like to get feedback on the relevance of the following reporting proposal:**

- The imbalance of the BRP in the past days/hours.
- The physical offtakes/injections allocated to the Balancing Perimeter of the BRP in the past days/hours.
- Metrics/graphs describing the evolution of the BRP's average/average absolute/P5/P95 imbalance over the past months (frequency to be defined) and the same for the evolution of its monthly imbalance invoices.

In a first phase, the BRP reporting will be available for TSO connected delivery points only in ELIA's client portal EPIC.

On top of that, alerts on events and imbalance costs will be provided so the BRP can adapt its behavior in the line with the system needs. It is under investigation which type of alerts and in which way these alerts will be shared with the BRP. **ELIA would like to get feedback on the relevance of the following alerts proposal:**

- Notification based on planned and unplanned outages
- Notification about wind-power generation and solar-power generation for a specific region
- Notification for high bidding prices
- Notification on low interconnection import availabilities
- Notification on difference between hourly trades and quarter-hourly evolutions of offtake/generation
- Notification on difference between nominated and allocated volumes

4.3 Phase 2 – Access to market

In the second phase of DiMaX, the BRP will get facilitated access to day-ahead & intraday power exchanges. It is currently under investigation what this common solution could look like. In the meantime, there are different options to get access to the power exchanges already today. Below two primary approaches are described: direct membership with power exchanges and using third-party intermediaries.

4.3.1 Direct Membership with Power Exchanges

One approach to access day-ahead & intraday power exchanges is through direct membership with established power exchanges. Power exchanges act as centralized platforms where energy buyers and sellers come together to trade electricity. By becoming a direct member of a power exchange, market participants gain several benefits:

Advantages:

- Direct market access: Members can trade electricity directly, streamlining the trading process and reducing costs.

Considerations:

- Individual membership costs: Joining a power exchange typically incurs membership fees, which can vary depending on the exchange and membership level.
- Compliance and regulations: Members must adhere to market rules, regulations, and compliance standards, which requires dedicated resources.
- Technological infrastructure: Robust technology and connectivity are essential for efficient trading on the exchange.

4.3.2 Utilizing Third-Party Intermediaries

Another option to access day-ahead & intraday power exchanges is through third-party intermediaries. These entities act as brokers or aggregators, providing access to multiple power exchanges through a single interface.

Advantages:

- Simplified access: Intermediaries offer a user-friendly interface, enabling seamless access to multiple wholesale markets without the need for individual memberships.
- Market expertise: Third-party entities possess market insights and analytics, supporting better decision-making for market participants.
- Cost efficiency: For smaller participants, utilizing a third-party intermediary can be more cost-effective than establishing direct memberships with multiple exchanges.
- Netting of portfolios: A third party can combine or aggregate multiple portfolios for trading, leading to reduced settlement, credit and other financial risks.

Considerations:

- Transparency: Participants must ensure transparent pricing and operations from the intermediary to avoid potential conflicts of interest.
- Intermediary reputation: Choosing a reputable and reliable intermediary is crucial to ensure a smooth and secure trading experience.
- Limitations: Accessing specialized contracts or markets might be limited through third-party intermediaries.

Accessing electricity power exchanges offers numerous opportunities for electricity market participants. By understanding and carefully evaluating the available options, stakeholders can make well-informed decisions to ensure

optimal utilization of these markets to achieve their strategic objectives. Whether opting for direct membership, or utilizing third-party intermediaries, or exploring alternative approaches, the key is to align the chosen method with the participant's unique requirements and risk appetite.

ELIA is committed to further investigate, together with power exchanges, how the access to day-ahead & intraday power exchanges could be facilitated even more in the future.

5. Next steps

This design note summarizes the key design features presented to market parties on the 23rd of June in the Working Group CCMD. It focuses mainly on first phase of the implementation related to the update of the BRP role. Options to access the day-ahead and intraday power exchanges are described and will be further investigated in the coming months. The proposed scope of the first release that is targeted for end of 2024 is limited to TSO connected delivery points only.

The document is now proposed for public consultation with market parties, with the deadline to answer set to 24th of November 2023. ELIA intends to present an overview of received reactions and alternative design proposals (when-ever relevant) on 18th of December 2023, during Working Group CCMD. In parallel, bilateral discussions may be organized with stakeholders to further clarify received feedback and/or approach specific design problematic.

Once agreed upon, the adapted DiMaX design needs to be translated into relevant regulatory framework (e.g. Terms and Conditions for BRPs) and into concrete set of rules, procedures and tools to support them. ELIA's ambition is to allow market parties to participate to this service by end of 2024, for TSO connected delivery points.

In parallel, ELIA will continue investigation to open the service to DSO connected delivery points as well. ELIA's ambition is to gradually apply DiMaX principles to DSO connected delivery points by beginning of 2025.

6. Conclusions

The purpose of DiMaX is to propose a solution aligned with expected electricity market evolutions where active consumers get involved into existing and new services through numerous flexible appliances (e.g., batteries, electric vehicles, heat pumps, solar panels...). This design solution is centered around reducing barriers to become a Balance Responsible Party and get access to the day-ahead & intraday power exchanges directly. This is essential to unlock more flexibility in a highly RES driven energy system. Through DiMaX, a level-playing field will be created for BRPs and competition will be increased in the market. The markets will be opened to build new business models on it, ultimately creating more solutions for grid users.

Becoming a BRP and getting access to the day-ahead & intraday power exchanges today is possible within a system that was built for a limited number of big players. With numerous new players and new types of assets coming in the sector, this system needs to be adapted. The main barriers in the current system are related to financial elements (e.g., BRP financial guarantees, imbalance settlement, power exchange collaterals and fee structures...) and operational elements (e.g. BRP operational obligations among which nominations, power exchange operational setup for trading and lack of specific knowledge and skills...)

DiMaX will support BRP in their operational duties by providing facilitation tools and more insights on their behavior, as well as lowering the initial financial barrier and improving imbalance settlement processes. This document also contains different options to access the day-ahead & intraday power exchanges. Market parties must carefully evaluate the available options in order to make a well-informed decision to ensure optimal utilization of these markets to achieve their strategic objectives. In collaboration with power exchanges, it will be investigated how access to these markets can be further facilitated.

Market parties are invited to share their preferences and own needs about DiMaX as feedback to the consultation of this design note so their feasibility can be further assessed.

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