

CONSULTATION REPORT

**Report on the public consultation
regarding the *Note de concept des
raccordements avec accès flexible
au réseau de transport fédéral***

9th February 2024



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1. Introduction

Due to the significant increase of grid connection proposals with flexible access on the federal grid, the CREG asked Elia on May the 15th to launch a public consultation on her vision of connection with flexible access including the following aspects:

- The Criteria justifying a limitation in guaranteed/permanent connection capacity
- The methodology and assumptions used by Elia in estimating the curtailed energy volumes
- The impact (if any) of the estimated curtailed volumes on the business case of the grid user
- The operational and financial modalities of a flexible access for the grid user, including the practical and technical modalities to limit the power in production or offtake by Elia, possible compensation modalities, possible impact on the BRP perimeter and possible impact on grid tariffs;
- The criteria justifying a restriction in access in the operational phase, taking into account the objective of guaranteeing grid security at the lowest cost at system level and thus the principle of efficiency;
- The rights and obligations of the grid user towards Elia, on the one hand, regarding, for example, the follow-up of a shutdown request; and those of Elia towards the grid user, on the other hand, regarding, for example, reporting or justification, following the use of the possibility to restrict access.

Elia described all these aspect in the *design note on connections with flexible access on the federal transport grid* and organized a public consultation from 14/07/2023 to 18/09/2023 regarding the above mentioned design note.

The purpose of this public consultation was the following:

- Get the feedback from the Grid Users regarding the current way of working (from client connection studies until real-time operation) with respect to connection with flexible access and understand their concerns. This input will enable us to prepare the workshop in the context of the incentive on connection with flexible access.
- Propose short term modifications of the Code of Conduct, aiming at simplifying the process of granting a connection with flexible access.

The note submitted for consultation has already been discussed informally with the market parties during the Belgian Grid Working Group of 05/09/2023 and an overview of the comments was informally presented to the Market Parties during the Belgian Grid Working Group of 07/12/2023.

The purpose of this report is to consolidate the feedback received from the public consultation, while at the same time reflecting Elia's position on these reactions prior to the workshop planned in the context of the incentive on connection with flexible access.

2. Feedback received

In response to the public consultation, Elia received the following non-confidential replies from the following parties:

- *Febeliec (Michaël Van Bossuyt)*
- *FEBEG (Jean-François Waignier)*
- *Bnewable (Roxanne Vande Zande)*
- *BSTOR (Lieven Van De Keer)*
- *ODE (Chris Celis)*

All responses received have been appended to this report. These reactions, together with this consultation report, will be made available on Elia’s website.

3. Instructions for reading this document

This consultation report is structured as follows:

- Section 1 contains the introductory context,
- Section 2 gives a brief overview of the responses received,
- Section 3 contains instructions for reading this document,
- Section 4 gives general considerations based on the received comments,
- Section 5 discusses the various comments received during the public consultation and Elia’s position on them,
- Section 6 contains the annexes to the consultation report.

This consultation report is not a ‘stand-alone’ document but should be read together with the proposal submitted for consultation, the reactions received from the market participants (annexed to this document) and final proposal.

Section 5 of the document is structured as follows with additional information on the content per column below.

Subject/Article/Title	Stakeholder	Comment	Justification
A	B	C	D

- A. Subject matter covered by the various responses received.
- B. It is indicated who made the comment. As similar comments were made by different market parties, those similar comments are grouped together.
- C. This document contains an overview of the main, but also specific comments on the document submitted for consultation.
 - In doing so, an attempt was made to list/consolidate all comments received and to argue whether or not they should be taken into account.
 - In order to maintain authenticity, the comments have been copied as much as possible in this document. However, the comments have sometimes been shortened and term have been uniformed to make them easier to read.

- For clarification purposes, it is recommended to always include the original comment of the stakeholder concerned, as included in the appendix to this report.
- D. This column contains Elia's arguments as to why a comment was or was not included in the final proposal. However, this column does not contain the final text. For this purpose, the final proposal must be consulted.

4. General considerations

The consultation responses reveal that market parties would appreciate more clarity on the allocation criteria for flexible contracts, especially given the growing amount of flexible contracts.

Elia understands these concerns and aims to address them (while respecting the applicable regulatory framework). Reflections on future improvements and a 'Target Model' will take place this year in the framework of one of the discretionary incentives (cf. CREG decision (B)658/84).

Elia would like to emphasize the fact that many grid reinforcements projects are foreseen in order to enable the electrification of demand and the integration of renewable energy sources. These projects are described in the federal and regional development plans, which are public documents. As explained in the design note, the realization of these infrastructure projects is usually longer than the realization of the grid users' electrification or renewable projects.

In some cases, Grid Users may need to wait until the realization of one (or many) of these projects in order to get a permanent access. In case the Grid User has the technical capability of modulating his consumption or production (e.g. production units, storage), Elia proposes an earlier flexible connection.

Elia therefore never forces a Grid User to accept a flexible connection. This flexible connection is always proposed to the Grid User as an alternative option so that he can connect earlier to the grid and doesn't have to wait until completion of the planned grid reinforcement project.

In this context, as it is the Grid User choice to come before that the reinforcement of the grid is completed, Elia believes that it is legitimate that the Grid User has to bear the cost of his flexibility (i.e. no remuneration of flexibility) until realization of the planned grid reinforcements. It is the Grid User choice to come earlier, and the cost of his flexibility should not be socialized.

This is the reason why Elia proposes the introduction of a **temporary period** (linked to the realization of grid reinforcement projects) where **cost related to the flexibility** are **not socialized and born by the grid users who want to connect earlier** that the grid allows it.

Elia would also like to point that production units and storage (with a maximum power equal or higher than 1 MW) will eventually have the obligation to participate to the redispatching service in the framework of iCAROS project. After the temporary period, the flexibility activations for non-structural congestions will therefore be performed by redispatching mechanisms and will be remunerated on a cost-based approach.

5. Comments received during the public consultation

5.1 General comments received during the public consultation

This section provides an overview of the general reactions and concerns of market players that Elia received to the document submitted for consultation.

The comments from the Market Parties can be clustered in three main categories (with possible overlaps):

- Comments linked to “Fundamental principles”
- Comments linked to “Connection studies & contracting”
- Comments linked to Operational aspects

5.1.1 Comments related to fundamental principles

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
<p>Good investment planning to minimize the use of flexibility</p>	<p>FEBEG, ODE</p>	<p><i>The Market Parties considers that Elia should remain sufficiently incentivized to increase grid hosting capacity and plan grid investment in order to minimize the use of the flexible access contract and ensure that the application of a connection with flexible access should remain exceptional and temporary</i></p>	<p>As explained in the general considerations, Elia will continue to reinforce its grid. If Grid Users want to connect before the realization of the needed project, Elia can accept it provided that :</p> <ul style="list-style-type: none"> - Those Grid Users have the technical abilities to modulate their injection/offtake when required - The flexibility activations are born by those Grid Users (i.e. not remunerated) during a temporary period conditioned by the realization of the investments projects. <p>After this temporary period, a compensation must be foreseen for the flexibility activations (e.g. according to iCAROS framework – when it will be fully implemented).</p>

<p>Flexible access for Demand Facilities must only be temporary and on a voluntary basis</p>	<p>Febeliec</p>	<p>Febeliec considers that demand facilities should accept a temporary flexible access regime only on a voluntary basis. Whenever a normal full access regime has been or will be granted, this should not be altered again towards a flexible access unless with full and prior consent of the grid user. Febeliec considers it of the utmost importance that any flexible access for demand facilities to the transmission grid is only on a temporary basis with a very clear timetable, unless otherwise explicitly agreed by the grid user. Febeliec is not in favor of the proposed approach where the regulator can (indefinitely?) prolong the flexible access</p>	<p>As explained in the general considerations, Elia always offers connection with flexible access as an alternative compared to a later connection of the Grid User. A connection with flexible access is never mandatory. In case of planned grid reinforcements, the effective realization of the grid reinforcement will alleviate the flexibility. In case no grid reinforcement projects are foreseen, Elia believes that the duration of the flexible access (still necessary so that Elia can re-evaluate the development plans and potentially initiate projects) could be limited in time.</p>
<p>Remuneration of activations (also considered in the “connection studies & contracting” and “Operational aspects” clusters)</p>	<p>Bnewable, ODE, BSTOR</p>	<p>The Market Parties consider that the activation of flexibility / power limitations should be remunerated. Furthermore :</p> <ul style="list-style-type: none"> - Bnewable considers that the absence of the relevant regulatory provisions doesn't justify the fact that the activations are not remunerated as there is undoubtedly an opportunity cost associated with these limitations. Furthermore, such compensation mechanisms already exists in the framework of CIPU described in the "may-not-run" scenario. - ODE points out that Article 16 in EU 2019/943 and EU 2019/944 Article 32 states that congestion problems should be addressed with market-based solutions. Elia' proposal lacks an economic incentive for the grid operator to adequately size the grid to accommodate the renewable energy. ODE considers that with this proposal, the grid operator seems to want to circumvent the re-dispatch system already in place. An activation of flexibility in function of congestion should be done in priority through redispatching, in exceptional cases and after 	<p>As explained in the general considerations, Elia proposes the introduction of a temporary period where the flexibility activations are born by the Grid Users. After this temporary period, a compensation must be foreseen for the flexibility activations.</p> <p>In the context of the 2024 balancing incentive, we will develop a vision and roadmap integrating the role of flexible access connections in network development solutions including the integration of flexible access in the Cost-Benefit-Analyses of grid development - aiming for a techno-economic optimum for the power system development. .</p>

		<p><i>exhaustion of redispatching bids an activation of a flexible contract access can happen provided it is sufficiently compensated.</i></p> <ul style="list-style-type: none"> - <i>In this context, ODE again calls for an extension of iCaros to installations 1 - 25MW.</i> <p><i>BSTOR considers that a compensation mechanism should be foreseen if in reality, over a sufficiently long, the estimates by Elia were lower than the actual curative and preventive flexibilities.</i></p>	
<p>Discount on Grid Tariff (also considered in the “connection studies cluster)</p>	<p><i>Febeliec, FEBEG, ODE</i></p>	<p><i>The Market Parties considers that a Grid User with a flexible access should get a discount on the access tariff. Furthermore:</i></p> <ul style="list-style-type: none"> - <i>Febeliec points out that as it is inconceivable that the normal grid tariffs would be applied for a product with a (potentially much) lower service level.</i> - <i>FEBEG points out that this is an illustration of the fact that the grid user can only “take it or leave it” and that he has no options but to accept the conditions of the flexible contract. In the Netherlands, for instance, there are reflections on providing a discount on the tariff in case of flexible connection</i> - <i>ODE considers that it is discriminatory for (renewable) energy producers as a cheaper tariff will apply for users who accept the same connection for offtake</i> <p><i>ODE also points out that this is not in line with EU Regulation 2019/943, Article 18, point 1 which states that tariffs should take into account the flexibility offered (which a connection with flexible access clearly offers).</i></p>	<p><i>Elia considers that no discount of tariff should be applicable during the temporary period as it is purely the Grid User choice to connect earlier than the grid allows.</i></p> <p><i>After this temporary period, demand facilities that would like to offer their flexibility as an alternative to grid reinforcements could receive a tariff discount for offering specific services – while for storage and production units, the activation of flexibility will be remunerated as currently foreseen in the iCAROS framework . This will be investigated in the context of the 2024 incentive on connections with flexible access.</i></p> <p><i>Elia would also like to react to ODE comment stating that “it is discriminatory for (renewable) energy producers as a cheaper tariff will apply for users who accept the same connection for offtake”.</i></p> <p><i>Discrimination consists in treating similar individuals in a different manner. Given that consumers and production units are by essence different types of Grid User (and are paying different tariffs), treating them in different ways is not discriminatory.</i></p> <p><i>Furthermore, a tariff discount may be granted to the grid users that are paying important access tariff, i.e. the consumers (who pay higher tariff compared to the producers and storage)</i></p>

<p>Principles not compliant with EU Regulation 2019/943</p>	<p>ODE</p>	<p>According to ODE, the described principles are not compliant with EU Regulation 2019/943 that states that :</p> <ul style="list-style-type: none"> - Network congestions should be solved with market-based solutions and transaction-independent methods that do not require a choice between the contracts of individual market participants. This is clearly not the case since contracts a connection with flexible access already involve a choice based on the contract that was concluded. - Market participants must be compensated if they are constrained in capacity - A maximum of 5% of the electricity generated at installation level and on an annual basis may be regulated. There are no guarantees in the current proposal that this 5% will not be exceeded nor that there will be any additional compensation in return if it is. 	<p>Elia doesn't agree with the fact that the principles described in the design are not compliant with EU Regulation 2019/943 (referred as "CEP" later on).</p> <p>Regarding market-based mechanism and remuneration, CEP articles 13 indeed states that "Redispatching of generation and demand response shall be open to all technologies and shall be selected using market-based mechanisms and shall be financially compensated"</p> <p>However, CEP article 13 also states that "Non-market-based redispatching may be used where :</p> <ul style="list-style-type: none"> - No market-based alternative is available,; - All available market-based resources have been used; - The number of available power generating, energy storage or demand response facilities is too low to ensure effective competition in the area where suitable facilities for the provision of the service are located; or - The current grid situation leads to congestion in such a regular and predictable way that market-based redispatching would lead to regular strategic bidding which would increase the level of internal congestion. <p>Finally, CEP article 13 states that "Where non-market-based redispatching is used, it shall be subject to financial compensation by the system operator requesting the redispatching except in the case of producers that have accepted a connection agreement under which there is no guarantee of firm delivery of energy".</p> <p>Elia current design is therefore compliant with the CEP. Elia also emphasizes that the "non-remunerated flexibility activations" will only take place during a temporary period needed for reinforcing the grid. After realization of the needed grid reinforcements, all the flexibility activations will be remunerated according to the iCAROS framework.</p>
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<p>Principles not compliant with Flanders regulation</p>	<p>ODE</p>	<p>There seems to be a discrimination between production connected to the transmission or distribution grid since in Flanders the grid operator owes a fee to the operator of the installation when adjusting production. This conversion is, according to ODE, although not complete but at least, more aligned with the spirit and letter of the Regulation.</p>	<p>Elia notes the point and will develop a framework in compliance to the regulation. Elia would also like to point out that some changes will occur at European level related to connection with flexible access (EMDR). This might lead to a change of Belgian regulations over the coming years.</p> <p>From a societal perspective, Elia believes nevertheless that the proposed temporary period is more optimal (cost related to an opportunity for a grid user to connect earlier should not be socialized).</p>

5.1.2 Comments related to connections studies and contracting

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
<p>Duration, evolution and revision of contract with flexible access (also considered in the “Fundamental principles” cluster)</p>	<p>FEPEG, Bnewable, ODE, BSTOR</p>	<p>The Market Parties consider that the duration of flexible access should be limited in time and that the Grid Users should get a permanent access after the realization of a reinforcement project. Furthermore :</p> <ul style="list-style-type: none"> - FEPEG considers that the Grid User should receive a compensation in case of delay of the project. If many Grid Users are flexible in the same area and await for the same reinforcement project in order to become permanent, FEPEG wonders how the permanent capacity will be allocated amongst the Grid Users after completion of this project - ODE considers that the duration of a flexible access should not exceed 5 years and should not be extended by the regulator - BSTOR wonders how will the permanent access or the lower needs in flexibility be granted amongst the different GU with flexible access after realization of the grid reinforcement project ? BSTOR considers that a first-come-first-served approach will be fair to avoid that a grid user being stuck with a flexible connection while new grid users could get a permanent connection to the same substation. - BSTOR also considers that within a period of three months after the new regulatory framework to move to connections with flexible access is in place, Elia should reevaluate (but without retroactive effect) any refusal of 	<p>As mentioned in above answers, the time period where the activations are not remunerated is limited in time.</p> <p>Also, as mentioned in the general considerations, Elia reminds that production units and storage will have the obligation to participate to iCAROS. Flexibility activations will therefore still be applicable after the temporary period and will be remunerated. In that perspective, alternative to grid reinforcement projects (flexibility with remuneration of activations) could be possible.</p> <p>The other comments will be discussed in the context of the 2024 incentive on flexible access:</p> <ul style="list-style-type: none"> - FEPEG/BSTOR : if many grid users are flexible in the same area, a “first-come first-served” approach seems legitimate for allocating the permanent capacity after realization of grid reinforcements - ODE : if the regulator assess that flexible access (with remuneration of activations) is – from a societal point of view – a proportionate solution compared to a grid investment, the duration of the flexible access may be extended.

		<p><i>permanent access to market parties should be revalued and if the revaluation would give rise to the allocation of a larger share of permanent assets and/or an accelerated allocation of full permanent access.</i></p> <ul style="list-style-type: none"> - <i>Bnewable considers that there is a lack of clarity regarding the evolution over time on the connection with flexible access (changes of becoming a firm capacity, what will be actual number of activations, affected hours, etc.).</i> 	
<p>CAP on flexibility activations (also considered in the “Fundamental principles” cluster)</p>	<p>Febeliec, FEBEG, Bnewable</p>	<p>The Market Parties consider that Elia should give a cap to the number of power limitations or flexibility activations (instead of giving an indicative information) so that the Grid Users can assess the viability of their Business Case. Furthermore</p> <ul style="list-style-type: none"> - FEBEG proposes that this cap on the number activation should be challenged by the CREG and then translated in bidding limits (in volume and duration) into the access contracts - FEBEG also considers that Elia should use congestion bids (iCAROS) for all flexibility activations that exceed the limits of the flexible access contract. <p>Bnewable considers that the binding limits on flexibility activations could be enforced with relevant penalties</p>	<p>This topic will be discussed in the context of the incentive on connections with flexible access.</p>
<p>Transparency and predictability on expected power limitations</p>	<p>FEBEG, ODE, BSTOR</p>	<p>The Market Parties ask for more transparency and predictability on the expected usage of Flexibility such as frequency, seasonal effect, grid status (N, N-1, N-2, maintenance...), high wind production, import/export situation etc. These information are necessary so that the Grid Users can evaluate their business case. Furthermore :</p>	<p>Elia takes note of the comment and this will be discussed in the context of the incentive on connections with flexible access.</p>

		<ul style="list-style-type: none"> - FEBEG considers that the Grid Users should be able to have access to the technical/assessment note of ELIA with the detailed justification and sufficient information (with clarification on the Power Transfer Distribution Factor (PTDF for example, or the impact of dynamic line rating (DLR)) on the choice to provide a flexible access contract - FEBEG would also welcome an analysis on events (e.g. unavailability of a power plant) or future developments (e.g. delay in planning offshore) that might negatively or positively impact the indicative estimations of the flexibility needs. - FEBEG consider that the estimation of flexibility needs should be very detailed in the short to medium term (for example, by taking into account the known elements such as planned outage, investment for the coming 24 months) and could become more general (per quarter) after 2 or 3 years - ODE also considers that it is necessary for applicants for an (additional) connection to have insight into the grid study conducted by Elia so that it is clear on the basis of which assumptions the results have been obtained - BSTOR would like more clarity and clearer guidelines on the assumptions on which studies should be based on and how conservative they should be at individual and mixed level (what probabilities are associated with % of time/energy of flexibilities given in the results are 	
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		<p><i>given: is that a median scenario or rather a "P75" or even "P90" scenario?</i></p>	
<p>Fair and balanced framework with lean and standard procedures</p>	<p>FEBEG</p>	<p>The Market Parties ask for fair and balanced framework with clear procedures in order to speed-up the process of attribution of a flexible connection. Furthermore :</p> <ul style="list-style-type: none"> - FEBEG considers that there is a lack of transparency as developers often see no other option than to accept the flexible access contract to make the project evolve, without any guarantee on the volume of flexibility and on the duration of the flexible access contract (as the temporary flexible access could, after re-approval by the CREG, be prolonged) - FEBEG proposes the use of standard template with sufficient information to limit the questions back and forth between the involved parties (ELIA, CREG, Grid User) 	<p>These comments discussed in the context of the incentive on connections with flexible access and in the revision of the Code of Conduct that will take place by end of 2024.</p>
<p>Challenge and approval of contracts with flexible access by the CREG</p>	<p>FEBEG, BSTOR</p>	<p>The Market Parties consider that the CREG should challenge and approve the proposal of contracts with flexible access. Furthermore :</p> <ul style="list-style-type: none"> - FEBEG considers that this challenge is necessary to avoid that ELIA is too risk averse and urges the grid user to sign a flexible contract, even when the risk is very low and almost absent (such as a 0,01% risk of even needing the flexibility. In those specific cases, other solutions should be found (e.g. use a congestion bid to solve the issue which would come – due to the exceptional character – with a very limited cost for Elia) - FEBEG find it imperative that the CREG keeps a close eye on these evolutions to ensure that flexible contracts 	<p>This point will be investigated in the context of the incentive on connections with flexible access as well as in the revision of the Code of Conduct. Elia maintains his proposal where a systematic approval of each study by the CREG would not be necessary anymore – unless explicitly asked by the Grid User – as soon as the procedures and criteria will be described in the context of the revision of Code of Conduct.</p>

		<p><i>are only offered when there is no alternative and that the needed grid investments are executed in due time</i></p> <p><i>BSTOR believes that the CREG should be able to exercise its monitoring power. BSTOR does leave open whether it should be done systematically with every file, or only if an appeal option should exist.</i></p>	
Fast-track procedures	FEBEG, ODE	<p><i>The Market Parties considers that a “fast-track” procedure (granting of a flexible access without approval from the CREG) should be possible only if explicitly requested by the Grid User.</i></p>	<p><i>See previous reply. A fast-track procedure should be possible. This can be the standard procedure (no CREG approval) or the exceptional procedure at explicit request of the Grid User.</i></p>
Methodology for Storage Connection request	BSTOR	<p><i>BSTOR has several questions related to the methodology for storage connection requests :</i></p> <ul style="list-style-type: none"> - <i>Why the reference context for the storage is not determined as favorably as for renewable generation ? If necessary, to adjust the methodology to this end. We have to be consistent with the EU regulation. Elia should justify this difference and consider also setting the unreserved capacity for injection at zero for storage as well</i> - <i>Elia should therefore also examine how the necessary incentives could be provided to energy storage systems (and generally to flexible off-take/injection) could be provided so that they would contribute to limiting the activation of flexibility of other grid users.</i> <p><i>BSTOR asks Elia to include in its calculation method the fact that battery storage has a limited energy limit - of several hours - and that activations are usually short-lived and not permanent. Would such a temporary overload (or temporarily lower margins between the load and equipment capacity) be more acceptable,</i></p>	<p><i>Network development plans foreseen reinforcement to deal with geographically spread potential of electrification and RES. As the geographical spread of batteries is not foreseeable, the forecast volumes are put on strong node of the horizontal network. The regional reinforcements foreseen in the plans are then to be given in priority for the identified need of electrification and RES integration, because if the batteries take their capacity, the potential won't be realized.</i></p> <p><i>Elia understands BSTOR comment specifying that a more realistic profile should be considered in the context of connection studies for storage.</i></p> <p><i>For that purpose, the (mandatory) participation of storage to redispatching in the framework of iCAROS will ensure that we can verify the accuracy of the considered profile and have the flexibility means available.</i></p>

		<i>reducing the need to restrict grid access for storage facilities on the basis of flexible access?</i>	
<p>Reporting and justification of activations (also considered in the “Fundamental principles” and “Operational aspects” clusters)</p>	<p>Febeliec, FEBEG, ODE</p>	<p>The Market Parties considers that the periodic report on the justification of activations of flexible access should also be shared with the impacted Grid Users as their operations will be impacted. Furthermore :</p> <ul style="list-style-type: none"> - ODE considers that this reporting should include reason for activation, network status, duration and calculated volume adjusted. <p>ODE also considers that in addition to the quarterly report for the regulator, a public report be made available in which all volumes that are adjusted in function of congestion, including the financial value and per technology, are made public in a report.</p>	<p>This will be discussed in the context of the incentive on connections with flexible access (reporting of flexibility activations is the 1st objective of this incentive).</p>
<p>Use of a yearly average limited volume (also considered in the “Fundamental principles” cluster)</p>	<p>ODE</p>	<p>Working with an annual average volume tuned over the duration of the flexible access can be problematic for the operator of a generation plant since it does not contain any guarantee of the volume that can effectively be tuned in one specific year.</p> <p>For example, the annual average over 5 years may be two percent but thus 10% can be tuned in 1 year and nothing in the other four years)</p> <p>This is not a workable system and can pose a serious threat to the business case of the installation as well as complicate financing. According to ODE, in the event that there is an excess of the predicted percentage of the annually settled volume, additional compensation should be provided for the settled volumes.</p>	<p>This comment will be discussed in the context of the incentive on connections with flexible access</p>

5.1.3 Comments related to operational aspects

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
<p>Impact on ancillary services and other flexibility services (also considered in the “Fundamental principles” cluster)</p>	<p>Febeliec, Bnewable, ODE, BSTOR</p>	<p>The Market Parties consider that the timing of flexibility activation and notification should be aligned or at least consistent with the planning of the balancing services. This is necessary to avoid that that grid users will not participate in markets out of fear to be exposed to penalties for not being able to deliver the requested services or will bid higher in order to integrate the possibility of penalties resulting from actions by Elia</p> <ul style="list-style-type: none"> - Febeliec considers that it should be possible to design a system that takes the impact of the flexible access on the balancing and market services into account. A compensation mechanism could be considered but Febeliec is not yet pleading for it. - Bnewable points out that Elia doesn't mention the timing of analysis and selection of power limitation for solving grid congestions during operational planning. Elia must provide clarity regarding this planning and the decision and timing must be compatible with ancillary and flexibility services process. If it's not possible to take gate-closure-time into account, Elia should foresee a financial compensation equal to the incurred damages - ODE points out that no compensation is provided when a (renewable) power generation plant cannot participate in ancillary services. According to ODE, installations that will be activated at that time in the context ancillary services or security of supply should therefore be 	<p>Elia understands the Market Parties point of view. This will be discussed in the context of the incentive on connections with flexible access.</p>

		<p><i>exempted from redispatching or any fees related to non-participation should be compensated.</i></p> <ul style="list-style-type: none"> - <i>BSTOR points out that it is no longer possible for the grid user to take any action if the notification of flexible activation is made only after "gate closure time" of the relevant service.</i> 	
<p>Lead time of modulation communication</p>	<p><i>Febeliec, FEBEG, ODE</i></p>	<p><i>The Market Parties insists on the fact that there should be a sufficient notification period before a flexibility activation. Furthermore :</i></p> <ul style="list-style-type: none"> - <i>Febeliec emphasize that it is vital for demand facilities to avoid major damage and the Grid User's installation</i> - <i>FEBEG points out that the grid users should be warned before any actions with significant impact on them is taken and that additional check must me made with the grid user before disconnecting him if he is not able to react to Elia request.</i> - <i>FEBEG also considers that in the event Elia would have high certainty in day-ahead on the required flexibility ELIA should decrease injection or offtake on a flexible connection in advance, and not in real-time or quasi real-time operations. If grid users are informed in advance of the activation of their flexible connection (or a high risk thereof), they may adapt their strategy to minimize risks (e.g. by not bidding for aFFR during this time). In contrast, if the grid user is informed only at the very last minute, there could be cases where an activation is not anticipated and could lead to technical problems or safety issues. In this case, it can happen that an activation is (exceptionally) not possible in practice.</i> 	<p><i>Elia understands the Market Parties point of view. This will be discussed in the context of the incentive on connections with flexible access.</i></p>

		<ul style="list-style-type: none"> - FEBEG considers that in general, the operational aspects are insufficiently clear at this moment - ODE considers that the Grid Users should be informed in good time that an activation may take place and an estimate of the regulated capacity but that effective regulation is only carried out if the capacity is exceeded. Preventive adjustment should be avoided as much as possible since it may lead to unnecessary loss of renewable energy if the actual grid load is lower than anticipated. 	
<p>Merit-order of activations (also considered in the “Fundamental principles” cluster)</p>	<p>Febeliec, FEBEG, Bnewable</p>	<p>The Market Parties have concerns regarding the merit-order of flexibility activations :</p> <ul style="list-style-type: none"> - Febeliec insists that other criteria than “technical efficiency” are considered, including a.o. the economic impact of such enforced deactivations. By applying a fairly arbitrary technical efficiency criterion, some grid users might be impacted much frequently than others. - FEBEG wonders what criterium does ELIA use to determine the effectiveness of different actions? This is vague. - Bnewable points out that by consistently activating the most technically efficient connections, the risk of multiple power limitations on one or more specific connections will increase, which again will have a negative effect on the possible business case 	<p>This comment will be discussed in the context of the incentive on connections with flexible access.</p> <p>Currently, Elia activates in priority the grid users (with flexible access) with the highest Power-Transfer-Distribution-Factors (PTDF) and therefore looks at the technical efficiency. This could evolve in order to also integrate financial criteria but would need a deep analysis in order to assess the impact on ongoing and future processes (iCAROS, ROSC, reserve dimensioning...).</p>
<p>Code of conduct: alternative to permanent connection</p>	<p>BSTOR</p>	<p>BSTOR thinks that any proposal of flexible access by Elia should also include an additional option to the grid user should be given whereby the flexibility is activated purely curatively, and not preventively activated.</p>	<p>Such a solution could indeed be applied at a local level – as it can already be the case on HV/MV transformers. This will be discussed in the context of the incentive on connections with flexible access.</p>

		<p><i>BSTOR therefore proposes that Elia, as a result of the detailed study, offer the 3 options to the grid user: either a permanent connection (albeit possibly more expensive and/or later than initially envisaged), or a connection with flexible access as in this note (possibly cheaper and/or better suited to the applicant's expected realisation date), or (possibly only if/on explicit request of the grid user) a flexible access with only an instantaneous and automatic curative disconnection.</i></p>	
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5.2 Specific comments received during the public consultation

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
<p>2.3.1 : Conditions for connections / Clarity on considered future scenario and needs of flexibility activation</p>	<p>FEBEG</p>	<p><i>Regarding the below paragraph, FEBEG urges ELIA to be transparent towards the Grid User on the scenarios for the foreseen future. The cost of providing flexibility could be very different depending on when it will be requested (winter, summer, weekdays, ...). The Grid Users needs to know what he can expect (when will the works take place, etc...) in the most detailed manner possible to make a sound investment decision and to avoid that a project is loss making due to unexpected situations.</i></p> <p><i>“ It should be noted that the estimates given are averages over the total duration of the connection with flexible access: either over several years until the grid reinforcement foreseen in the relevant development plan, or indefinitely if no reinforcement is planned. In some cases there may be large fluctuations from year to year, for example in the case of works or long-term outages already planned”</i></p>	<p><i>This will be discussed in the context of the incentive on connections with flexible access.</i></p>

<p>2.2.1 : Backup automation</p>	<p>FEPEG</p>	<p>Elia states that “ An automatic "backup" system is installed in the event of an unacceptable risk of network congestion in N or N-1 to cover the risks associated with failure of the maximum power limit set point or communication. This automatic system activates the grid user installation if the instruction is not followed 5 minutes after transmission”</p> <p>This backup system has a direct impact on the installations of the grid user. How will the risks for the installation of the grid user be taken into account? Who will pay for this back up? Will it be removed once the connection is permanent?</p>	<p>This will be discussed in the context of the incentive on connections with flexible access.</p>
<p>Cost of communication set-up and RTU for flexible access</p>	<p>Bnewable</p>	<p>The responsibility for bearing the costs of communication set-up and RTU (Remote Terminal Unit) for flexible access connections is not included in the document.</p>	<p>The grid users must bear the costs of the communication set-up and RTU.</p>
<p>Mistake in paragraph 2.1 (p6)</p>	<p>FEPEG</p>	<p>FEPEG think there is a mistake below :</p> <p>Voor elke aansluitingsaanvraag levert Elia minstens één aansluitingsoplossing met permanente toegang binnen de gevraagde termijn (tenzij de aansluitingsperiode van de klant korter is dan nodig om een aansluitingsveld te creëren). Het is echter mogelijk dat deze aansluiting met flexibele permanente toegang alleen mogelijk is met een aansluiting die relatief duur zou zijn voor de netgebruiker (/aanvrager) en/of waarvoor een uitbreiding van het net nodig zou</p>	<p>There is indeed one mistake</p>

		<i>zijn die, na uitvoering van de reeds voorziene versterking, achterhaald zou zijn</i>																																					
<i>Table in chapter 2.3.1</i>	<i>FEPEG</i>	<i>Can this table be explained by using an example for injection and offtake/storage? In the example of a flexible injection contract, assuming a user intends to build a production unit of 100MVA but the grid at that location is only capable to absorb 80MVA what is the flexible and what is the permanent capacity? To which capacity will the preventive (%time), curative (%time) and flex (%active energy) apply?</i>	<p><i>See example below</i></p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th>Variante 1</th> <th>Variante 2</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Injection</td> <td>Puissance flexible</td> <td>50 MVA</td> <td>75 MVA</td> </tr> <tr> <td>Puissance permanente</td> <td>50 MVA</td> <td>25 MVA</td> </tr> <tr> <td>% flex. préventive (temps)</td> <td>-</td> <td>-</td> </tr> <tr> <td>% flex. curative (temps)</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>% flex. (énergie active)</td> <td>2%</td> <td>2%</td> </tr> <tr> <td rowspan="5">Charge</td> <td>Puissance flexible</td> <td>100 MVA</td> <td>75 MVA</td> </tr> <tr> <td>Puissance permanente</td> <td>0 MVA</td> <td>25 MVA</td> </tr> <tr> <td>% flex. préventive (temps)</td> <td>1,67%</td> <td>2,31%</td> </tr> <tr> <td>% flex. curative (temps)</td> <td>0,03%</td> <td>0,20%</td> </tr> <tr> <td>% flex. (énergie active)</td> <td>0,80%</td> <td>1,12%</td> </tr> </tbody> </table>			Variante 1	Variante 2	Injection	Puissance flexible	50 MVA	75 MVA	Puissance permanente	50 MVA	25 MVA	% flex. préventive (temps)	-	-	% flex. curative (temps)	2%	2%	% flex. (énergie active)	2%	2%	Charge	Puissance flexible	100 MVA	75 MVA	Puissance permanente	0 MVA	25 MVA	% flex. préventive (temps)	1,67%	2,31%	% flex. curative (temps)	0,03%	0,20%	% flex. (énergie active)	0,80%	1,12%
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<i>2.2.2 : Process for Network Management (Interface between activation of flexibility and iCAROS)</i>	<i>FEPEG</i>	<i>"In the case of overloads that cannot be resolved with the resources provided for in flexible access connection contracts, or residual overloads after these resources have been activated, these non-structural overloads shall be managed by modifying the network element's unavailability schedule, either by requesting a "May-Not-Run" (partial) Active Power program on a technical unit, or by controlling congestion management availability by incremental or decremental congestion bids on a technical unit with or without starting or stopping it" → ELIA implements the ICAROS project, that imposes obligations on Scheduling Agents to</i>	<i>As explained in the general considerations, the Grid User with flexible access will only be activated without remuneration in a temporary period. After realization of the planned grid reinforcements, all the flexibility activations will be performed and remunerated according to the iCAROS framework.</i>																																				

		<p><i>introduce redispatch bids. The iCAROS project aims to provide ELIA the tools to solve congestion in a transparent, market-based and non-discriminatory manner. From this consultation document it seems that ELIA would first use the flexible grid connections (i.e. not a market-based process) before using redispatch bids. This goes against the principles of iCAROS. Why does ELIA choose to maintain this sequencing of flexible connections versus redispatch bids?</i></p>	
<p><i>Application to regional grids and lower voltage level</i></p>	<p><i>Bnewable</i></p>	<p><i>The concept note's scope is limited to the federal transmission network. Bnewable contends that, for the sake of transparency and clarity, it is imperative that Elia offers a comprehensive overview of how this concept will apply across all voltage levels and regions.</i></p>	<p><i>The concept note is limited to current practice and will be further developed with the stakeholders in the framework of the incentive on connection with flexible access in 2024. Building on this, the objective of Elia is to propose a general approach that could be applicable at all voltage levels and regions. Depending on the already existing framework in the regions, Elia would advocate for harmonizing the different regimes, at least regarding the key principles of the general approach.</i></p>
<p><i>Application to existing connections</i></p>	<p><i>Bnewable</i></p>	<p><i>Bnewable understands that the proposal is applicable to new connections and reinforcements of existing connections, however Bnewable is interested to know what Elia believes should be the options for existing connections, for example in case of over dimensioning of existing connections.</i></p>	<p><i>This will be discussed in the context of the incentive on connections with flexible access.</i></p>

6. Next steps

On the basis of the reactions received from market players and its views, as set out in this consultation report, Elia will prepare first workshops in the context of the 2024 incentive on connections with flexible access accordingly.

7. Attachments

The reactions Elia received to the document submitted for consultation:



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