



**Subject** Formal public consultation on the CRM Functioning Rules

12 Jan 2024

Dear,

NOVEN appreciates and thanks Elia for the opportunity to react to the updated version nr 4 of the CRM Functioning Rules (FR).

As highlighted by Elia in its 2023 Adequacy and Flexibility Study for Belgium, an increased penetration of flexibility can significantly reduce the gap in required capacity. This increased flexibility will/should also come from residential assets, but this presumes that existing barriers for end-user flexibility are effectively removed.

In the current version of the FR, the following elements appear to discourage the intended increased flexibility from residential consumers. NOVEN therefore kindly requests Elia to re-evaluate them in the framework of this public consultation:

- NOVEN stresses that in order to ensure effective participation at low voltage level, it is vital that assets at delivery point level (not only at access point level) can participate and that there is no requirement to have a digital meter in SMR3 regime. Seen the limited meters in SMR 3 for the moment, NOVEN requests that own placed MID-certified submeters with an accuracy class 1.0 are allowed as a strategic solution to enhance the TSO's capabilities in managing and optimizing grid flexibility and CRM purposes. These submeters can also provide highly granular data on energy consumption, voltage, current, power factor, and other key metrics.
- In paragraph 82, the following sentence is added: *"A CRM Candidate willing to prequalify low voltage connected Capacities has to prequalify these Capacities as Additional by following the Standard Prequalification Process."*

It is unclear to NOVEN why low voltage capacities would necessarily have to prequalify as additional (instead of having the possibility to prequalify virtual as well), especially since the concept of virtual capacities was created to encourage the participation in the auction process of assets which would find it more difficult to already have e.g. all the finalized agreements in place by the Y-4 auction, which would typically be the case for residential assets at low voltage level.

- A new definition of "Low Voltage Delivery Point Group" is added, including a requirement of being connected to the same DSO. This is also mentioned in paragraph 91: *"A Low Voltage Delivery Point Group can only gather low voltage connected Delivery Points, coming from the same DSO and from the same CRM Candidate in one CMU."*

On low voltage levels/in a residential context a high number of small assets will necessarily need to be combined to be able to offer an eligible volume. Adding the restriction that all these small assets need to be connected to the same DSO appears to be a heavy restriction on the effective participation on low voltage, and appears to be inconsistent with the rules of Annex C.4.



- Baselineing: with respect to Annex C.2 (point 18.3.2 of the modified FR), NOVEN believes that for low voltage level assets specifically it is useful if other baselining methodologies (last QH or baseline nomination) would also be allowed.