

## ELIA PUBLIC CONSULTATION ON THE PROPOSAL FOR AMENDING THE T&C BSP aFRR.

Bnewable, as an emerging Belgian energy company specialising in (behind-the-meter) hybrid battery storage systems, we would like to express it sincere appreciation for the opportunity to participate in the **public consultation regarding the proposed amendments to the T&C BSP aFRR**. We are pleased that Elia is committed to transparency and involvement of diverse market participants, including newcomers like us.

First and foremost, we want to emphasize that our contribution to this consultation is **non-confidential**, and we would appreciate its inclusion in the consultation report.

As a new player in the Belgian market, we hold the belief that Elia, in his role as Belgian network operator and market facilitator, should **strive to eliminate any form of barrier hindering the integration of various forms of flexibility in the market**. Seamless and efficient access to markets for smaller and new players is crucial to fully unlock the potential of flexibility resources, promote energy efficiency, and simultaneously reduce system costs.

Consequently, Bnewable welcomes the integration into the Picasso platform, giving flexibility providers direct access to a European market for their services.

However, Bnewable wants to raise its concerns regarding the **proposed price limit** as explained in the consultation document.

We do not agree on the necessity of a price limit for aFRR energy bids at +/- 1000 €/MWh (for contracted aFRR). Instead, we believe in an obligation for aFRR contracted capacity to bid at cost-reflective prices, without any artificial manipulation. Price cap for units which have an aFRR energy bidding obligation without regard for their costs will hamper future investments in these flexibility providing assets, especially in comparison with neighbouring countries which do not have such cap in place.

In conclusion, Bnewable understands the need for mitigation measures in the context of the connection to the new aFRR platform but **does not support fixed price caps as they will seriously hamper the business case for the development of much needed, new flexibility assets** (such as behind the meter batteries).

We therefore encourage Elia to look for **alternative risk mitigation measures**, such as an obligation to bid at cost-reflective prices.

If Elia would however decide to proceed with the proposed scenario where local price caps would be implemented, the limits for energy bids and activations should always be higher than 1.000 €/MWh.

An analysis, for instance, of usual activation prices in Germany could provide a more legitimate estimate on the value of aFRR energy and be used to define an alternative, more correct price cap. In addition, we also believe that a yearly evaluation of the defined price cap would be of value in order to monitor the impact of this market intervention.

Bnewable is and remains off course fully available for further discussions on the positions as outlined in this reaction and is willing to actively contribute and cooperate with Elia to unlock the full potential of behind-the-meter flexibility.