

# Public consultation Offshore Wind Farm Princess Elisabeth Zone: Market Design



Elia will organize a **public consultation from the 20<sup>th</sup> of November to 20<sup>th</sup> of January** of topics addressed in the Task Force Princess Elisabeth Zone in preparation of the first tender OWF PEZ



## Scope of the public consultation

A public consultation will be organized from 20<sup>th</sup> of November until 20<sup>th</sup> of January on topics presented in the framework of the Task Force PEZ:

- **Balancing design:** impact on balancing, recommended mitigation measures and Offshore Bidding Zone balancing market implications
- **Market design:** Offshore Bidding Zone market implication and process
- **Dynamic & harmonic:** Clarification of amendments foreseen for the technical specifications for PEZ
- **Connection requirements:** summary of technical aspects presented during TF/workshops including questions received from BOP and Otary

## Ter info:

[L\\_2023157EN.01001101.xml \(europa.eu\)](#)

*(12) Bidding zones are designed to avoid grid congestion within the zone. To ensure that there is no electricity grid congestion between the electrolyser producing renewable hydrogen and the installation generating renewable electricity it is appropriate to require that, both installations should be located in the same bidding zone. Where they are located in interconnected bidding zones, the electricity price in the bidding zone where the installation generating renewable electricity is located should be equal or higher than in the bidding zone where the renewable liquid and gaseous transport fuel of non-biological origin is produced so that it contributes to reducing congestion; or the installation generating renewable electricity under the power purchase agreement should be located in an offshore bidding zone interconnected to the bidding zone where the electrolyser is located.*

*(13) In order to address national specificities of their bidding zones and to support the integrated planning of electricity and hydrogen networks, Member States should be allowed to set out additional criteria concerning the location of electrolysers within bidding zones.*

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Belgium has an important stake in this new regulation, especially the geographical correlation of the delegated act. There is a deficit between the renewable electricity generation capacity in Belgium and the demand for renewable electricity to produce refunobio's (e.g. green hydrogen). It is therefore important that Belgian installations have the option to source the renewable energy from the other Western European Member States.

We understand that in the current bidding zone review, some Member States (Germany, Sweden, France,..) will split their onshore bidding zone in regions. Also, almost all Western European Member States will create offshore bidding zones. For some offshore bidding zones, direct (physical) connections will be foreseen (UK, Denmark,...). For others, the offshore bidding zones ought to be connected through the onshore bidding zone (the Netherlands, France,...).

What are the possible implications for the Belgian industry of this regulation? How can we guarantee that Belgium based installations can source offshore wind energy from indirectly connected offshore bidding zones (e.g. Germany, Scandinavia,..).

Some additional statements/suggestions:

- We share concerns with stakeholders that suggest that the existing bidding zones may undergo future changes, leading to insufficient certainty for making investments.
- Expand the geographic correlation zone beyond bidding zones, given an adequate level of interconnection between these bidding zones.
- We agree with industrial entities the need to have additional clarifications regarding the neighboring bidding zone rule. They seek insights into the rationale behind exporting power against the dominant flow, specifically to a zone with a higher price.
- Member States have the authority to establish supplementary criteria related to the placement of renewable energy production and electrolysers. Anticipated is the encouragement of locating electrolysers in areas abundant with renewable generation, such as in proximity to onshore locations of offshore wind or near expansive solar and wind parks. We would like clarification whether this is a valid assumption.