



FEBEG response to the public consultation on the proposal for

amendment to the T&C BSP mFRR

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## General feedback

FEBEG would like to thank Elia for conducting this public consultation. The answers are not confidential.

FEBEG specifically refers to its general feedback that was included in the consultation on the amendment to the T&C BSP aFRR. FEBEG requests the points mentioned there to be prioritized in order to improve the balancing framework.

# Specific feedback

# **Invoicing & settlement**

FEBEG welcomes the initiative to improve invoicing and settlement. FEBEG considers these interesting evolutions. That being said, FEBEG believes there are other topics (e.g. improve the design of penalties) that should have higher priorities according to FEBEG.

While faster settlement is desirable in most of the cases, we want to highlight that T&C's should not strictly impose inflexible deadlines and processes. There will always be specific cases which require ad-hoc (and sometimes more time-consuming) exchanges and FEBEG believes that it should remain possible to have bilateral discussions TSO- BSP in order to allow for a mutual understanding and to avoid undue payments. In this spirit, we do not support the following sentence which pleads for very strict and inflexible guidelines irrespective of the situation "If no agreement is found however, Elia will notify the CREG of the failed negotiation and will issue self-bills, self-bill credit notes and Elia invoices based on the initial report figures."

FEBEG proposes to include the following track change and ask:

"If no agreement is found however, Elia <u>may</u> notify the CREG of the failed negotiation and will issue self-bills, self-bill credit notes and Elia invoices based on the initial report figures. <u>Elia will notify the CREG automatically, only if it considers the negotiations are unreasonably taking too much time"</u>

As far as the payment terms, we support the willingness to align T&C BSP with T&C BRP. In a vast majority of the cases, the proposed term of 15 calendar days will not be an issue.



However, we want to pay specific attention to the cases which require bilateral exchanges and thorough investigations. Each party should remain flexible to account for the specificity of a situation.

Lastly, Febeg wishes to remind that faster settlement and shorter payment terms relies on tools being state of the art and no IT bugs. In reality, there is always something which can explain why it takes more time than expected. For example, the first days following a golive, an IT release, the correct understanding of updated T&C's, new behaviors of dispatching, etc. This makes that a pragmatic approach and mindset is often required.

#### Low voltage participation

FEBEG does not have remarks about LV participation. Considering the current complex requirements to participate to explicit flexibility (IT, contracts, exposure to penalties, etc), Febeg believes LV participation should be targeted for implicit flexibility and efforts of Elia should be prioritized accordingly.

### Amendments relative to the roll-out of aFRR/mFRR combinations

FEBEG has consistently advocated that DPsu and DPpg should have equal rights, treatments and obligations. The principle of equal level-playing field is key to FEBEG. While we acknowledge the need to allow aFRR/mFRR combo for DPpg, we ask Elia to reflect upon the need to keep a distinction between DPsu and DPpg (in terms of rights and obligations, but also in different IT specifications). The cut DPsu vs DPpg is artificial and FEBEG invites Elia to reflect with market participants to waive this distinction with the purpose to improve the level-playing field and simplify processes and IT in general.

For example, whether a delivery point is DPsu or DPpg has as a consequence that there are different baseline methods and even different rights to pool DP in energy bids. These differences should be eliminated in the future.

#### Amendments relative to the reduction of the window for a prequalification

FEBEG supports this evolution, indeed the unnecessary barrier should be removed to allow flexibility to be offered in the respective markets (here in explicit flexibility).

#### Clarifications with respect to the applicability of the bidding obligation

FEBEG can only reiterate its deep regret that specific assets are targeted by obligations. To be specific, only injection units (DPsu) above 25 MW have the obligation to offer. This is creating a clear discrimination. Overall, any form of discrimination is not acceptable and should be addressed.

# Clarifications with respect to the rules for defining Delivery Points DPSU linked to a Technical Facility

FEBEG is worried about this clarification which can have huge impacts for a BSP and a BRP (as reminder, currently a PPM falling in the category DPsu needs to appoint the same party for BSP and BRP roles). Therefore, FEBEG believes some nuances are necessary in article II.3.

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On the one hand, we consider it is important to bring clarity to an existing framework if it proved to be incomplete or incorrect.

On the other hand, we have a major issue with a definition that is changed along the way and where the rules of the game are changing. More concretely, if an existing PPM has not been announced to be DPsu at the time of its connection, it appears unfair this PPM becomes all of a sudden DPsu because some definitions have changed in T&C's (BSP, BRP, OPA, SA, etc). T&C's OPA and SA impose costly measures which need to be included in a business plan. By no means, this measure can be imposed ex-post of connection. The new definition should be applicable only to newly connected PPM. Here, we see two different cases:

- (i) PPM is already greater or equal to 25 MW. Rules governing DPsu are consequently applicable to this PPM.
- (ii) PPM has been subject to a size increase (e.g. repowering, additional wind turbines installed, etc.) and Elia duly notified before connection that the size increase involved new obligations associated to DPsu. Rules governing DPsu are consequently applicable to this PPM. In other cases DPsu rules should not be applicable.

More fundamentally, changes within T&C BSP mFRR should have no impact on whether or not a PPM is DPsu. This decision should be taken in the right order where a Grid User appoints an access holder and a BRP (OPA and SA roles still attached to it) and Elia notifies before the connection whether the unit is DPsu and consequently do have obligations. Likewise, it should therefore not be possible that a BRP receives an obligation through the T&C BSP, if no references are being made to this in the T&C BRP.

#### Quality of service and barriers to entry

FEBEG likes to make a more general comment on balancing services quality and barriers to entry.

Given the importance of explicit balancing products, and the market functioning, FEBEG asks Elia to respect the level-playing-field between mFRR DPs, whether these are LV, MV or HV. The same requirements should apply on all tension levels.

At the same time, FEBEG wants to express its concern on the non-level playing field between implicit flexibility and non-contracted explicit flexibility. Explicit flexibility, even if non-contracted, is subject to a very heavy penalty regime. This creates barriers to participation to explicit flexibility and certainly to non-contracted explicit flexibility.

These are elements FEBEG raised already multiple times before - also in the context of balancing incentives related to the penalties. We want to reiterate them here as important element - more important than a fast settlement - to foster participation of all sorts of FRR delivery points, also for LV.

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