Centrica plc
Millstream
Maidenhead Road
Windsor
SL4 5GD
www.centrica.com

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Submitted via online form.

Consultation on the amended Transfer of Energy Rules

Dear Elia,

Centrica welcomes the opportunity to provide feedback on your consultation on the amended Transfer of Energy rules (ToE Rules). We appreciate your efforts to facilitate market access and unlock additional flexibility. As a specialised trading company with a substantial portfolio of optimised assets, we have strong views on the following areas:

- We support a swift rollout of the Corrected Model, with the Central Settlement Model as a valuable fallback solution.
- We believe that performing a perimeter correction for the Pass-Through regime would simplify the settlement between all market parties.
- In the absence of a perimeter correction for the Pass-Through regime, we reiterate the importance of adjusting the ToE Rules to ensure that suppliers are held accountable for updating their delivery point lists in a timely manner.
- We request increased data transparency.
- We request clarification on the risks associated with the Corrected Model and recommend streamlining the grid user onboarding process.
- We ask to remove rules creating market access barriers.
- We ask to amend rules to ensure future-proofness and preserve freedom of choice for grid users.

We recognise the complexity of these developments and trust that Elia will thoroughly assess our suggestions and consider the diverse perspectives across the industry. We look forward to continuing the dialogue and remain available to answer any questions or provide further information as needed.

Yours sincerely,

Patrick Adigbli
Regulatory Affairs Manager, European power markets
Centrica

We support a swift rollout of the Corrected Model, with the Central Settlement Model as a valuable fallback solution.

We advocate for a swift rollout of the Corrected Model for both TSO- and DSO-connected assets across all voltage levels and markets. We view the Central Settlement Model as a valuable fallback option. The Corrected Model removes the need for supplier-FSP agreements, significantly reduces administrative complexity, and simplifies participation for smaller grid users. Most importantly, it promotes fairer market access for a broader range of participants, including residential users.

We endorse the deployment of the Corrected Model for aFRR and mFRR for TSO-connected assets by the end of 2025. Additionally, we support the rollout of the Central Settlement Model for aFRR across TSO, HV, and MV levels by the end of 2025, for LV by Q1 2026, and for mFRR on LV by Q1 2026.

While we appreciate the clarity offered by the proposed implementation plan, we urge setting more ambitious target dates for:

- The Corrected Model in aFRR and mFRR at DSO HV, MV, and LV levels.
- The Corrected Model in day-ahead and intraday across all TSO and DSO levels.
- The Central Settlement Model in day-ahead and intraday markets at the DSO LV level.

The introduction of four ToE models across three voltage levels and four markets represents a major step toward enhancing market access and unlocking additional flexibility. However, implementing these models will require considerable effort. We expect that market participants will primarily use options that are available across all levels to minimize complexity. As such, the extent to which a particular model is adopted should not be seen as an indicator of its perceived value or preference.

We believe that performing a perimeter correction for the Pass-Through regime would simplify the settlement between all market parties.

Articles 7.4 and 14.2 of the consulted ToE Rules foresees no correction of the BRP_{source} / BRP_{BSP} perimeter for the Pass-Through regime.

As expressed in previous consultations, we believe that applying a perimeter correction for imbalance exposed grid users would streamline settlements between all market parties. This approach would harmonise the treatment of imbalance and non-imbalance exposed grid users, and address the recurring issue of suppliers not maintaining up-to-date lists of imbalance-exposed delivery points (see section below). Implementing this change would require only minor amendments to the DSO rules (e.g., C8/05 Article 3), adjustments to the combinability of FRR with day-ahead and intraday activities (cf. section below), and a revision of the day-ahead/intraday ToE baseline methodology – shifting from a High-X-of-Y approach to a declared baseline.

In the absence of a perimeter correction for the Pass-Through regime, we reiterate the importance of adjusting the ToE Rules to ensure that suppliers are held accountable for updating their delivery point lists in a timely manner.

Suppliers must provide Elia with a list of imbalance-exposed delivery points. However, the current ToE rules fail to address the consequences of non-compliance, a concern we have raised on multiple occasions. This gap introduces significant operational and financial risks for BSPs, and creates competitive distortions:

- When contracts are tacitly renewed near their end date, suppliers often fail to update delivery point lists, resulting in unintended removal of sites from BSP pools.
- The current framework does not incentivise suppliers to maintain accurate lists in a timely manner. Instead, it places the burden of penalties on BSPs.
- Suppliers can also block or delay the signing of the document confirming a grid user's imbalance exposure. In some cases, they may attempt to convince the grid user to contract with them directly, undermining third-party BSP arrangements.

We believe these issues must be addressed to ensure a fair and efficient market environment. As highlighted in the previous section, we suggest performing a perimeter correction for imbalance-exposed grid users. This would effectively resolve the issues related to supplier non-compliance and ensure a more robust settlement process.

If this option is not retained, we propose targeted adjustments to the ToE rules to ensure suppliers are held accountable for maintaining accurate delivery point lists:

- ToE Rules, Art. 6.2 and 6.3: Elia should no longer require suppliers and grid users to specify an end date for contracts. Instead, changes should be triggered either by the initiation of a new contract from another supplier or by the current supplier raising modifications.
- ToE Rules, Art. 14.2: The penalty regime should be revised to incentivise suppliers to keep their lists of imbalance-exposed clients up to date. BSPs should not be penalised for supplier non-compliance. Specifically, delivery points should remain in the BSP's pool when the supplier is responsible for communicating contractual updates.

We request increased data transparency.

We welcome the provisions in Article 15.3.1, which ensure that Elia will make aggregated data available to both the supplier and the FSP in the case of Opt-Out. This is a positive step toward upholding data confidentiality.

However, as an FSP, we believe we are entitled to access to more granular settlement data per delivery point, particularly regarding imbalance corrections and ToE volumes. Such access is essential to facilitate accurate reconciliation processes.

We therefore request that Article 15 be amended to include the following data provisions for FSPs:

- A breakdown of imbalance corrections, per quarter-hour, per program, and per delivery point.
- A breakdown of volumes attributed to each supplier, per delivery point, as determined by the grid operator.
- Detailed insights into the calculation methodology and volume determination processes.
- Access to granular delivery point data, including EAN numbers, volumes per delivery point, direction of activation, baseline values, active power measurements, the calculation method used in cases involving multiple BRPs, etc.

We remain available to provide a detailed mock-up of the desired data publication format to support implementation.

We request clarification on the risks associated with the Corrected Model and recommend streamlining the grid user onboarding process.

According to Article 6.1, selecting the Corrected Model requires the grid user to sign a separate mandate (Annex 2). We suggest integrating this mandate into the existing Grid User Declaration of the reserve program to avoid additional administrative burden and simplify the onboarding process.

Furthermore, the same article requires FSPs to inform grid users opting for the Corrected Model about the associated risks and financial consequences. We would appreciate it if Elia could clarify the specific nature of those risks and potential financial consequences for grid users, and whether these risks differ depending on the market segment or voltage level.

We ask to remove rules creating market access barriers.

We ask Elia to reconsider and remove rules that create unnecessary barriers to market access. Specifically, Article 14.4 of the ToE Rules prohibits participation in day-ahead and intraday markets during the same quarter-hour as an FRR activation. We are concerned that this restriction limits the ability to optimise assets across different market timeframes and hinders efficient market participation.

We kindly ask Elia to confirm our interpretation of this provision. If confirmed, we urge the removal of this restriction to enable more flexible and efficient asset optimisation across all relevant markets.

We ask to amend rules to ensure future-proofness and preserve freedom of choice for grid users.

Regarding Article 4, the current scope appears to be limited to DP_{PG} delivery points, excluding DP_{SU}. We suggest removing this limitation so that, once the BRP contract is amended to no longer require the BRP, BSP, and SA to be the same entity, the amended BRP Contract can be applied automatically – without necessitating further changes to the ToE rules.

Additionally, we suggest that the Central Settlement Model should not be set as the default. Instead, a dedicated field should be added to the Grid User Declaration, allowing customers to explicitly indicate their preferred ToE regime – whether Central Settlement Model, Corrected Model, Pass-Through, or Opt-Out. This approach would better reflect the principle of user choice. Illustration:

Delivery Point Name	Delivery Point Identification (EAN)	Program or Service	Max MW	**ToE: CSM / CM / Pass-Through / Opt-Out**	CRM ID of the Delivery Point
xxx	xxx	xxx	xxx	**xxx**	xxx

Regarding Article 12.2 and the example provided in Annex 1, we suggest following clarifications:

<u>Article 12.2</u>

In het geval er, op basis van metingen op de Hoofdmeter, een netto afname ~~gemeten wordt op de Hoofdmeter~~ is tijdens dit kwartier, wordt het compensatievolume voor de BRPsource_O eerst bepaald, op basis van de waarde van de gemeten afname en de waarde van het neerwaarts Geleverde Flexibiliteitsvolume gedurende dit kwartier:

- *de initiële compensatie voor de BRPsource_O is de absolute waarde van het neerwaarts Geleverde Flexibiliteitsvolume, beperkt tot maximaal de waarde van de gemeten afname gedurende het kwartier.*
  - *Deze initiële compensatie krijgt een negatief teken, wat een vermindering van de afname vertegenwoordigt in de Evenwichtsperimeter van de BRPsource_O*
- *De initiële compensatie van de BRPsource_I, belast met de netto injectie, is vervolgens bepaald op basis van het verschil tussen het initiële compensatievolume van de BRPsource_O en het netto Geleverde Flexibiliteitsvolume1*
- *Indien deze initiële compensatie voor de BRPsource_I een vermindering van de injectie betreft, groter dan het gemeten injectievolume, wordt het verschil tussen de maximale compensatie voor de BRPsource_I (dewelke gelijk is aan het gemeten injectievolume) en de initiële compensatie bepaald.*
- *Vervolgens wordt een bijgestelde compensatie voor de BRPsource_O berekend, op basis van de som van de initiële compensatie voor de BRPsource_O en het hierboven berekende verschil.*
- *De bijgestelde compensatie voor de BRPsource_I wordt vervolgens bepaald op basis van het verschil tussen de bijgestelde compensatie voor de BRPsource_O en het netto Geleverde Flexibiliteitsvolume*
  - *Deze bijgestelde compensatie kan een negatief teken hebben, hetgeen een vermindering van de injectie in de Evenwichtsperimeter voorstelt, of een positief teken, hetgeen een verhoging van de injectie in de Evenwichtsperimeter voorstelt.*

Annex 1

step 1	offtake registered in qh? yes => define BRPsource_O volume first
step 2	BRPsource_O intial_correction '=min(offtake_qh, abs(Esuppl_down_qh))
step 3	BRPsource_I initial_correction = BRPsource_O_initial_correction - net_Esuppl_down/up
step 4	delta injection = max(0; injection_qh - BRPsource_I_initial_correction)
step 5	BRPsource_I final_correction = BRPsource_O initial_correction + delta_injection
step 6	BRPsource_O final_correction = BRPsource_O final_correction - net Esuppl down/up

	MWh (net offtake)		elia examp	MWh (net injection)	
offtake_qh	10	step 1	11.1	7	
injection_qh	6		10.1	10	step 1
net_offtake_qh	4		1	0	
net_injection_qh	0		0	-3	
Esuppl_down_qh	-7		-10	-5	
Esuppl_up_qh	5		15	8	
net_Esuppl_down_qh	-2		0	0	
net_Esuppl_up_qh	0		5	3	
BRPsource_O initial_correction	-7	step 2	-10	-5	step 3
BRPsource_I_initial_correction	-5	step 3	-15	-8	step 2
delta injection vs. BRPsource_I_initial_correctior	0	step 4	4.9		
delta offtake vs. BRPsource_O_initial_correction				0	step 4
BRPsource_O final_correction	-7	step 5	-5.1	-5	step 6
BRPsource_I_final_correction	-5	step 6	-10.1	-8	step 5