



Subject: FEBEG response to he Elia consultation on the Terms & Conditions BRP

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FEBEG appreciates the consultation on the T&C BRP. The proposed changes are very important for the FEBEG members.

FEBEG especially wishes to underline that real-time activations in the context of a flexible access connection have a detrimental effect on business cases for investments which are vital to ensure the transition towards a sustainable and low carbon economy: it is impossible to properly assess the risk linked to the exposure to the imbalance price in a business plan. In this context FEBEG welcomes the introduction of the BRP-perimeter correction provided it is combined with a grid user contribution based on the day-ahead market price.

## **BRP Perimeter Correction**

FEBEG notes that the changes in the T&C BRP are rather minimalistic, and that Elia refers to the (future) connection contact.

This being said, FEBEG is strongly supporting the proposal to foresee the possibility to make a perimeter correction in the context of flexible connection provided it is combined with a grid user contribution based on the day-ahead market price. However, we also consider it to be somewhat strange that we are to give feedback on the consultation on T&C BRP (which enables the perimeter correction) before the finalization of the overall design around flexible connections (which will determine the modalities).

FEBEG is urging Elia to thus prioritise the needed amendments to the connection contract, to complete the overall design. Any changes on the connection contract must be fully aligned with the CREG decision (B)2899 from April 10th, 2025 which clearly refers to the Day-Ahead market<sup>1</sup> as reference.

<sup>&</sup>lt;sup>1</sup> Om de essentie van het concept flexibele aansluiting met real-time afregeling te kunnen implementeren, legt de CREG een betaling op van de netgebruiker aan de transmissienetbeheerder gelijk aan de afregelde energie in injectie vermenigvuldigd met een prijsindex die representatief wordt verondersteld voor de gegenereerde opbrengst. Als prijsindex stelt de CREG voor om <u>de positieve day-aheadprijs te gebruiken</u> die geldig is <u>voor het tijdsvenster waarin de geïnjecteerde energie wordt beperkt</u>.



We also wish to clarify that our support for a BRP correction cannot be used as an implicit approval of the market design on flexible connection (GU contribution) and following updates of connection contracts. They are still under discussion and largely challenged by the market participants.

The Concept of 'Modulated Volume' is not accurately defined in T&C BRP (as we understand it will be done in the connection contract) which does not allow us to make remarks on the content. It is difficult to make accurate assessments on the process of activation, the baseline methodology, ... since this discussion is also ongoing with market participants.

## Faster settlement

FEBEG opposes the reduction of the payment term of the base invoice to 14 calendar days and requests it to remain 30 calendar days. This period is necessary to perform the control of the invoice, and any objection must be sent before the due date of the invoice. At the very least, the <u>term to contest invoices should be maintained at 30 calendar days</u> after receipt of the invoices.

## Bank guarantee

FEBEG regrets that Elia did not retain FEBEG's request (see FEBEG's reaction to the public consultation of September 2024) to keep the current system and grant BRPs the choice to remain under the current system or to move towards the new approach. Elia is clearly choosing to facilitate the wishes of certain BRP's while ignoring the impact on other BRP's, as the proposals will – as stated in previous FEBEG position – (1) lead to a faster payment, (2) increased administrative burden, (3) higher financial guarantees and (4) need to increase credit limits. FEBEG therefore deeply regrets that the compromise proposal to keep the current system next to the new approach is not considered.

FEBEG requests Elia to put in place a <u>flexible system</u>, allowing a combination of several <u>bank guarantees and a cash deposit</u> to cover the full required amount, similar to the system applied in CRM. Indeed with the proposed method of calculation of the bank guarantee (especially the link with the monthly imbalance price), huge variations of the required amount can occur. In a period of energy crisis it may be difficult to obtain in due time one new or amended bank guarantee for a suddenly much higher amount.

As already mentioned in FEBEG's reaction to the public consultation of September 2024, FEBEG requests that in the event of a decrease of the bank guarantee in place, Elia, at the request of the BRP, would send a formal letter of partial release directly to the issuing bank (as in the CRM) and provide the BRP with a copy of this letter for follow up. This is very important since the bank accepts to release (part of) a guarantee only on the request of the beneficiary of the guarantee.

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