

# Minutes of Meeting TF “Implementation Strategic Reserve” February 8, 2018

**Meeting location:** ELIA Keizerslaan 20, 1000 Brussels

**Meeting date:** February 8, 2018 – 10h00 – 12h00

## List of participants

Last Name	First Name	Organization
Buijs	Patrik	ELIA
Catrycke	Mathilde	FEBEG(ENGIE)
De Vos	Kristof	ELIA
De Waele	Bart	CREG
De Wispelaere	Bram	FEBEG (EDF Luminus)
Debrigode	Patricia	CREG
Gilbert	Donald	REstore
Gillieaux	Aurélie	EFET (Engie)
Harlem	Steven	FEBEG
Jourdain	Sigrid	FOD ECONOMIE
Matthys-Donnadieu	James	ELIA
Mouffe	Ludovic	FOD Economie
Nihant	Pierre	FEBEG (EDF Luminus)
Osorio	David	ELIA
Van Daele	Laurenz	POWER PULSE
Benquey	Romain	RESTORE
Van Bossuyt	Michaël	FEBELIEC
Verelst	Martine	ELIA
Verrydt	Eric	BASF
Williame	Jean-François	FEBEG (EON Benelux)

## Agenda

- Status on the Ministerial Decree on the Volume Decision for Winter 2018/19
- Status decision of the CREG on Functioning Rules for Winter 2018/19
- Results on the public consultation on the Procedure for Constitution of 2018
- Proposal on modification of the Administrative Imbalance Tariff

## Introduction

The chairperson (Mr. James Matthys-Donnadieu) opened the meeting. The minutes of the previous meeting are published on the website of ELIA. All agenda items were supported by a presentation prepared by ELIA. The slides serve as a background for the minutes and are available on website of the Task Force ([link](#)).

The chairperson deeply regrets the news that Mr Peter Schell has passed away. Peter was an active, professional member of this task force, which contributed in numerous ways to the strategic reserve mechanism and the SDR product. His input will be missed and REstore is asked to bring the task force's condolences to his family.

#### **Status on the Ministerial Decree on the Volume Decision for Winter 2018/19**

The chairperson wants to draw the attention to the fact that the European Commission has officially approved the Belgian Strategic Reserve mechanism following the state aid guidelines. However, Elia is not yet aware of the details of the decision, but public information does not seem to deviate from the information which was already received. Consequently, there will be a modification of the Electricity Law. Based on public information, the aim of the government is to finalize these Electricity Law modifications at the end of the month after which it has to be sent to the Council of State and should follow the normal approval process

ELIA (Mr. Patrik Buijs) presents the status of the Ministerial Decree ordering a capacity of 500 MW for 1 year, but with a disclaimer that it can be revised until 1/9. The Ministerial Decree has also been published on the website of the DG Energy.

FEBELIEC asks if Elia will publish its analyses on which the Minister might base its revision of the volume. With respect to the volume revision that took place for Winter 2017-2018 ELIA understands the question but, in line with earlier statements of Elia on this matter, refers to the services of the Minister for such information request. It is too early to judge how this may be done in the future, the current Law only foresees the publication of the volume assessment by 15/11 and the Ministerial Decree on volumes does not further specify this aspects. FEBELIEC responds that this is not very transparent. ELIA takes note of this. FEBELIEC also remarks that these analyses are conducted after the offers are received and known.

#### **Status decision of the CREG on Functioning Rules for Winter 2018/19**

CREG (Mr. Bart De Waele) presented the feedback received on their public consultation. As the final decision has not been taken yet, but to be expected soon, CREG cannot elaborate on the decision itself. CREG states that major topics are preferably discussed sufficiently early in the task force, and not introduced at the end of the process via the public consultation.

ENGIE asks why CREG did not present the feedback given by ELIA. CREG answers that the draft decision is known, and that Elia provided straightforward answers on these questions. ELIA confirms that modifications are mainly small clarifications and corrections. Two main elements are the commitment to improve transparency on the parameters (e.g. activation criteria) deviated from the volume assessment, and analysis possibilities for to alleviate constraints on providing capacity with delivery points participating or participated in SDR. FEBELIEC states it is available to discuss or provide clarifications on this point. ELIA confirms it plans to have such discussions before summer.

ENGIE asks if the test criteria can be discussed. ELIA answers that it welcomes all suggestions for design modifications and will incorporate them on the list of potential modifications for Winter 2019/20 to be presented in the next task force, if deemed relevant, and not subject to elements which have already been discussed earlier.

#### **Results on the public consultation on the Procedure for Constitution of 2018**

ELIA (Mr. David Osorio) presented the remarks received during the public consultation, and how these are taken into account in the final version.

FEBELIEC states that it may be inconsistent to say that the Electricity Law is out of scope while at the same time making references to the Electricity Law in the PdC. FEBELIEC also notes that the volume to be contracted can change until September 1. It asks how this can work in practice if the volume increases, to for instance 2000 MW, and the volumes cannot be found. ELIA answers that this is not different as in the past. It already occurred that the full capacity could not be contracted, which resulted in a strategic reserve capacity lower as the need. Elia does not foresee additional measures to cope with this issue. RESTORE asks what happens in the other direction, if the volume decreases. ELIA answers that for this reason, the awarding is only 14/9, Elia just contracts the final volume, after techno-economic selections and analysis of the prices by CREG.

RESTORE asks if the Minister can describe the process how to select the offers after Royal Decrees were necessary. FOD ECONOMIE answers that the same process as last years is followed based on interviews and advise of the CREG. FOD ECONOMIE takes note of this question and answers that the Electricity Law may address this.

ENGIE refers to its remark made in the public consultation on the 1-year contracts and clarifies that the question was if Elia can adapt the document now that it has been decided to go for 1 contract. ELIA explains that at the moment of writing, there was no legal certainty yet on this matter. In the meantime, only 1 year contracts are imposed by the Ministerial Decree.

RESTORE remarks that the award notice on 14/9 imposes a problem for installing the submeter. The current timeline requires the supplier to install/order the submeter without knowing he has been selected or not. This results in an additional risk for the supplier. ELIA explains that this is the consequence of the legal calendar, and that it is willing to be as pragmatic as possible, but that there are not many degrees of freedom. Elia is subject to the legal calendar, and the Ministerial Decree which sets forward that the volume can be revised until 1/9. All efforts to move terms and deadlines before this date will not change this fact. RESTORE and FEBELIEC remark that under this uncertainty, combined with the experiences of last year, not much volume from industrial consumers is expected to be offered.

ELIA remarks that past events were beyond its control, and even beyond control of the Belgian government, but understands the frustration. On the other hand, Elia can only follow the law. EDF suggest that a quicker law modification process will benefit this uncertainty. If investments have to be done, this takes time. Engie asks why 1/9 has been chosen as date for revision. ELIA answers it is a consequence of the requirement of the EC for revision, and FOD ECONOMIE adds it is chosen as a compromise.

RESTORE asks if it is possible to apply the bidding obligations of divisibility also for SGR and in this context also specify the concept of “technical reasons for indivisibility”. Elia replies that the current rule in the Procedure for Constitution executes the Functioning Rules and is consistent with the Electricity Law on (in)divisibility. EDF replies that this might not be that straightforward as different conditions apply, i.e. technical constraints, social elements. RESTORE replies that this might be required to ensure a level playing field..

### **Proposal on modification of the Administrative Imbalance Price**

ELIA (Mr. Kristof De Vos) presented the proposal to modify the administrative imbalance price to a fixed value of 10.500 €/MWh following the commitments made by the Belgian government to the European Commission, as well as the implications for the balancing market.

FEBELIEC asks how the proposed bid cap 13.500 €/MWh is calculated. ELIA answers that this is determined as such that 80% of this value remains higher as 10.500 €/MWh, which means that prices already have to exceed the 10.500 €/MWh before the bid cap value has to be reviewed. FEBELIEC

also asks where these values will be published. ELIA answers that the value of 10.500 €/MWh is a matter of tariffs, while the triggering mechanism as such remains in the functioning rules. On the other hand, the bid cap 13.500 €/MWh will be defined in the balancing rules. The setup is in line with how today these aspects are embedded in the different regulatory documents.

ELIA indicates that the further discussions and implementation of the bid cap changes are to be discussed in the WG Balancing of the Elia Users' Group.

ENGIE asks when this mechanism has to be in place. Elia answers that the update of the administrative imbalance price will need to be in place on 1/11/2018, i.e. the start of the next winter period, as indicated by the engagements of the Minister of Energy towards the European Commission.

### **Closing**

The chairman closes the meeting by thanking all parties for the constructive discussion.

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