# Task Force Implementation of Strategic Reserve

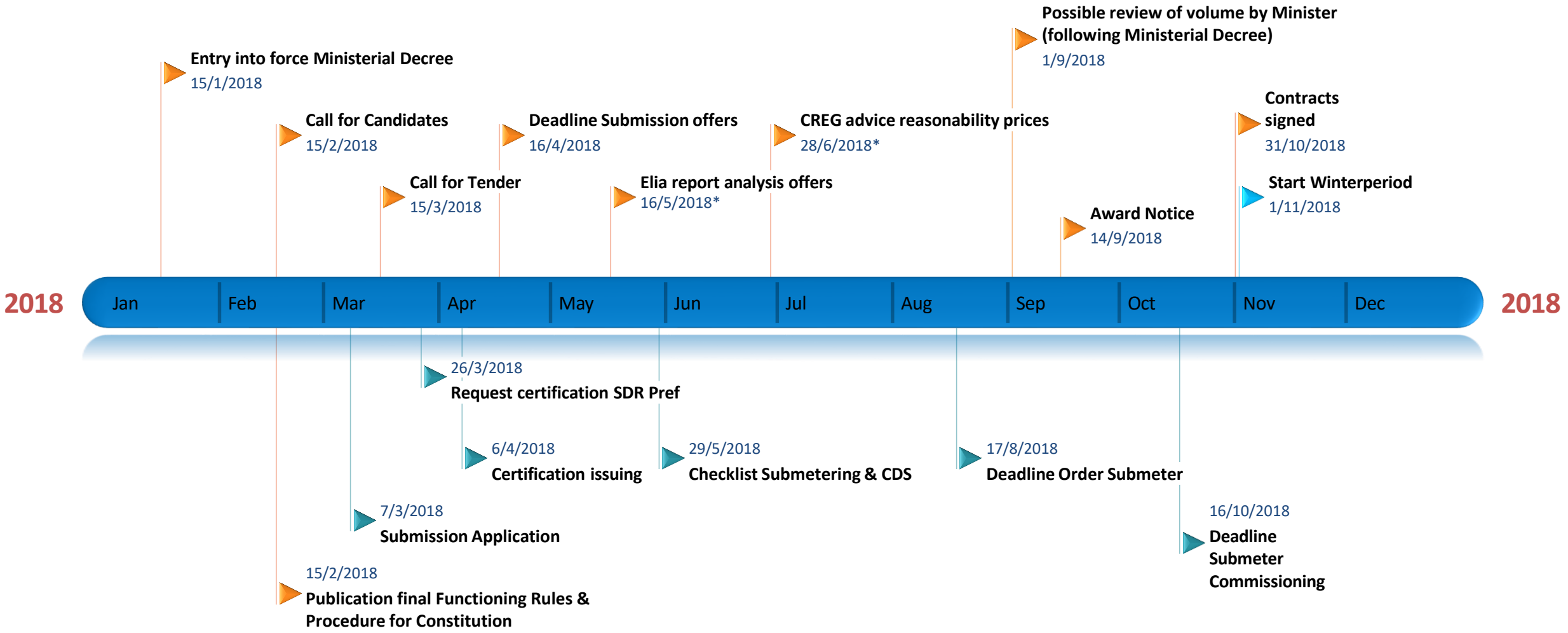
Task Force – April 23, 2018

# Meeting Agenda

- Status Tender Winter 2018/19
- Methodology Adequacy Study 2018
- Workplan SR design Winter 2019/20

# Status Tender Winter 2018/19

# Timeline 2018 (15.02.2018)




** Notwithstanding the legal deadline of 31/5/2018, ELIA strives to submit its report to CREG already by 16/05/2018. As a consequence and following the legally stipulated terms, CREG would conclude its advice by 28/06/2018 (in stead of the legal deadline of 12/07/2018).*

# Strategic reserve volume determination

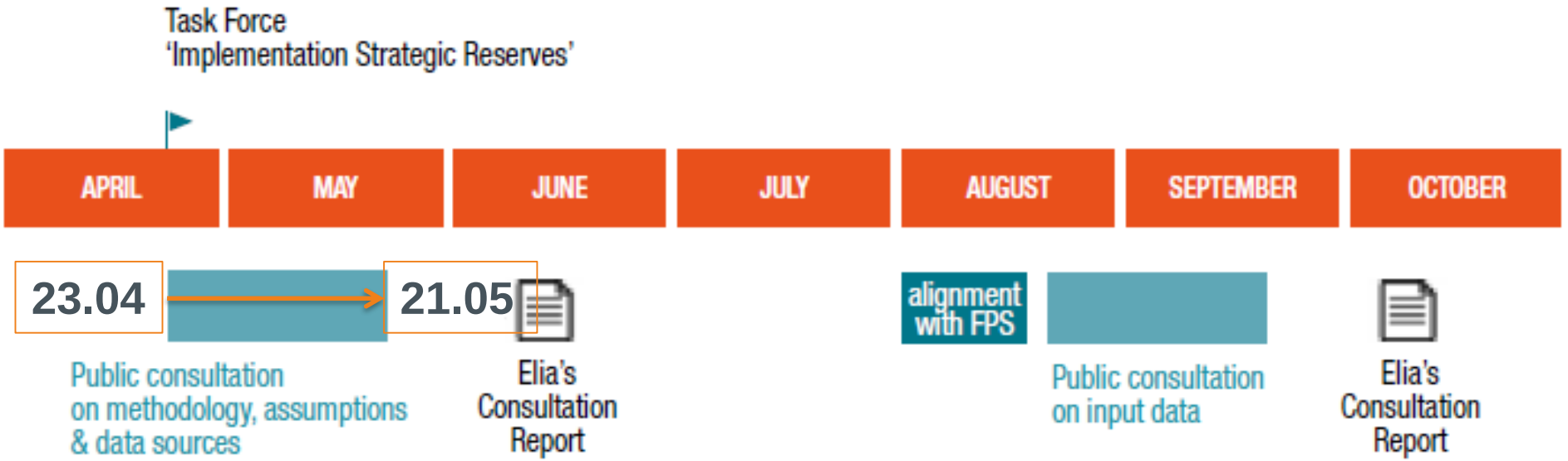
## Public consultation on the methodology, hypotheses and data sources for the dimensioning of the volumes of strategic reserve needed for winter 2019-2020

# Content

1. Volume determination: public consultation process
2. Methodology recap
3. New elements compared to the analysis for winter 2018-19
4. Q & A

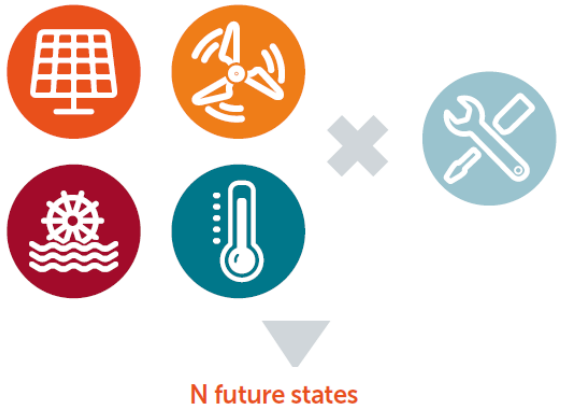
# Volume determination: two public consultations are held

Stakeholder comments were taken into account: sufficient duration of consultations is foreseen.

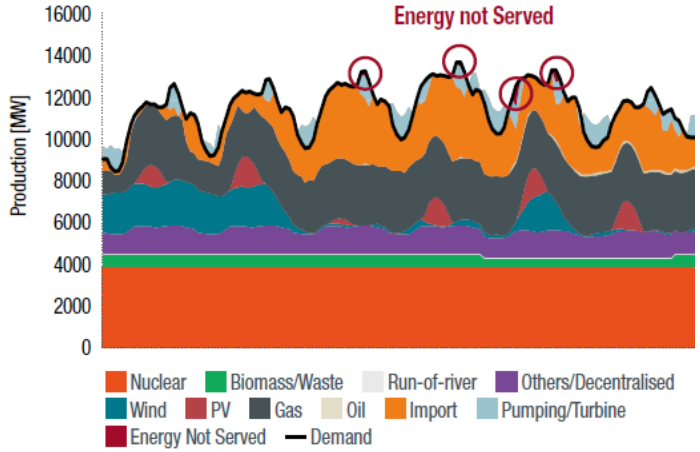


# The methodology for the volume determination consists of three big parts

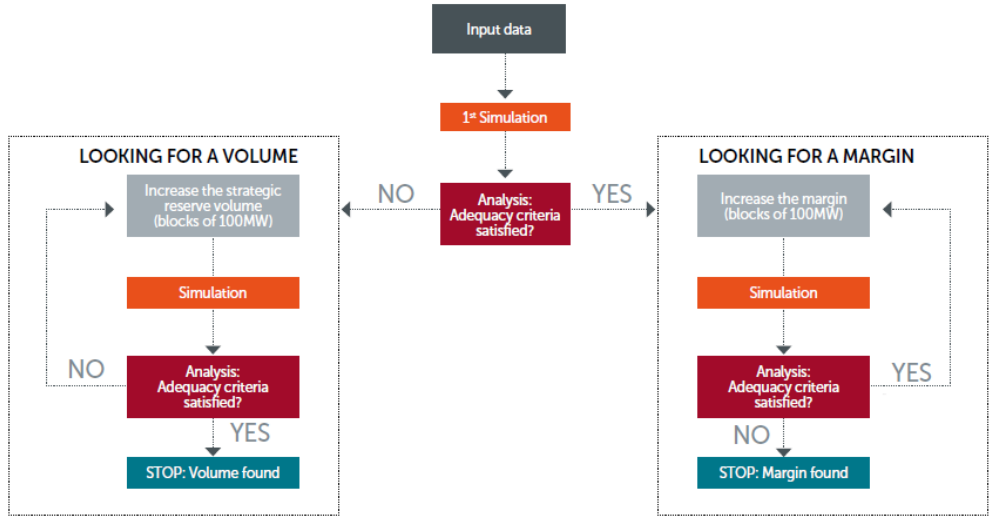
## 1 DEFINITION OF FUTURE STATES




## 2 IDENTIFICATION OF PERIODS OF STRUCTURAL SHORTAGE




## 3 EVALUATION OF STRATEGIC RESERVE VOLUME OR MARGIN



# Main new elements compared to the assessment of winter 2017-18

- **Flow-Based modelling**
- **Market Response**
- **Total Demand growth**
- **Forced outage rates and availabilities**
- **Modelling non-CIPU units**

# New improvements on the flow based methodology with respect to last year:

**Latest set of 2017 typical days will be used.**

The latest set of typical days as defined within the CWE SPAIC process will be used. This means that a new set of typical days based on 2017 will be used compared to the ones used for winter 2018-19

**Incorporation of the effect of NEMO and ALEGrO on the flow-based (FB) domains.**

Changes to the historical domains might be considered, in order to match the conditions of the grid and the impact of two mentioned interconnector projects, during the assessment. Furthermore FB domains could also be adapted according to planned grid outages, should these occur in the relevant periods for the assessment. Consideration of Minimum RAM of 20% will also be considered

**Correlation the flow-based domains with climatic data.**

The same systematic approach as used in the assessment for winter 2018-19 will be followed, linking specific combinations of climate conditions for wind and load with the representative flow-based domains to be considered in the simulations. Correlations will now be projected on the new set of 2017 typical days.

# New improvements on the market response methodology are:

Key market stakeholders engaged last year in a continuous interaction process to design the most adequate methodology to determine the volumes of Market Response in Belgium.

**This methodology is considered to be widely accepted by stakeholders now**

It will be used again, considering **new available data from May 2017 to March 2018**, in order to calculate updated figures of the new estimates for Market Response

# New improvements on demand growth methodology are:

## Demand growth data from IHS MARKIT

For the analysis of the winter 2019-20, the latest forecast available from IHS MARKIT consultancy bureau will be taken again as reference, in order to keep the consistency with previous years' assessments.

In order **to increase the transparency** of the figures considered, an enlarged description of the methodology deployed by IHS MARKIT is presented compared to the description provided for winter 2018-19

IHS Markit **has started using multiple scenarios** for reflecting different future possibilities. For this study, and after stakeholders' feedback, Elia together with FPS Economy will decide upon **which scenario is the most relevant** in terms of expected evolution of demand.

# New improvements on forced outage rates and availabilities

The **forced outage rates and availabilities** of power plants used by Elia in its analysis are **based on the official communication** available **from the power plant owners**.

Furthermore long term exceptional **outages of nuclear units** are taken into account through the use of sensitivities, to account for '**low probability high impact'** situations.

As done in last years' assessment, Elia will **update its analysis** of the availability of the conventional generation units for this version of the assessment, **with focus on nuclear** power plants.

A **detailed comparison** of the modelled availability, based on official figures from producers, with the observed Belgian and French nuclear availability in winter **will be repeated.**

# New improvements on the modelling of non-CIPU units

After publication of recent studies, **Elia has received feedback from stakeholders** regarding the **modelling of CHP units**. Although no significant errors in previous modelling were identified, bilateral contacts with these stakeholders revealed **possibilities for a clearer representation of non-CIPU thermal** production units.

For this study, Elia will retain the **distinction between CIPU and non-CIPU units**. Instead of a biomass-, waste- & CHP production group, **a new aggregation containing all of the non-CIPU thermal production units** will be created.

Elia will do an analysis on this new category to **gain more insight in the behavior of smaller units in times of structural shortage**. Improved modelling will be integrated in this years' assessment.

# Thank you for your attention

Any question?

# Workplan SR design Winter 2019/20

# Workplan SR Design Winter 2019/20

| | Topic | Trigger | Planning |
|---|---|---|---|
| 1 | Potential design changes resulting from E-law amendment | Modification E-Law | Subject progress and exact wording of the amended E-Law |
| 2 | Clean-up functioning rules, procedure for constitution and contracts following E-Law amendment | | |
| 3 | Application of Transfer of Energy for SDR | Modification E-Law + Transfer of Energy Rules | Subject to CREG approval on pending ToE rules |
| 4 | Improve transparency towards parameters following the Adequacy Study (activation criteria, heat map,…) | Request CREG (Decision FR) | After summer (linked to publication of the volume report). |
| 5 | Investigate exceptions to the full exclusion DPs participated or participating in AS | Request CREG (Decision FR) Market Request | Conclude in TF before summer |
| 6 | Investigate the revision design for tests (planning and penalties) | Market Request | Conclude in TF before summer |