

Minutes of Meeting TF “Implementation Strategic Reserve” July 9, 2018

Meeting location: ELIA Keizerslaan 20, 1000 Brussels

Meeting date: July 9, 2018 – 13h00 – 15h00

List of participants

Last Name	First Name	Organization
Buijs	Patrik	ELIA
Claes	Peter	FEBELIEC
De Vos	Kristof	ELIA - secretary
De Waele	Bart	CREG
De Wispelaere	Bram	FEBEG (EDF LUMINUS)
Debrigode	Patricia	CREG
Gilbert	Donald	REstore
Gillieaux	Aurélie	EFET (ENGIE)
Huertas Hernando	Daniel	ELIA
Jourdain	Sigrid	FOD ECONOMIE
Latapy	Jean	E-CUBE
Matthys-Donnadieu	James	ELIA - president
Mouffe	Ludovic	FOD Economie
Nihant	Pierre	FEBEF (EDF LUMINUS)
Tsiokanos	Anna	ELIA
Van Daele	Laurenz	POWER PULSE
Verelst	Martine	ELIA
Weyns	Cedric	ACTILITY

Agenda

- *Status Tender 2019*
- *Adequacy Study 2019*
 - *Market Response Study Update*
 - *Public consultation on the Adequacy Study 2019*
- *SR Design*
 - *Transfer of Energy for SDR*
 - *Emergency Generators*
 - *Other*

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 (or E-CUBE). The slides serve as a background for the minutes and are available on website of the Task Force ([link](#)).

Status Tender Winter 2018-19

Mr. Manuel Aparicio presented the status of the current tender for strategic reserves. Elia submitted its report concerning the offers to CREG on May 16 and received the report of the CREG concerning the reasonability of prices on 28/6/2018. Elia will now await a possible new decision of the minister on the volume until September 1. Information on the selection can therefore be expected mid-September.

The chairman informs the Task Force that Elia received a letter from the Minister to conduct a re-calculation of the volume for next Winter 2018-19. Elia is currently conducting its analysis and will communicate its answer to the Minister, including the corresponding analysis, on Elia's website. Elia is also intending to publish on the same time the results of the re-calculation for winter 2017-18. This addresses the requests expressed by the stakeholders during the previous task forces.

ENGIE asks if Elia is going to publish this as soon as possible. ELIA answers that it will only publish the analysis after the Minister has taken a decision.

ACTILITY asks if Elia will take into account other elements as the return to market of Seraing, such as for example the unavailability of nuclear power plants. ELIA answers it will take into account all relevant elements which may affect the result of the analysis. For instance, also the improvement of the Minimum Reliability Margins of 20% in the flow-based methodology could be taken into consideration. It will also assess if an updated availability of the nuclear generation park is necessary.

Adequacy Study 2018

Update market response study

Mr. Jean Latapy (E-CUBE) presented the results of the analysis. The statistical analysis over the last three years revealed an available market response capacity of 691 MW. At the end of the presentation, a discussion is facilitated on the extrapolation factor to be taken into account for winter 2019-20. A sensitivity of the results with a 4%, 5% and 7% extrapolation factor is presented by E-Cube.

FEBELIEC questions if the result of the analysis, i.e. 691 MW, is really expected to be curtailed during scarcity periods. It points out that this might be an underestimation during price spikes happening during scarcity. ELIA answers that this result is the outcome of a methodology based on historic values (based on market response observed to be present in the past) and that this methodology was presented and consulted last year, being widely supported by the Task Force. It is therefore not the objective to question the methodology, but discuss the parameters for updating the study. ELIA clarifies that the extrapolation factor is particularly relevant to discuss with stakeholders as it takes into account possible evolutions in the demand response sector.

CREG proposes to use the extrapolation factor of 7%, in order to take into account the expectation that market response may be higher in scarcity situation than historically observed. RESTORE states that the 7% value can make sense in terms of sector growth.

EDF LUMINUS refers to the CREG study on price volatility as an input to assess the trends. ELIA argues that this is not useful as only observing prices above 150 €/MWh are taken into account in the market response assessment. ENGIE answers that it will further investigate these extrapolation factor

values internally but already points out that the reservations made by E-CUBE on the 7% scenario do not support the choice for 7% as a reference value for the extrapolation factor. E-Cube presented that the 7% is the result of a higher market response observed during the last winter, and might not necessarily be repeated in the future. ELIA argues that one can also reason that the last year is exactly the most representative.

ELIA concludes, taking into account a clear opinion from CREG, and no strong counter-arguments from the other stakeholders, that the 7% can be proposed as value in the upcoming public consultation on the input data. This still allows market parties to react and provide arguments for an alternative value.

Public Consultation on the Adequacy Study 2019

Mr. Daniel Huertas presents the answer of Elia on the response of the market players received during the public consultation concerning the methodology and assumptions for the Adequacy Study 2019, to determine the SR needs in winter 2019-20.

FEBELIEC comments on the explanation of Elia to maintain a resolution of 100 MW. It does not disagree with the technical explanation itself but observes that a SR need of 1 MW might result in a SR capacity of 100 MW, which might be questioned if terms of minimizing costs of society. However, FEBELIEC agrees with the statistical explanation given by ELIA that choosing a resolution of 50 MW or lower might improve neither the accuracy of the results nor guaranty robustness of the results in itself. ELIA clarifies that a SR need is not based on single events, some of which could indeed result on a 1 MW shortage but on a large sets of future events with different ranges of unsupplied energy, for which the SR volume is calculated in order to respect the statistical adequacy criteria of $LOLE=3$ and $LOLE95=20$.

FEBELIEC comments on the visibility of emergency generators and asks Elia to make an inventory of these units to allow making an accurate estimation of the SR needs. Elia stresses that the Emergency Generators are taken into account as market response, but on aggregated level, and not on individual level (which is also not required). Elia also comments it will allow participation of emergency generators in the next tender, contributing to cost minimization when procuring the SR capacity required.

ENGIE asks why it is difficult to anticipate the German – Austria split. Elia answers that this evolution is currently foreseen for CWE FBMC framework only as early as October 2018, so flow-based domains including this feature will not be available during the calculation phase of the assessment.

ELIA informs the task force that the consultation report is published and the public consultation on the input data will start on August 27.

SR design

Mr. Patrik Buijs (Elia) presents the status of the Electricity Law amendments, as well as the main elements impacting the strategic reserve design. Mr. Kristof De Vos (Elia) presents the status of the modification of the administrative imbalance price to “at least 10.500 €/MWh” and an overview of the work plan for winter 2019-20 concerning strategic reserve design aspects.

Ms. Anna Tsiokanos (Elia) presented the relevant aspects related to Transfer of Energy for SDR. FEBELIEC asks if the same formula as for balancing will be used to calculate the transfer price. CREG confirms it will be the same price as it is the compensation for the supplier of the energy. FEBELIEC answers that circumstances during scarcity are different, with different energy prices. CREG answers that the formula remains the same as for balancing.

Ms. Kristof De Vos (Elia) presents the design proposal for emergency generators following the amendments in Electricity Law. RESTORE asks if the definition of the European Network Guidelines, limiting these generators to run only 5 minutes in parallel to the system, includes testing and if this is

not too restrictive if tests are not included. Elia answers it does include testing but is open to reconsider this upon justification. ELIA asks the aggregators if their experience justifies tests longer as 5 minutes on which RESTORE confirms it does. FEBELIC also sees the need to allow test for more than five minutes as these units are required to generator for a longer time if activated during an SR need. ELIA argues that certification constraints should not be confused with the obligations of the SR provider during a contract.

EDF LUMINUS asks if Elia takes into account the Synergrid rules (C10/11 requirements) for prequalification of capacity on distribution level. At this stage, same prequalification criteria are foreseen as with demand response. ELIA commits to reflect on this and asks inputs of stakeholders. ELIA also asks how market players deal with this issue in the context of mFRR. FEBELIEC answers it does not participate in mFRR in such case.

ELIA informs that the concrete text proposals will be presented after summer in the next task force. This task force will be scheduled in September / October. Other topics scheduled for this task force (other design aspects such as divisibility and market requests on Ancillary Service Combinations and testing of SR) are rescheduled to the next meeting.

Closing

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

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