

Minutes of Meeting TF “Implementation Strategic Reserve” November 29, 2018

MEETING LOCATION: ELIA, KEIZERSLAAN 20, 1000 BRUSSELS

MEETING DATE: NOVEMBER 29, 2018 - 10H00 UNTIL 12H00

LIST OF PARTICIPANTS

LAST NAME	FIRST NAME	ORGANIZATION
<i>Matthys-Donnadieu</i>	<i>James</i>	<i>Elia - chairperson</i>
<i>De Vos</i>	<i>Kristof</i>	<i>Elia - secretary</i>
<i>Van Thielen</i>	<i>Elmo</i>	<i>Elia</i>
<i>Verelst</i>	<i>Martine</i>	<i>Elia</i>
<i>Buijs</i>	<i>Patrik</i>	<i>Elia</i>
<i>Huertas Hernando</i>	<i>Daniel</i>	<i>Elia</i>
<i>Osorio</i>	<i>David</i>	<i>Elia</i>
<i>Catrycke</i>	<i>Mathilde</i>	<i>FEPEG (ENGIE)</i>
<i>De Wispelaere</i>	<i>Bram</i>	<i>FEPEG (EDF Luminus)</i>
<i>Debrigode</i>	<i>Patricia</i>	<i>CREG</i>
<i>De Waele</i>	<i>Bart</i>	<i>CREG</i>
<i>Gilbert</i>	<i>Donald</i>	<i>Restore</i>
<i>Harlem</i>	<i>Steven</i>	<i>FEPEG</i>
<i>Jourdain</i>	<i>Sigrid</i>	<i>FOD Economie</i>
<i>Mouffe</i>	<i>Ludovic</i>	<i>FOD Economie</i>
<i>Van Bossuyt</i>	<i>Michaël</i>	<i>Febeliec</i>
<i>Willemot</i>	<i>Guy</i>	<i>FEPEG (EMGB)</i>

Agenda

- *Adequacy Study 2018*
- *Functioning Rules Winter 19/20*
- *Procedure for Constitution 2019*
- *AOB*

Introduction

The chairperson (Mr. James Matthys-Donnadieu) opened and introduced 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 announced that the role of secretary would pass from Mr. Kristof De Vos to Mr. Elmo Van Thielen, starting from the next meeting onward. He will be the new point of contact for this taskforce.

Adequacy Study 2018

Elia (Mr. Daniel Huertas Hernando) presented the contents of the adequacy study conducted in 2018 for the need for a strategic reserve for the winter of 2019-20 and winter outlook for 2020-21 and 2021-22. The conclusion of this report shows that there is no need for strategic reserve next winter.

Febeliec wished to clarify if Ham en Langerlo were taken into account. Elia answered that all units were considered according to the input data package provided during the consultation and the feedback received.

Febeliec wished to clarify the assumptions for Demand Response. Elia confirmed to have used the 7% growth of Demand Response. Febeliec stated that the considered available volume of Demand Response should be raised further in view of the recent announcements made by market parties for this winter, regarding significantly high volumes of demand response. Elia underlines that the current methodology has been developed in agreement with all stakeholders and provides an objective and observable way of determining the actual demand response. Febeliec requests to timely discuss in the TF iSR the outcome of the analysis of the Belpex curves allowing, if needed depending on the obtained results, further steps such as an additional reality check in light of the recent developments. Elia suggests to stick to the approved methodology for these calculations (which should in principle also allow accommodating for the mentioned increases in demand response) and thus the taskforce is to discuss the resulting numbers to be obtained next year after consideration of the belpex curves from the ongoing winter when discussing next year's volume assessment methodology.

Febeliec requested to explain why the margin for winter 2020-21 does not increase significantly, despite e.g. a growth in renewable production and the presence of Alegro. Elia explained that the reason is:

- I. The situation in winter 2019-20 is already quite favourable and Belgium can import sufficiently from its neighbours.
- II. The slight shift from thermal to renewable generation and a small reduction in thermal capacity in France in winter 2020-21, leads to a situation with a reduced increase compared to the winter of 2019-20. By the winter of 2021-22, the results indicate that the situation stabilizes.

Febeliec asked if it is correct to assume that Alegro only provides 100 MW added value to security of supply. Elia explained that is not completely correct. In the base case the situation for Belgium is such that enough energy is well distributed among Belgium and its neighbouring countries can import sufficiently. The situation changes significantly in the sensitivity, which makes the contribution of Alegro to security of supply more prominent (contribution 400 MW--> 800 MW -->1000MW).

CREG asked if a simulation was done without Alegro for the winter of 2020-21, so the difference would become apparent. Elia proceeded to present the influence of Alegro on the Flow-Based domains. The positive impact of Alegro is clearly observable in the domains.

FEBEG (EDF) asked if excluding historical maintenances on the grid is not too optimistic when considering security of supply. Elia stated that it is common practice for TSOs to avoid maintenance during winter and TSOs align with each other on their maintenance planning.

Febeliec asked if recent changes in Amprion's settings within the flow-based calculation had been taken into account as well. Elia replies that this is not the case but that exclusion of historical maintenances and MinRAM already provides a significant positive effect.

FOD asked if Elia has aligned their assumptions with RTE on French nuclear unavailability. Elia confirmed to have discussed this with RTE and they agree with the resulting assumptions.

Elia clarified that the 1,5GW unavailability is additional to the base case assumptions of this year and not additional to the 1GW already considered last year in the sensitivity.

Febeliec asked whether the definition of the "low probability high impact" sensitivity within the assessment of strategic reserve, is affected by the low nuclear availability observed this winter, (whether or not it is included in the analysis). Elia confirms this. Febeliec then expresses its concern should this assumption impact the resulting costs for the final customer in the years to come. This remark has been duly noted by Elia, but this issue goes beyond the scope of the forum of the TaskForce.

Engie asked if situations have been taken into account where MinRAM does not hold up. Elia confirms that it has looked into this, but the availability of a full grid is a much more determining assumption for the presented results.

Functioning Rules Winter 19/20

Elia (Mr. Kristof De Vos) presented the proposed modifications to the Functioning Rules for the winter of 2019/20, following the design modifications proposed in previous taskforce meetings. The changes include the introduction of Emergency Generators in SDR, introduction of Transfer of Energy on SDR, implementation of divisibility of SGR Offers, ensuring compliance with the amended Electricity law, and the update of adequacy study parameters.

Febeliec asks if a potential modification of the adequacy study parameters following a potential revision of the volume before September 1, 2019 (by instruction of the Minister), will result in an update of the functioning rules. Although Elia and CREG confirm that these parameters are in the functioning rules, while being based on the adequacy report, and are approved by CREG, it remains to be seen how in practice such an update of these parameters will be conducted when the event occurs. Elia mentions that the parameters, as from this edition of the adequacy report onwards, are added in annex to the Adequacy Report. This annex serves purely to increase transparency, as also requested by CREG.

Febeliec asks why it is not possible to calculate equivalence factors if there is no volume, as this clearly is of large impact for SDR-suppliers. Febeliec expressed their concern that the introduction of Equivalence Factors after the revision poses difficulties for SDR without a reference now. Elia explained that proposing Equivalence Factors now would require assuming an arbitrary volume on the basis of which the resulting factors could hardly be defended within the boundaries of the methodology to determine them. Given their importance and therefore the necessity to calculate them in the most correct way, currently not calculating Equivalence factors is deemed the correct approach and historical values are purely given as indicative information to market parties. The calculations of Equivalence Factors will not be on the critical path to realize a tender at revision of the volume.

Febeliec asked to clarify the increase on availability percentages and longer hours of intervals in the functioning rules for the coming winter, and particularly in the month March. Elia explained that this is due to the increased 500MW in the sensitivity for Belgium (from 1GW to 1,5GW) which impacts the available margin in the heat maps, notably for March. Elia stresses that the methodology for

determining these parameters has not changed and that these percentages have slightly changed from last year as they are derived from the heat maps resulting from the adequacy calculations. Febeliec comments that this is a result of the current winter situation and could pose an additional burden for the coming years for SDR.

Procedure for Constitution

Elia (Mr. David Osorio) presented the impact on the Procedure for Constitution. The target for readiness for consultation is early December.

CREG wanted to clarify if there is no volume instructed by the Minister, the tendering process will not start. Elia confirmed this notion. Elia stated that the procedures to ensure sufficient offers in case of an upwards volume revision are not clarified at this point, but that they will only start a tendering process based on the instructions from the Minister.

Febeliec asked to clarify what happens if no offers are found to be unreasonable. Elia explained that the contracting phase will begin immediately in that case.

Elia clarified on the certification of Emergency Generators that the described requirements envisage to test if the unit is used for covering the load of the site where it is installed and that it is indeed not in the market.

Febeliec commented that the requirements on parallel running-time should only cover “normal system states” and that the site should be able to use emergency generators to cover its own load or take parallel beyond “normal state”.

Febeliec stressed the issue with the incurred costs by SDR candidates to install meters without guarantee that they would be selected.

AOB

The chairperson announced that Elia, as required by the Electricity law, will conduct a new adequacy and flexibility study which is foreseen to be published in June 2019. The study will be based on a new methodology in comparison to 2016 to analyse the flexibility needs. It is announced that Elia will hold a stakeholders’ workshop to present the methodology for the adequacy and flexibility part, and will launch a public consultation on the scenarios used. Both would take place in January. Communications on this study will be communicated through this task force.

Closing

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

* *