

Minutes of Meeting Taskforce: “Implementation of Strategic Reserve” September 19th, 2019

MEETING LOCATION: ELIA, KEIZERSLAAN 20, 1000 BRUSSELS

MEETING DATE: SEPTEMBER 19, 2019 - 10H00 UNTIL 12H00

LIST OF PARTICIPANTS

LAST NAME	FIRST NAME	ORGANIZATION
<i>Buijs</i>	<i>Patrik</i>	<i>Elia - Chairperson</i>
<i>Van Thielen</i>	<i>Elmo</i>	<i>Elia - secretary</i>
<i>Verelst</i>	<i>Martine</i>	<i>Elia</i>
<i>Hahati</i>	<i>Bilal</i>	<i>Elia</i>
<i>Vander Mynsbrugge</i>	<i>Jorrit</i>	<i>Elia</i>
<i>Pirlot</i>	<i>Yunus</i>	<i>Elia</i>
<i>Vermeulen</i>	<i>Pascal</i>	<i>Climact</i>
<i>Martin</i>	<i>Benoît</i>	<i>Climact</i>
<i>Debrigode</i>	<i>Patricia</i>	<i>CREG</i>
<i>De Waele</i>	<i>Bart</i>	<i>CREG</i>
<i>Mouffe</i>	<i>Ludovic</i>	<i>FPS Economy</i>
<i>Van Bossuyt</i>	<i>Michaël</i>	<i>Febeliec</i>
<i>De Backer</i>	<i>Béatrice</i>	<i>FEPEG - Engie</i>
<i>Gouverneur</i>	<i>Bruno</i>	<i>Synergrid</i>
<i>Benquey</i>	<i>Romain</i>	<i>Centrica Business Solutions</i>
<i>Putz</i>	<i>Patrick</i>	<i>E-Cube</i>

Agenda

- *Macro Demand Forecasting Tool*
- *IHS forecasting Quality*
- *Functioning Rules winter 2020-2021*
- *Participation of foreign out of market reserves to Belgian Strategic Reserves*
- *E-Cube demand response study*

Introduction

The chairperson (Mr. Patrik Buijs) opened and presented the agenda of the meeting.

Macro Demand Forecasting Tool

Elia (Mr. Bilal Hahati) introduced a collaboration project with Climact for a new Demand Forecasting Tool to be used for short, medium and long-term studies by Elia and that will be made publically available to all stakeholders. Climact (Mr. Pascal Vermeulen and Mr. Benoît Martin) continued to present the tool and its objective.

CREG asked what the time horizon for the tool was going to be. Elia responded that Y+1 to Y+20 was the scope to be covered by the tool, i.e. ongoing development planned also in the scope of this project.

Febeliec wished to clarify whether the tool would be made publically available or only the results. Climact responded that the tool will indeed be open source and stakeholders could adapt the input parameters to simulate different results.

Febeliec wished to clarify if for the target X% reduction determining the demand, a linear approach was taken in the interim period. Climact responded that the trajectory will be able to be customized but this is still in development.

CREG asked if the tool entails any economic analysis. Climact responded that some cost elements (CAPEX, OPEX and fuel costs) are given, but it is not an economic model. Febeliec commented that this determines the viability of a scenario.

Synergrid asked if the model takes into account whether goods are produced in Belgium or abroad. Climact confirmed that import and export are considered.

Febeliec asked if CO₂ and energy prices determine fuel switch. Climact stated that this is not case. Febeliec commented that a high CO₂ price in Belgium will cause production to move out of Belgium. Climact stated the user can in this case influence the import/export lever.

Synergrid asked if the tool models a specific measure or, more abstractly, a more ambitious level of decarbonisation. Climact indicated it's the latter (no one-to-one mapping of policy and result) and that it's more about quantifying more ambitious measures.

CREG asked if there are provisions in the model for emissions of electricity production. Climact replied that the decarbonisation of electricity production is also in the tool.

Febeliec asked which category would fit a data center. Climact responded that this is a separate category. Febeliec asked where it is in the shown graph then. Climact confirmed that this is to be investigated.

Synergrid wished to clarify if charging an electric vehicle would be in "building" or "transport". Climact responded it would be in transport. Elia replied that information on category mapping will be provided with the tool.

Febeliec asked if a more aggressive decarbonisation would result in higher energy/CO₂ prices in the model. Climact stated the model to be a volume model, not a price one.

CREG asked how the most extreme scenarios were determined. Climact responded that it is the maximum potential.

Febeliec commented that no nuclear is a political assumption. Climact responded that the tool in 2013 respected the information given by the law at the time. Engie asked if they will stick to this hypothesis. Climact stated that the model will stick to what is in the law.

CREG asked how the model takes into account grid losses and if this includes hypotheses on centralized/decentralized production. Climact replied that currently there was no load flow calculation but a percentage correlation to the demand for electricity. However, they are in discussion with Elia on how to do this more accurately.

CREG and Febeliec asked if a public version of the slides could be made available. Climact stated that this could be possible as long as everyone is made aware that it is work in progress. Elia stated they would communicate back to the TaskForce members on this.

IHS forecasting quality

Elia (Mr. Jorrit Vander Mynsbrugge) presented quality indicators for the current IHS demand forecasting tool in answer to a question raised by CREG in the previous task force. It concluded a good forecasting quality on the short term.

Febeliec stated that the forecasting error is indeed acceptable on the short-term but it could be an issue for 20-year studies. Elia agreed, which is why they put the project with Climact into place.

CREG asked to clarify which forecast is used for Strategic Reserves. Since the volume calculation is done in November would it then be 1, 1,5 or even 2 years ahead? Elia needed to confirm this and stated to get back to the TaskForce members via mail.

Febeliec commented that the growth rate from IHS is combined with other Elia values for demand. Elia responded that different data sources will give different load values, of which Elia's data is presumed to be the most representative base value since Elia has metering. The analysis however focuses on the quality of the extrapolation which is related to economic & demographic parameters. The quality indicators have shown that IHS captures these parameters well.

Functioning Rules 2020-2021

Elia (Mr. Elmo Van Thielen) presented a slight modification of the last proposal for the new functioning rules, to meet the CREG's request to highlight the contextual analysis more specifically in the economic trigger.

Febeliec asked to clarify "other elements". Elia responded that the paragraph on the technical trigger states these elements (i.e. several curves on demand forecasts, production schedules/forecasts,...).

CREG asked if the analysis takes into account available balancing reserves. Elia confirmed that the technical trigger also addresses balancing reserves.

Febeliec asked if any activation leads to the entire SR volume to be activated. Elia replied that only the required volume is activated according to techno-economic optimization.

Febeliec asked if there will be a formal consultation as well. CREG confirmed there will be a consultation on their decision on the functioning rules. Elia complemented that there will also be the usual public consultation on the procedure for constitution.

CREG asked if other elements need to change as a result of the clean energy package. Elia replied that they don't see any other needs for functioning rules they conduct, but that suggestions are welcome.

Participation of foreign out of market reserves to Belgian Strategic Reserves

Elia (Mr. Elmo Van Thielen) presented an analysis of foreign out of market reserves' participation to Belgian SR, in response to a discussion of the last TaskForce.

FPS Economy asked how such reserves could participate in more than one mechanism. Elia replied that the general spirit of the clean energy package seems to allow participation in multiple mechanisms, but mostly when looking at Capacity Remuneration Mechanisms. This is why some reservations (such as "technically feasible") have been added. Further on in the presentation it is explained why Elia estimates it difficult for such reserves to actually contribute to Belgian adequacy.

CREG commented that activation of strategic reserves is a crisis situation. Elia replied that it considers a "crisis" only after failure of standard mechanisms, including strategic reserves. Febeliec commented that not implementing strategic reserves would have resulted in crisis which would lead to the application of such measures anyway.

Febeliec commented that "no legal basis" does not mean it is impossible. Elia replied that the initiative would then be with the member state and it would be a matter of negotiations. Also, the full legal plausibility has not been investigated yet.

Febeliec requested to clearly indicate whether there is an obligation to contribute in crisis situations (as is the case today for the gas network).

CREG thanked Elia for the analysis and will come back to this point at a later stage.

E-Cube Demand Response Study

E-Cube (Mr. Patrick Putz) presented the developments foreseen for the Demand Response Study.

Febeliec commented that even more NEMO's (e.g. NASDAQ) could enter the Belgian market in the future. E-Cube confirmed that they should then also be integrated in the study.

Febeliec wished to clarify if only accepted (and not submitted) block orders were integrated. Elia replied that further analysis will be performed to see how this would impact the volume.

CREG asked if there are other reasons to not take a block order into account than "not cleared" in the market. E-Cube confirmed this was the only reason.

Febeliec commented that they did not formally accept the methodology and that the robustness is questionable because the resulting volumes were not in line with the values that could be historically seen for winter 2018-2019. Elia replied that they are willing to work on improvements such as the improvements put forward during this Taskforce, but Elia cannot abandon the current methodology before having a better alternative. Febeliec commented that a reality check could be added by comparing study results with reality. Elia replied that such an analysis was in favour of the current methodology. Febeliec stated that it failed to take into account offers at higher levels. Elia recognizes that certain future improvements (e.g. factoring in block orders) could still be possible. They further stated that, in general, they prefer a methodology relying on objective and public data rather than arbitrary assumption. Elia invites all stakeholders to propose alternative approaches - to which end during the previous TaskForce a wrap-up of the argumentation leading the current approach as determined in 2017 was presented by E-cube - and will in any case report on the progress of the improvements on the current approach introduced during this meeting.

* *

