Minutes of Meeting Taskforce: "Implementation of Strategic Reserve" January 27th , 2020

MEETING LOCATION: ELIA, KEIZERSLAAN 20, 1000 BRUSSELS
MEETING DATE: JANUARY 27, 2020 - 10H00 UNTIL 12H00

LIST OF PARTICIPANTS

LAST NAME	FIRST NAME	ORGANIZATION
Matthys-Donnadieu	*James*	*Elia - Chairman*
Buijs	*Patrik*	*Elia*
Van Thielen	*Elmo*	*Elia - secretary*
Verelst	*Martine*	*Elia*
Hahati	*Bilal*	*Elia*
Pirlot	*Yunus*	*Elia*
Debrigode	*Patricia*	*CREG*
Jourdain	*Sigrid*	*FPS Economy*
Anciaux	*Pauline*	*FPS Economy*
Devogelaer	*Danielle*	*Federal Planning Bureau*
Van Bossuyt	*Michaël*	*Febeliec*
Van de Keer	*Lieven*	*T-Power*
Catrycke	*Mathilde*	*Engie*
Paduart	*Johan*	*Engie*
Cornet	*Michel*	*Climact*
Martin	*Benoît*	*Climact*

Agenda

- *Workshop New Macro Demand Forecasting Tool*

Introduction

The chairperson (Mr. James Matthys-Donnadieu) opened and presented the agenda of the meeting. An approval of the minutes for the previous TaskForce (2nd of December 2020) was requested. Febeliec commented they conveyed a reply to Elia that certain presented slides were missing from the published presentation for the last TaskForce. Elia replied that they would publish all presented slides to the Elia website as soon as possible, but not more.

Workshop New Macro Demand Forecasting Tool

Climact (Mr. Benoît Martin) presented the status and contents of the latest demand forecasting tool project conducted in collaboration with Elia. Elia (Mr. Bilal Hahati) opened by repeating the context of this demand forecasting tool. The goal of this presentation is to open the project to stakeholder feedback at an early stage. Stakeholders are encouraged provide additional input at any time after the meeting as well.

Federal Planning Bureau asked if the tool only looks at electricity, e.g. if electricity is required to produce hydrogen gas, does the tool take into account this elevated consumption? Elia replied that indeed, this is taken into account in the inner workings of the tool, but in the end only electricity consumption is published. Climact confirmed that the hydrogen production is taken into account to establish overall demand.

Febeliec asked to clarify the format of the outcome: is it total value, baseload/peakload value? Climact replied that an hourly profile is not in scope of the study, but it is technically possible to add it. Febeliec asked how this is then translated into a capacity requirement. Elia replied that the hourly demand stems from historical profiles and is treated separately from the total demand value. Febeliec stated that historical values may not be the best reference. Elia refers to the established ENTSO-E Methodology to establish demand profiles and prefers to remain consistent with this.

Febeliec asked how demand side response is treated. Elia replied that this is modeled separately based on assumptions for demand response growth and the E-Cube methodology for base values. This serves as input for the established Elia model.

Febeliec asked how substitution effects are treated (Power2x), potentially very relevant in the long term. Climact replied that the model foresees the possibility to change assumptions on fuel switching for different sectors. After that, the overall energy demand should still be met. Febeliec asked how the fuel mix can be determined if no economic optimization takes place. Climact answered that the user can define this using the setting for the different levers, i.e. the user should make reasonable assumptions on the fuel mixes. The model is not a 'black box' optimization tool.

Febeliec asked how the inputs for the levers would be determined. Elia replied that a scenario needs to be defined based on publicly available information such as the National Energy Plan. This scenario will then be consulted on by the stakeholders.

Febeliec asked if the tool is made for decarbonization scenarios. Climact answered that the tool treats both energy and emissions. Febeliec commented that the decarbonization goals are at an EU-level and not per country under the ETS. Climact replied that some objectives and estimates are still made at the national level. Federal Planning Bureau replied that the federal government is not the only actor determining this outcome, so an endorsement of a scenario from their side does not make it a reality. Elia replied that in any case a best estimate scenario is still needed. The authorities will provide inputs to this end and it is logical to use them as in the end they are responsible. Febeliec commented that the commitments are often for specific years and asked how intermediate years are treated. Elia replied that the approach for such years go beyond simple interpolation and still relies on public information for those years. Elia repeated the goal that stakeholders can and are encouraged to provide feedback on the scenario choice.

Febeliec asked if only residential buildings are considered under 'buildings'. Climact replied that it is both residential and tertiary sector buildings.

Federal Planning Bureau asked if there is also a link between industry and freight transport. Climact replied that for this case, no such feedback loop was foreseen. They added that additional feedback loops would slow down the model. However, the assumptions are transparently shown in the tool. Febeliec commented that this seems like a complex exercise for the user. Elia replied that this will be discussed with stakeholders as well and Climact will provide support in this exercise.

Febeliec asked which category covers data centers and pharmaceuticals. Climact stated that the first is incorporated in the building sector and the second is in part in tertiary and in part in 'other industries'. Febeliec commented that it may be beneficial to show pharmaceuticals separately, as it is a significant consumer in Belgium. Climact took note of this remark.

Febeliec asked if 'food, drinks and tobacco' covers the industrial processing of these goods. Climact confirmed this, as the agricultural sector is modeled separately.

Febeliec asked if 'Product' is but one adaptable lever in the model. Climact stated that, in the endogenous method, only trade balance is affected, i.e. import vs. export of goods. This then drives materials and in turn energy and can be very variable. On the other hand, the exogenous method is relatively stable. The option to set the level per product would require a modification, which will render the user interface more complex. Federal Planning Bureau asked if exported goods are still taken into account in some way. Climact responded that it is a way to determine industrial activity in Belgium. The more domestic production, the higher the energy demand. Products produced outside of the Belgian state are out of scope for this project.

Febeliec commented that for certain levers (e.g. personal diet) it may be challenging to find a good reference. Elia replied that, at request of the stakeholders, they are moving to a more transparent tool. The goal is that not only Elia has a say in the calibration of the different levers, but that the reference is created with the stakeholders. Elia further stated to share more information on the way forward at the end of the presentation.

T-Power asked if pyrolysis for hydrogen production is considered in the model. Climact replied that this is not the case yet, but it could be added once it becomes relevant.

CREG asked how DSR is modeled. Elia commented that it is not included in the total demand or hourly profile, but put into the market model directly (amount of capacity, number of activations,…). The existing methodologies (e.g. E-Cube model, for which further improvements are considered) will be used for this with the usual consultation of stakeholders. Elia further stated that their ambition is to use the new macro demand forecasting tool for the next Strategic Reserves volume study.

Engie commented that the lack of an economic optimization may overlook price-sensitive developments (EV's, switch to hydrogen,…). This is their most fundamental concern with the proposed model. T-Power asked if a sanity check could be performed on the results. Climact confirmed that this is possible for the user and the scenario description should contain all the necessary information.

Febeliec commented that the summer is a difficult period for public consultation and a workshop beforehand may be desirable. Elia replied that this could certainly be organized, but suggest to hold it after the scenario definition (around the beginning of May). Febeliec asked if only the usual TF ISR attendees would be able to participate. Elia stated that the workshop is open to any stakeholder with an interest in the subject.

FPS Economy stated that some time may be needed to process the information and that they may want to consult their regional counterparts. Elia stated that they would organize a bilateral discussion with the FSP Economy to this end. They further stated that questions from other stakeholders regarding this subject can be sent to Elia at any moment.

Engie asked if the level of detail of the consulted data is already known. Elia refers to slide 34 of the presentation where this is listed.

Engie asked if the study would not yet be used for the long term. Elia stated that it is the ambition to use the new tool for both long and short term. The first upcoming study, however, is on the strategic reserve volume for the short term. If the results here are of good quality, Elia will consider the tool for the long term as well.

Elia thanked the participants and reiterated that further stakeholder feedback on this subject is encouraged. Questions can be sent to usersgroup@elia.be. Elia will plan a next workshop on scenario definition in the period of May 2020.

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