

WG Adequacy #19 – Minutes of the Meeting

Tuesday 23rd of May 2023

Meeting	
Date	23/05/2023
Organiser	Voet Jan

Participants		Attended
Boustani Zackaria	FPS Economy	<input checked="" type="checkbox"/>
Catrycke Mathilde	ENGIE Benelux	<input checked="" type="checkbox"/>
Chafaqi Laila	Luminus	<input checked="" type="checkbox"/>
Collilieux Mathieu	Total Energies	<input checked="" type="checkbox"/>
Coppin Xavier	ENGIE Benelux	<input checked="" type="checkbox"/>
De Waele Bart	CREG	<input checked="" type="checkbox"/>
De Wispelaere Bram	Cabinet Minister of Energy	<input checked="" type="checkbox"/>
Debrigode Patricia	CREG	<input checked="" type="checkbox"/>
Gaillard Julien	Flexcity	<input checked="" type="checkbox"/>
Harlem Steven	Luminus	<input checked="" type="checkbox"/>
Herman Sofie	STORM	<input checked="" type="checkbox"/>
Marin Alexandre	Thy-Marcinelle	<input checked="" type="checkbox"/>
Rkiouak Laylla	FPS Economy	<input checked="" type="checkbox"/>
Smolin Georg	Gunvor Group	<input checked="" type="checkbox"/>
Strosse Tom	Eneco	<input checked="" type="checkbox"/>
Taverniers Hans	Tessengerlo Group	<input checked="" type="checkbox"/>
Van Bossuyt Michaël	FEBELIEC	<input checked="" type="checkbox"/>
Van den Bosch Sven	Fluvius	<input checked="" type="checkbox"/>
Van Der Biest Piet	Siemens Energy	<input checked="" type="checkbox"/>
Vandersyppe Hans	COGEN Vlaanderen	<input checked="" type="checkbox"/>
Verrydt Eric	BASF	<input checked="" type="checkbox"/>

Report	
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Function	PMO Adequacy
Date report	30/05/2023
Status	<input type="checkbox"/> Draft <input checked="" type="checkbox"/> Final version

1. Agenda

- 2023 CRM Auctions
- Publication of the Functioning Rules
- Status Update & Overview Cross Border CRM
- Regulatory framework evolutions (FPS Economy)
- AOB

2. Minutes of Meetings

Disclaimer: The slides used as a support of the presentation are available [online](#). The minutes of meetings only cover the discussions that took place during the Working Group.

2023 CRM Auctions

Launch of 2023 CRM Auction Operations

Febeliec asks if there were changes regarding the obligation for Prequalification. COGEN Vlaanderen asks the same question and further develops the question with a case concerning the eligibility of cogeneration units receiving operational support. Elia answers that if an operational support on the Auction targeted delivery period is received, there is no need to prequalify. Without operational support and more than 1 MW after derating, prequalifying is necessary.

COGEN Vlaanderen further demands clarification regarding obligation for Prequalification so as to ensure accurate advice to the market parties. Febeliec also demands clarification on the obligation for Prequalification for storage units. Elia took the remark and clarified the requirements after the WG through an email on 31st of May including the same previous communication of 20th of April on the mandatory participation.

Engie asks a question regarding the timing of the compliancy of the previously introduced files. Elia answers that if the file has significant changes, an update is necessary. However, if there are no changes, the update is not necessary. In other words, if a contract has been signed with Elia, and there has been significant changes, the prequalification file should be updated.

Following the presentation, the open questions were answered through the participation of an Elia collaborator.

The first question was about the list of cogeneration in the DSO-grid. Elia clarifies that for the prequalification obligation, the law enforces each unit with more than 1 MW derated, and eligible, a prequalification file should be submitted. The candidate itself should assess if the prequalification obligation applies even if Elia also conducts the same exercise. CREG also explains that the main idea encompassing the obligation is that without foreseen operational support, introducing a prequalification file would be relevant. Elia further explains that, regarding the batteries, the volume after derating depends on the SLA and that tools are provided to the candidates to calculate the volume.

The second question was about the candidates that have to renew, update their prequalification file. Elia clarifies that any potential participant to the auction has to be prequalified. In case the candidate doesn't want to participate to an upcoming auction, no update is necessary. The idea encompassing the update of the prequalification file is to enable the possibility to participate in an upcoming auction or to Secondary Market for the targeted Delivery Period.

Publication of the Functioning Rules

Status update & next steps

Regarding the strike price determination, Engie asks what the potential improvement will be. CREG answers that the discussions are to be held. Febeliec asks when the topics for the next submission in February 2024 will be presented. Elia proposes to bring a more in-depth planning regarding the timing of these topics.

Update on external studies

Cost of Capacity

No further comments.

Balancing

Febeliec asks what the timing would be. Elia answers that the results would be needed in order to proceed with the next calibration report – therefore October would be the deadline. Febeliec states its interest to have a view on the used methodology for the study. Elia affirms its desire to include market parties in the process. Therefore, an additional Working Group meeting or workshop at the end of August will be proposed to the market parties.

Status Update & Overview Cross Border CRM (XB CRM)

Timeline, design & processes of XB CRM

Febeliec asks why the United Kingdom is not included. Elia answers that it is not an obligation to include the United Kingdom as it is not part of the EU and furthermore, that the least cost principle is followed. Elia clarified that the contribution of the UK is accounted for implicitly as a reduction of the demand curve.

Febeliec further asks clarification regarding the terms 'neighboring countries' as Denmark is mentioned as neighboring country in other Elia resources. Elia takes the remark and affirms that in the framework of the Cross-Border CRM, only France, Germany & the Netherlands are considered.

Luminus asks if the TSO-TSO agreement would include reciprocity – i.e., the participation of Belgian CMUs in foreign CRMs. Elia answers that it will depend on the country. For France, a CRM is already planned with reciprocity included in the agreement. Regarding Germany & the Netherlands, it will depend on the TSO-TSO agreement.

COGEN Vlaanderen wonders if an agreement with all the TSOs in Germany is required. Elia answers that there will be a single TSO-TSO agreement with Germany that will be signed by the four TSOs in Germany.

Luminus asks if the same tool will be used by the foreign CMUs. Elia affirms that with some exceptions, the same tool will be used.

Febeliec and COGEN Vlaanderen comment regarding the CDS-connected capacities. Both state that the participation of the latter would not add much complexity. Elia takes the remark and will clarify the topic during upcoming WG Adequacy meetings.

Luminus asks if each foreign TSO makes its own calculation to determine the MEC. Elia answers that in the calibration report, a MEC is calculated by Elia itself. RCC will make recommendations for MEC's as well but these can only be used if they fit within the RD Methodology.

Febeliec and Luminus further add the necessity to take into consideration the potential impact of the difference of calculation of volumes between countries. Elia affirms that the details of the calculation will be clearly communicated to the foreign TSOs to avoid miscalculations on their side.

Febeliec asks how the issue will be treated if the calculated NRP differs between the foreign TSO and Elia. Elia answers that the problem would be identified in collaboration with the foreign TSO. Furthermore, Elia takes the remark and will further work upon the topic.

Febeliec asks how the availability monitoring will be tackled abroad. Elia clarifies that the same principles will apply as for Belgian capacity.

Regulatory framework evolutions (FPS Economy)

Regarding the exemption for payback obligation for demand side response, Febeliec asks if the law change will occur timely so as to ensure market parties can participate to the auctions. FPS Economy answers that given that the Royal Decree will need to be published and be applicable 15 days before the bid submission deadline (thus 15/09) before it takes effect. If the deadline is missed, it is expected to be enforced for the auction next year. Furthermore, FPS

Economy explains that there are two trajectories to consider as the Royal Decree is to be approved by the European Commission. Cabinet further explains that the changes were intended to be bundled in one single file in order to facilitate the process of approval. The notification will be realized before the 1st of July.

Regarding the indexation of the strike price, Luminus asks an update regarding the timing. Cabinet answers that the law has been voted in the Commission and the Parliament beginning of May and that it will be treated during the plenary end of May.

Engie asks if progress will be made regarding strike price indexation and retroactivity. Cabinet answers that maximum effort is given to make it happen. The procedures are ongoing, and the approval is to be obtained from the Council of Ministers, Parliament, and European Commission.

AOB & Next meetings

No further comments.

3. Next Meetings

The next meetings are currently foreseen on:

- **Friday 16th of June 2023 A.M.: WG**
- **Thursday 29th of June 2023 A.M.: WG – Presentation Adequacy & Flexibility Study**
- **Friday 25th of August 2023 A.M.: WG**
- **Friday 25th of August 2023 P.M.: Workshop**
- **Thursday 14th of September 2023 A.M.: WG**
- **Friday 13th of October 2023 A.M.: WG**