

## WG Adequacy #20 – Minutes of the Meeting

### Friday 16<sup>th</sup> of June 2023

<b>Meeting</b>	
<b>Date</b>	16/06/2023
<b>Organiser</b>	Voet Jan
<b>Participants</b>	
	<b>Attended</b>
Boustani Zackaria	FPS Economy <input checked="" type="checkbox"/>
Catrycke Mathilde	ENGIE Benelux <input checked="" type="checkbox"/>
Chafaqi Laila	Luminus <input checked="" type="checkbox"/>
Collillieux 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	Tessenderlo Group <input checked="" type="checkbox"/>
Van Bossuyt Michaël	FEBELIEC <input checked="" type="checkbox"/>
Van den Bosch Sven	Fluvis <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"/>
<b>Report</b>	
<b>Author</b>	H. Erkut Ulusoy
<b>Function</b>	PMO Adequacy
<b>Date report</b>	26/06/2023
<b>Status</b>	<input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final version

## 1. Agenda

- Approval of the Minutes
- Update on the timing of design topics
- Reactions to the Public Consultation on the Scenarios for the CRM Parameter Calculation
- Update on the Royal Decree
- 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.*

### **Approval of the Minutes**

Comments on the Minutes of the WG Adequacy #17 & #18

Febeliec asks to approve the Minutes during the next WG Adequacy meeting. Elia answers that the Minutes will be kept open until the next meeting.

### **Update on the timing of design topics**

Timeline on design evolutions

Febeliec asks if the workshop to be planned in August is regarding Payback Exemption for the upcoming auction this year. Elia answers that the workshop aims to cover design, more broadly. For instance, there will be clarifications on availability monitoring & retroactivity.

Luminus asks if the displayed planning was agreed at the Comité de Suivi. It is answered that it's Elia's perspective on the planning with regards to the CRM design evolutions – additional topics are not excluded. Luminus further suggests keeping discussions about CO<sub>2</sub> and investment thresholds in mind. Elia answers that the timing can't be properly communicated yet – however, the Working Group remains the right forum to discuss these matters.

Engie asks if discussions about the calibration of the AMT price is in scope of the availability monitoring chapter as it would be useful to ensure it is future-proof. Elia answers positively and will add the topic to the scope.

Engie further asks if the new rules regarding the correction of the demand curve & specifications topics are also addressed. CREG answers that discussions on the topics can't be realized before August.

### **Reactions to the Public Consultation on the Scenarios for the CRM Parameter Calculation**

Summary & Elia's recommendation

In the general remarks, Febeliec regrets the differentiation in terms of use of sources between different countries – for instance, press articles are considered in some countries and not considered in others. Elia answers it aims to use official sources alongside the most up to date sources. Furthermore, Elia aims to create the most plausible scenarios with the most relevant and recent sources. Febeliec states that the choice of using press articles for some countries and not for others is arbitrary. Elia states its transparency throughout the process and through the public consultation that gave the chance to market parties to react. Febeliec regrets the absence the list of articles taken into consideration for Poland.

### **Input data**

Febeliec asks how Elia determines whether emergency and diesel generators will be on the market in the upcoming years. Elia answers that the methodology is similar to the one used for demand side response. Febeliec invites Elia to improve the methodology.

Febeliec states that Météo France database remains a blackbox with results that can't be explained. It is a forward-looking climate database and compliant with ERAA, but it remains a blackbox. Elia answers that the difference between a forward-looking and a historical database is that the historical contains two winter periods that have an impact on the data whereas a forward-looking database takes the upcoming energy transition into account and is compliant with ERAA methodology. Febeliec states that using the model makes Elia compliant but with results that can't be explained. Elia reacts that documents related to Météo France's creation of the forward-looking database are available on Elia website.

Concerning storage, Febeliec asks what the forecast for the future is. Elia answers that the existing data is the basis for the trajectory – without any policy changes, there are no reasons to deviate in the trajectory.

Regarding profiled thermal capacities, Febeliec doesn't understand the answer on the capacity of the profiled biomass. Elia answers that what was in the graph, was the value from the scenario that was proposed last year. Moreover, the value that was selected by the minister was 504 MW and not 624 MW – the value submitted for public consultation.

Febeliec states that Elia considers lots of extra consumption in the industry but does not consider any specific names project for extra generation. Elia answers that the extra consumption is based on (confidential) requests received from the industry. Febeliec further invites Elia to read press articles as projects are delayed and things are changing in the industry.

Febeliec questions the addition of 925.000 heat pumps in the forecast for Belgium in the upcoming years. Elia answers that the number is based on national and regional policies which Elia considered.

COGEN Vlaanderen asks what contribution is assumed for heat pumps – how much are they expected to contribute. Elia answers that the detail will be covered in the AdeqFlex study.

Engie asks how double counting is to be avoided when reducing the peak demand to include flexibility, considering that these MW could participate to the CRM as DSM. Elia takes the remark and says it is on the radar.

Regarding the methodology used by E-Cube, Febeliec comments that despite discussions with stakeholders, the remarks by the latter have not improved the methodology.

Concerning the data for other countries, Elia affirms its alignment with them. Febeliec does not agree with the approach used by Elia. Furthermore, Elia explains that every country will provide its National Energy & Climate Plan (NECP) by end of June. FPS Economy & CREG can take these into consideration to update the scenarios regarding the other countries. Febeliec points out that the last time NECPs were introduced, updates had to be realized. The first versions were not acceptable by the EC.

Engie points out the risk of delay in the application. Multiple risks arise from other countries and the aspect of Cross-Border (XB) is to consider.

Febeliec says that the German TSOs announced they'll proceed with 70% minRAM. On the future grid development, TYNDP2022 has been taken into account but updates happened in Germany. In conclusion, it's not clear if these updates were considered. Elia affirms its optimistic perspective as it only takes XB connections into account.

Febeliec asks what the basis is for the update on Fuel & CO<sub>2</sub> prices. Elia answers that the latest forecasts have been used.

### Sensitivities

Regarding the DSR and storage capacities point in the sensitivities, Febeliec claims that E-Cube methodology underestimates the reality. Febeliec claims it would have been prudent to include a sensitivity with more storage and more DSR. Elia answers that additional capacity will potentially be added during the calibration process. In the end, if an underestimation has been realized, the calibration will palliate it. On the same topic, Engie states that if too much is considered, the derating factors would also be affected. CREG asks if the added capacity to calibrate the model influences the derating factors for different technologies. Elia answers in foreign CRMs, one can observe that with more flexible technologies in the system, the derating factors are reduced. Bottom line is that adding a sensitivity with more DSR & storage capacities could have the same effect of decreasing the derating factor – therefore Elia agrees with Engie.



Concerning the UK nuclear fleet sensitivity, Engie asks about the timing of the assessment of availability. Elia answers that it's not decided yet – mid-September is expected. Then, Elia will proceed in alignment with the Minister, FPS Economy, or CREG.

#### **Elia's recommendation**

Febeliec asks what the Mixed 70% means. Elia answers that it's based on the recommendation of FEBEG to consider some countries case by case. Engie says that consideration case by case would be more realistic and wants to make sure that XB risks are captured. One should not be very optimistic on the various risks regarding XB. Elia takes the point.

Regarding the Y-1 auction with delivery period 2025-2026, Febeliec states that Elia is pessimistic. Febeliec points out that Elia only deviates from a central scenario only in the case of "*Minimum EDF forecast*". FEBEG adds that two different risks have been identified – UK & Norway – and have been denied. Elia answers that these forecasts are the fruit of intense work – it's now up to the Minister, CREG & FPS Economy to decide.

Concerning preselected capacity types, COGEN Vlaanderen discusses about the relevancy of considering gas engines as the use of gas is evolving. Engie states that if gas engines are the cheapest technology, entering the market wouldn't be problematic.

Regarding the IPC, Febeliec asks when the update of the list of technologies would be presented. Elia answers that it will be presented during the WG Adequacy in August. Furthermore, Engie states its desire to make the AMT price futureproof.

#### **Potential improvements to the DSR volume estimation**

Febeliec says that DSR is based on opportunity cost and not on CO<sub>2</sub> and fuel prices. Elia affirms that it has been taken into account.

#### **Update on the Royal Decree**

Update given by FPS Economy

No further comments.

#### **AOB & Next meetings**

No further comments.



### 3. Next Meetings

The next meetings are currently foreseen on:

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