

Minutes of meeting Working Group Balancing 10/09/2018

List of participants:

Name	First name	Company/association	Present
Adigbli	Patrick	Restore	X
Bayart	Pierre	Rent a Port Green Energy	X
Boury	Jonas	Yuso	X
Busschaert	Joost	Virtual Power	X
Ceusters	Michel	Vynova	X
Chafaqi	Laila	EDF Luminus	X
Debrigode	Patricia	CREG	X
Geury	Thomas	Greenwatch	X
Gheury	Jacques	CREG	X
Gilbert	Donald	Restore	X
Haaker	Nick	Brugel	X
Harlem	Steven	Febeg	X
Jong	Dieter	Eiya	X
Kreutzkamp	Paul	Next-Kraftwerke	X
Loos	Rob	Aspiravi – Energy	X
Luyckx	Wim	Statkraft	X
Meynckens	Geert	Restore	X
Olischläger	Axel	Lampiris	X
Pycke	Bart	Yuso	X
Sereda	Ekaterina	RWE	X
Taverniers	Hans	Power Pulse	X
Van Bossuyt	Michaël	Febeliec	X
Van Melkebeek	Wouter	Engie	X
Williame	Jean-François	Eneco	X
Vlaeminck	Pieter	C-Power	X
Vandercammen	Dirk	Parkwind	X
Huyghebaert	Yannick	Parkwind	X
Steensels	Marc	Otary	X
Matthys-Donnadieu	James	Elia	X
Hebb	Bob	Elia	X
Vanbaelen	Pieter	Elia	X
Leroux	Amandine	Elia	X
Tsiokanos	Anna	Elia	X

De Vos	Kristof	Elia	X
Gérard	Thibaut	Elia	X

Minutes of meeting:

All agenda items were supported by presentations prepared by Elia. The slides serve as background for these minutes and can be found on the Elia website under

http://www.elia.be/en/users-group/Working-Group_Balancing/Agenda-ad-hoc-werkgroep-balancing

Agenda of the WG Balancing

1. Approval of the minutes of the meeting on 20/06/2018
2. LFC Block Agreement
3. Dossier Volume
4. Storm Risk
5. Daily auctions for FCR cooperation
6. aFRR/FCR procurement future evolution
7. AOB
 - aFRR new design
 - new MVAR design
 - publication design note R3 Down
 - Implementation of ToE w.r.t. R3 2018
 - EBGL implementation

1. Approval of the minutes of the meeting on 20/06/2018

The draft minutes of the previous Working Group were distributed by e-mail prior to this meeting. Both Febeliec and Teamwise proposed improvements on the text. The MoM were adapted accordingly and can be found on [Elia's website](#).

2. LFC¹ Block Operational Agreement

Kristof de Vos presents the LFC² Block Agreement

- Febeliec mentions that new technologies need to be considered and that also the evolution with regards to CIPU procedures (which will be replaced by ICAROS) will change the context fundamentally.

¹ Load Frequency Control Block Operational Agreement, also referred to as 'LFC BOA'

Elia replies that indeed projects are closely linked to one another. When products or other market aspects change, these will be considered in all other projects and documents which will be updated accordingly and consulted upon to take into account comments of any involved market actors.

- Febeliec asks if the sharing cap of 30% of the dimensioning incident will have any practical relevance considering NEMO-link and other evolutions. Moreover Febeliec questions whether this cap will become binding in the future.

Elia explains that this will have currently no practical relevance in the current dimensioning as the sharing limit for upward FRR needs is currently set by other constraints. Elia replies that this subject will be presented in Dossier Volume (see presentation hereafter).

- Febeliec asks to have more insight on the probabilistic approach for the NEMO-link prediction model to gain more insight on how import or export is effectively calculated.

Elia replies that the methodology is elaborated in the Dossier Volume, based on the same methodology presented in the Dynamic Dimensioning Study. Once the daily dimensioning will have an impact on the contracting of the reserves, Elia will foresee a transparent reporting on the results.

- Febeliec asks if the exhausted reserve procedure has been discussed in the working group.

Elia replies that this is an existing procedure only used in exceptional circumstances; Elia states that the use of this procedure is now further constrained with additional reporting requirements to CREG. However, from the moment this procedure will become more frequent and will affect the market, Elia will discuss this with stakeholders.

3. Dossier Volume 2019

Kristof de Vos presents the Dossier Volume, related to the dimensioning of FCR, aFRR and mFRR.

- CREG clarifies that the consultation will be launched on Wednesday for a period of 3 weeks. CREG approved the Dossier Volume, subject to some remarks that will need to be considered.

- Febeliec asks how consumption is estimated in the Dossier Volume.

Elia refers to ENTSO-e how consumption is estimated to determine the FCR needs: the methodology is described in the Synchronous Area Operational Agreement. Elia adds that current estimations indicate an increase of the contracted FCR volume towards 85 MW.

- Febeliec asks more clarifications on the impact of going from a 99,9% confidence interval (2018) towards a 99,0% confidence interval for the determination of the FRR needs.

Elia clarifies this later when discussing the result of the FRR needs. The result of the probabilistic approach is evolving from 1190 MW in 2018 to 990 MW in 2019, the FRR

needs are hence determined by the N-1, i.e. the largest nuclear power plant (being 1039 MW)

- Febeliec asks whether the HVDC-cables NEMO and ALEGRO are treated differently with respect to the dimensioning of the need.
Elia replies that indeed a clear difference is made between both. When NEMO-link has a forced outage there will be no power inflow as there is no physical back up. For this reason, it has to be taken into account in the dimensioning. However, when ALEGRO has a forced outage, power inflow will still happen but via another physical channel and not result in system imbalances.

- Febeliec asks more detail about the assumptions that Elia made on the outage rates for NEMO.
Elia replies it considered having 2 forced outages on a yearly basis and underlines this is a conservative estimation.

- Febeliec asks more clarification on how the inter-TSO accounted for in the dimensioning can be reduced with 200MW to 50 MW.
Elia replies that if the inter-TSO would remain at 250 MW, activation frequency would increase to levels for which it cannot be seen anymore as an exceptional measure, as defined in the sharing agreements. Because of cautiousness, Elia reduces the inter-TSO accounted in the dimensioning to 50 MW.

- Rent a Port asks more clarification on the difference between R3 flex and R3 standard.
Elia explains that both reserves are contracted tertiary reserves, but the difference lies between the unlimited (R3std) and limited amount of activations (R3flex) during the contracted period.

- Febeliec comments that if the volumes of non-contracted reserves (free bids) would increase, you would need to consider this in the dimensioning methodology.
Elia replies that it analysed the availability of these free bids in Dossier Volume 2019. For upward FRR, its availability is not sufficient to cover part of the FRR needs. For downward FRR means, it is found to cover part of the FRR needs. Elia will not contract downward FRR needs as it is expected to be covered with by free bids and inter-TSO contracts. Elia clarifies that, on request of the market parties, it has implemented a BidLadder and the Transfer of Energy mechanism. Both developments allow market parties to offer and market all their flexibility.

4. Offshore integration

Thibaut Gerard presents the integration of offshore wind parks and proposed procedures in case of storm events.

- Representatives from the offshore windparks ask whether 3E's study will be updated with the most recent information received from the offshore windparks regarding technology. Elia replies that it will not update the note. Elia will however organize a workshop to discuss the forecast models of offshore wind production, which must consider correctly the received information from the concerned market actors.
- Febeliec asks more information with regards to the content of Elia's publications it foresees in the context of a storm. Elia replies it is still investigating the level of detail and granularity of the messages it will publish coming from an external storm forecast supplier. Once this is defined it will be discussed with the concerned market actors
- Febeliec asks which BRP's will be contacted before the storm, only those that are not pro-actively reacting on the foreseen storm event or all BRP's involved? Elia replies that everyone will be informed by the storm risk, the main idea is to provide all information transparently to all impacted BRP's.
- Next Kraftwerke indicates that this approach gives the wrong incentives to the ARP's, it prevents the ARP's to invest money in adequate forecasting tools. It is the responsibility of the ARP to maintain its balanced perimeter and to invest in tools to be able to do so. Elia replies that she will only provide adequate information to the market; it is the ARP who remains ultimately responsible for a balanced perimeter.
- Vynova asks what happens in case Elia activates a decremental bid on an offshore windpark, how this will affect the perimeter of the ARP. Elia replies that the ARP his perimeter adjusted for the activation that was requested in its perimeter, meaning that in case the activation is not performed the BRP will be put in imbalance.
- Febeliec indicates that there will an impact in case Elia activates ex ante flexibility to reduce the imbalance risk; if Elia wouldn't have taken action imbalance prices would have raised. Elia replies that the bid-cap for mFRR will be increased as from 1st of November and that Elia will only take actions for the volumes which potentially cannot be covered by the normal balancing means. Hence the necessary incentives to balance a portfolio will remain. Febeliec concludes that indeed the exposure for an ARP to its imbalance remains, but will nevertheless be reduced when Elia takes action.

- Parkwind asks what is meant with 'use of current mechanisms' on slide 23 of the slides of WG BAL.

Elia replies that in terms of operational procedures and settlement for redispatching of offshore wind and starting up slow starting units we will use existing procedures. No new procedures need to be developed.

- Rent a Port asks Elia if a benchmark study was performed with other countries. Elia replies it has investigated the practices in other EU-countries. There is currently no other country with a similar small balancing system which need to integrate a large concentration of offshore wind-capacity concentrated on a small geographical area. Therefore Elia needs to put in place tailor-made solutions for its specific situation.

5. Daily auctions for FCR cooperation

Bob Hebb presents the possible postponement of daily auctions for FCR cooperation.

- no comments received -

6. aFRR/FCR procurement future evolution

Bob Hebb presents the possible postponement of daily auctions for FCR Cooperation.

- Febeliec asks if Elia analysed the consequences of dropping the asymmetrical bids for FCR. Elia replies that in the most recent tender results asymmetric bids are less frequent selected. Moreover, Elia expects that in the nearby future more and more new technologies, capable delivering the 200 mHz standard, will enter the market. Therefore Elia believes that a step towards one generic product for all market actors can be taken towards 2020.

7. AOB

a. aFRR new design

- CREG asks if Elia has a view on the go-live of the new aFRR design. Elia replies that it has Q1 2020 in mind, Elia underlines this deadline is an estimate and in no case a firm commitment. Elia refers in this respect to the upcoming work on the aFRR new design implementation roadmap that will be consulted upon in the course of November. It is not possible to announce any possible go-live time window before the work on the implementation roadmap has been finalized. Elia also mentions that discussions with the DSO's are ongoing regarding the data collection and repatriation. Also the conclusions of these discussions will be included in the aforementioned implementation roadmap.

b. new MVAR design: public consultation launched

- Febeliec explains that discussions will need to take place regarding the new MVAR design and explains that the mandatory part of providing Mvar is still unclear and needs more clarification.
Elia replies it will consider these elements and refers to the workshop of 19th of September where the discussions will take place.

c. Publication design note R3 Down

- no comments were received –

d. Implementation of ToE w.r.t. R3 2018

- Restore asks when the GFA (General Framework Agreement) will be send to the market players?
Elia replies it foresees this during the week of the 17th of September.