



Backup flexibility for winter 2018-19

Working Group Balancing 10/10/2018

Preliminary slides



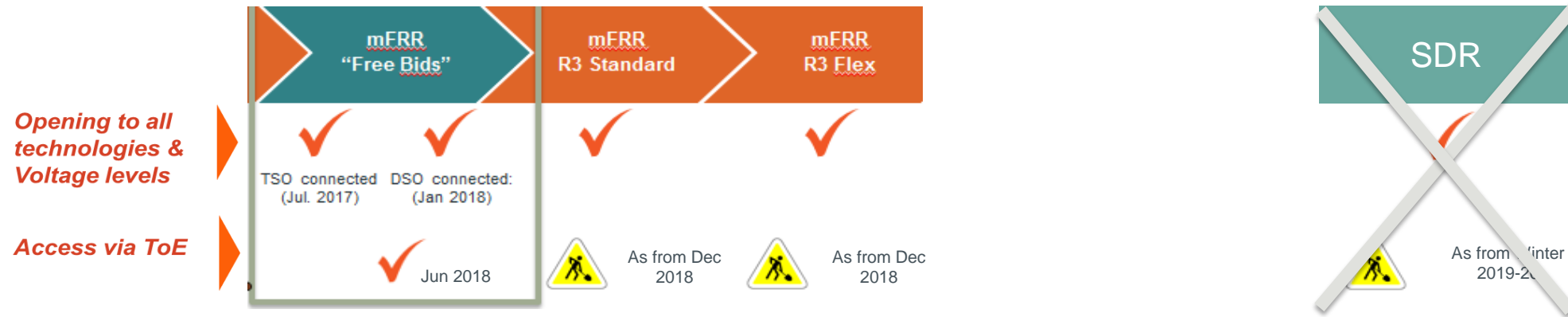
- Recent unavailability of nuclear power plants causes Security of Supply concerns in the Belgian Control Area.
- Relying on Strategic Reserve is excluded, as legal framework does not allow anymore its contractualization for the coming winter period.
- Elia has recently been approached by several market parties indicating that they would be able to mobilize some flexibility during the winter, but that this flexibility does not match the technical, legal or regulatory framework of the current market arrangements
 - To slow to be offered and activated for existing balancing products (“ non reserved Bids on Bidladder”, “R3”)
 - No ToE yet in DA/ID
- Elia analyzed how to maximize the opportunity for available flexibility to be used when system needs would require it.

The current presentation describes a proposal of temporary solution for the coming winter.

Note: The ideas formulated in the slides are the result of preliminary thinking at Elia based on the signals received from several stakeholders. These ideas have not been formally discussed with the CREG yet. They have as sole purpose to fuel the discussion during the task force on 10/10/2018. They may under no circumstances be considered as firm proposal by Elia .

Assumptions and constraints

- Existing Framework for Demand Side Flexibility :



- Procedure to change ToE rules is, as foreseen by the law, complex and long → not an option

- Timing very limited: solution should be operational by November

- ⇒ Existing framework should be used
- ⇒ Pragmatic solutions should be found (recycling of existing concepts, procedures and tools...)
- ⇒ Number of alignments with stakeholders (WG Bal) will be limited

Assumptions and constraints

Variable per industrial site

- **Stakeholders' constraints:**
 - **Long Lead Time**; min/max duration ; min *down time* between two consecutive activations; max # of activations per winter
 - **ToE** is a pre-condition for some of them

- **Targeted flexibility is flexibility that has not found its way to the market**

Proposed approach

- **Extend the existing non CIPU Free bids (“bids on Bidladder”) with a new SLA** (Service Level Agreement)
 - This SLA is activated with a longer lead time and allows constraints
 - Those “slow non CIPU bids”, are assimilated to slow start CIPU units, and used according to Balancing Rules when there is a risk that Balancing reserves are not sufficient

- ✓ No competition with existing products (bids after DA GCT; R3 for capacity)
- ✓ Variable constraints possible: BSP bids when he can and lead time is taken into account
- ✓ ToE applicable
- ✓ Existing Operational tools and procedures can be recycled

- The proposed solution may be considered as an extension of existing non CIPU Free bids Ibids
 - ✓ so that ToE can be applicable
 - ✓ so that the Imb. Price is linked to the I bid price

- Those bids from non CIPU units are used in the same way as “slow start CIPU Units” or CIPU units with constraints

4. CHAMP D'APPLICATION

Les Règles de Transfert d'énergie s'appliquent :

- Au segment de marché des services d'équilibrage pour la puissance de réglage tertiaire non réservée provenant d'unités techniques non-CIPU associées à un compteur quart-horaire dès le 1/6/2018. Actuellement les Points de livraison situés en basse tension sont exclus.
- Aux Points de livraison dont le prélèvement net moyen calculé sur une base annuelle est positif. Ce calcul sera effectué annuellement sous la responsabilité du gestionnaire du réseau de transport sur base des données de mesure quart-heures collectées aux Point de livraison, tel que décrit dans la section 10.2.

8.9 Merit order technico-économique

Le cas échéant, les unités qui ne sont pas capables d'activer la puissance demandée dans un délai de 15 minutes ou les unités qui sont soumises à des contraintes techniques (telles qu'une durée minimale d'activation de plusieurs quarts d'heure ou une durée minimale entre deux activations successives) seront activées en fonction des besoins opérationnels.

- Minor adaptations are necessary.
- Will be analyzed discussed with CREG in order to be introduced and approved on time
- Adaptation of Bal. Rules should be organized in a fast track

Product Design

As already applicable for non CIPU I bids on Bidladder

- **BSP - Conditions for participation to R3 NR**

1. Open qualification procedure (prior to signature of the GFA): administrative and financial checks

<http://www.elia.be/en/suppliers/purchasing-categories/energy-purchases/Ancillary-services/How-to-candidate-make-offer>

2. Signature of the GFA

3. Designation of an ARPBSP

4. Bank guarantee in case of application of ToE for one or several DPs

Modalities in CREGs decision 1677 (march 2018)

5. Performance of a communication test

6. Performance of a simulation test:

- all steps of the procedure (bidding and activation) to be tested
- Only a small volume to be tested

Pragmatic approach

As already applicable for non CIPU I bids on Bidladder

- **Delivery Point - Conditions for participation**

1. GU declaration (including the maximal tertiary control power for the DP)
2. Regime for all offtake common DP's for each couple BSP – supplier as well as associated documents/proofs:
 - Opt-out implicit } Common declaration of concerned actors (BSP – Supplier – BRP_{source} – BRP_{FSP})
 - Out-out explicit }
 - ToE with negotiated transfer price } Proof of agreement on transfer price
 - ToE with price by default (CREG decision) } or proof of a decision of CREG

Note: In application of Elaw, only DPs with a yearly average offtake are eligible to ToE

3. For DP connected to DSO grid, DP should be included in a BSP-DSO contract (and have a NFS)
4. Product exclusivity: a DP participating in classic Bidladder or in R3 may not participate to this SLA

Main product characteristics

- **No capacity reservation**

- **Bidding characteristics**

- Volume [MW] (non divisible) for the requested period
- Fixed price [€/MW]
- Variable price [€/MWh]
- Prolongation possibility (for an indicated period) @ same variable price
- Repartition of volume per DP

- Applied on 1st hour of activation (similar approach as for CIPU start costs)
- Remunerated even if “PREPARATION” is requested but “ACTIVATION” is not performed
- Proposed by BSP with a CAP @ 1000€/MW

Main product characteristics

- Activation:

Fixed in ToE Rules

- **Baseline:** Last qh before Activation Request (step 6 in operational process, see slide 16)

New: baseline check: in case Baseline value (last qh before ACTIVATION) > 20% value resulting from X high of Y calculation, a penalty is applied.

Penalty = Remuneration of activation

Bid Price =
Fixed+Variable price for 1st hour
Variable price for the rest

- Remuneration :

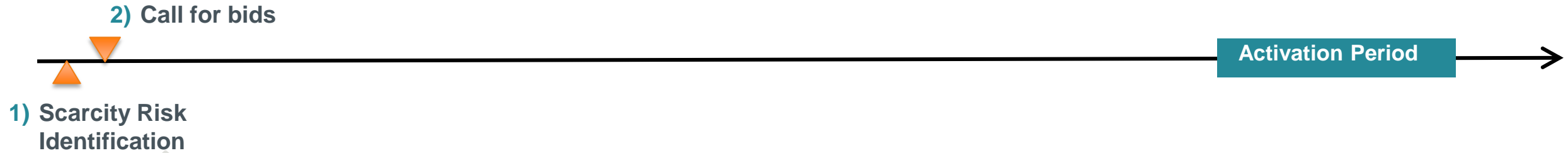
- Activation remuneration: Bid price [€/MWh] * Volume[MW] * effective activation duration [h]
- Compensation for Preparation in caze of no Activation: @ fixed price[€/MW]

- **Penalties: Same as R3 NR → impact on perimeter of BRP_{BSP} @Imb. Price**

ToE	Opt Out
BRP _{FSP} : - [Ereq-Edel]	BRP _{FSP} : - Ereq

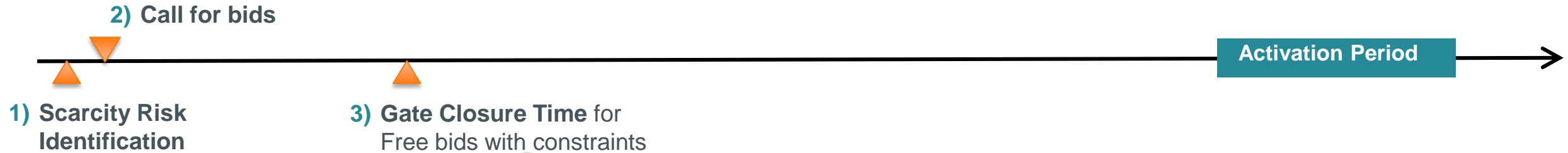
Operational Process

Operational process



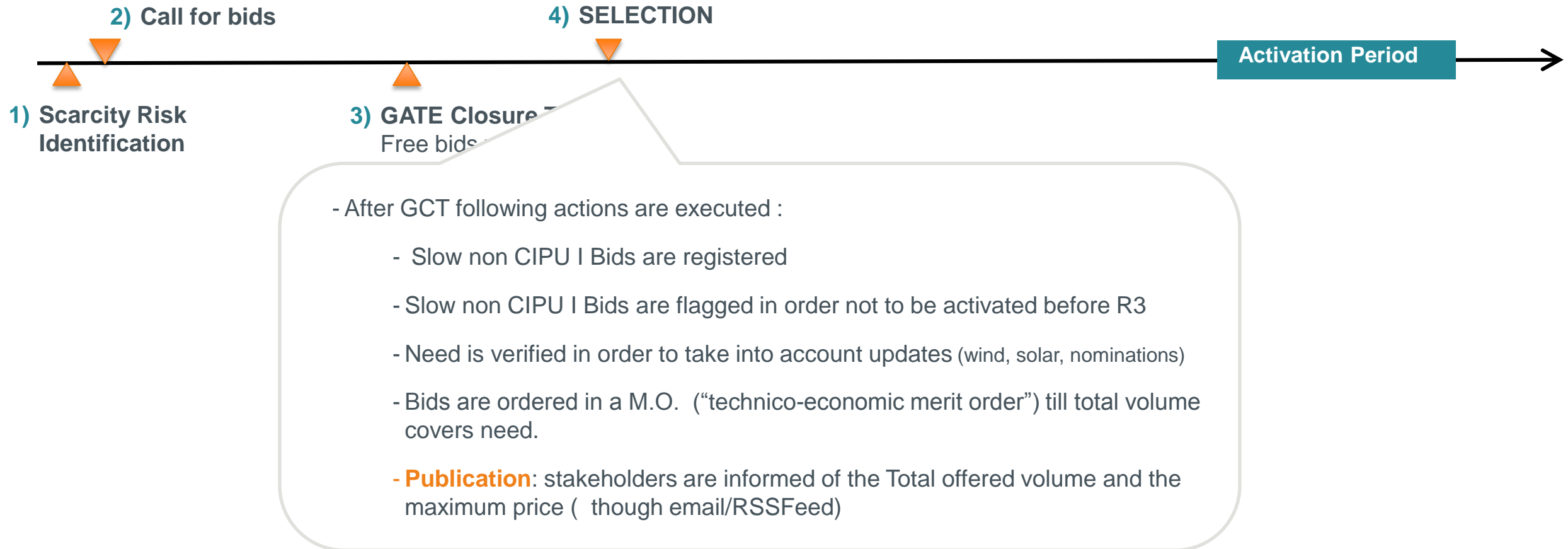
- Based on Technical Trigger
- Info available starting from DA 18h
- Elia calls for bids for the **Activation Period**
- Two fixed timeslots :
 - **19 pm DA** for morning peak
 - **8 am D** for evening peak
- **Publication**: Call is sent by **email/RSSFeed** to all BRPs, BSPs and to any other who subscribes to the mailing list

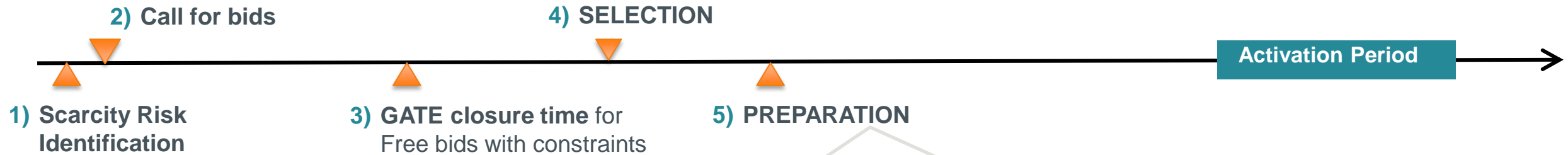
Operational process



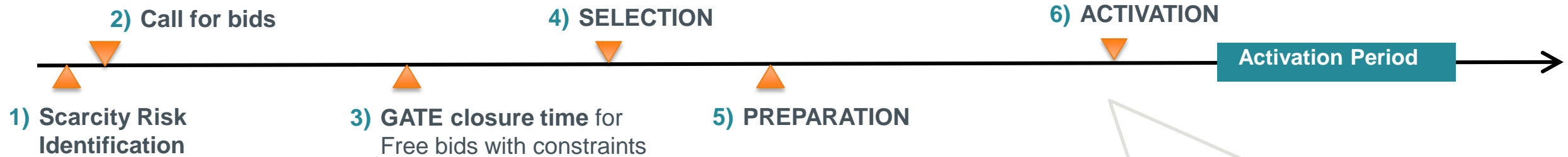
- Two Time slots
 - @ **20:00** D-1 for morning peak
 - @ **10:00** D for evening peak
- Bids are sent by email (with template provided by Elia)
- Bid characteristics are simple (Volume [MW] ; fixed and variable price [€/MWh] for the requested period + repartition per DP + possibility to prolongation)
- Bid Price (variable+fixed) is free with CAP according to Bal Rules; Fixed price is free with CAP @ 1000€/MW
- Bids are **firm**: any refusal at further steps will be considered as a failed activation (Edel = 0 MWh)
- Additional information could be requested as for example:
 - Preparation can be done later than 6h, and if yes till when ?

Operational process

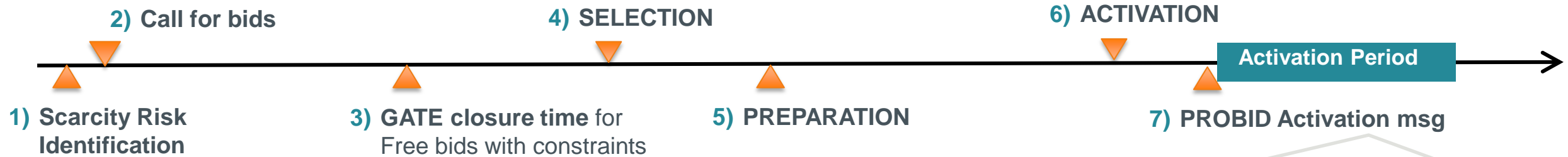




- 5 hours before Activation Period
- Elia sends a preparation message towards selected BSPs
- This preparation message is not a guarantee that the bid will be activated!
- If need remains confirmed 1hour before RT they will be activated
- If no activation, BSPs who have been requested to be prepared will receive a **preparation compensation** equal to the fixed price mentioned in their bid
- **Publication: email/RSS feed** is sent to indicate that a preparation message has been sent to stakeholders



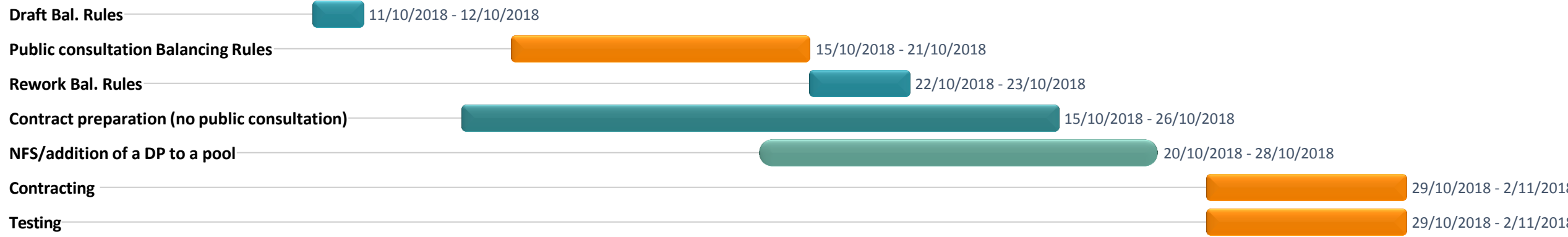
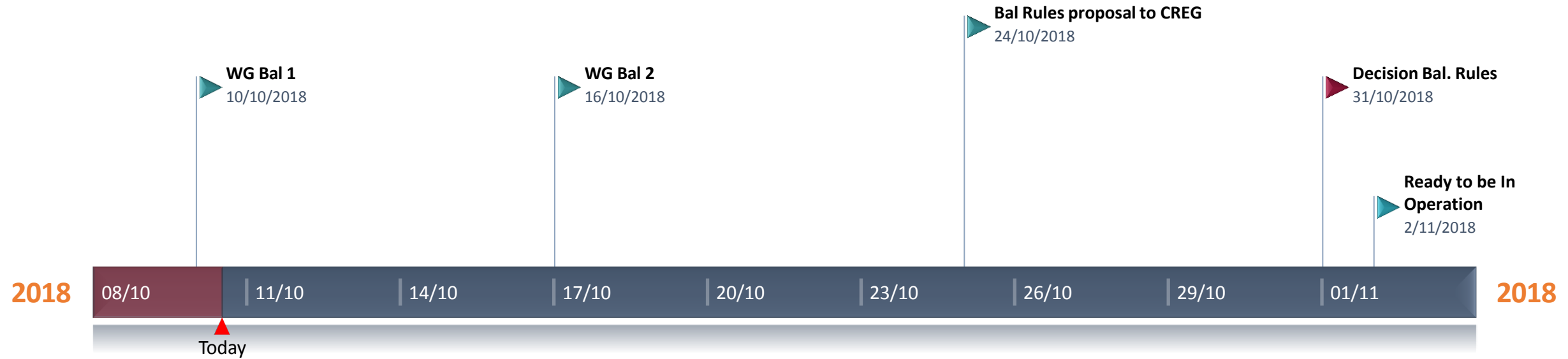
- 1 hour before Activation Period
- Elia sends an activation message per email towards selected BSPs
- After this stage, BSP is sure to be activated
- **Publication** : **email/RSS feed** indicates the total activated volume of slow non CIPU I bids and the max price of the activated bids
- **As from 1/12/2018**, Elia will have to send the “Notification message 0” to BRP source. Message = some of all Rref/DP of the DPs of the pool (message is thus static and can be prepared in advance)



- 2nd activation request via Probid (=Bidladder tool) 15' before Activation Period
- Purpose is mainly to use existing tools for the notifications, publications and settlement
- **Publication**: bid price is automatically included in system in order to be published and included in Imb.Price calculation
- Correction or perimeter during Activation Period
- Notifications towards BRP source:
 - Elia-BSP & Elia-BRP will have to exchange same notification messages as for classic non CIPU Free bids
 - 2 msg to BRP source till 30/11, 3 as from 1/12
- **MIP \geq bid price during Activation Period**
- Prolongation will follow same steps as 6 and 7

Planning and Next Steps

Tentative Planning



Many thanks for your attention!

Anna Tsiokanos

ELIA SYSTEM OPERATOR
Boulevard de l'Empereur 20
1000 Brussels

+32 2 546 70 11
info@ elia.be

www.elia.be
An Elia Group company