



## Minutes of Meeting of WG Balancing on 20<sup>th</sup> March

### Meeting

<b>Date</b>	20/03/2018
<b>Organiser</b>	James Matthys-Donnadieu

<b>Participants</b>		<b>Attended</b>	<b>Excused</b>
Adigbli Patrick	Restore	<input checked="" type="checkbox"/>	
Anciaux Pauline	FOD	<input checked="" type="checkbox"/>	
Baudson Axel	European Commodities	<input checked="" type="checkbox"/>	
Bayart Pierre	Rent a Port Green Energy	<input checked="" type="checkbox"/>	
Boury Jonas	Yuso	<input checked="" type="checkbox"/>	
Chafaqi Laila	Luminus	<input checked="" type="checkbox"/>	
Claes Peter	Febeliec	<input checked="" type="checkbox"/>	
Coppin Xavier	Engie	<input checked="" type="checkbox"/>	
Debaere Elias	Yuso	<input checked="" type="checkbox"/>	
De Keyser Elias	Next-Kraftwerke	<input checked="" type="checkbox"/>	
Demeyer Valentijn	Scholt	<input checked="" type="checkbox"/>	
Gheury Jacques	Creg	<input checked="" type="checkbox"/>	
Gresse Paul Henri	Flexide-energy	<input checked="" type="checkbox"/>	
Haaker Nick	Brugel	<input checked="" type="checkbox"/>	
Harlem Steven	Luminus	<input checked="" type="checkbox"/>	
Lazarescu Anca Manuela	RWE	<input checked="" type="checkbox"/>	
Legros Cédric	SRIW	<input checked="" type="checkbox"/>	
Luyckx Wim	Statkraft	<input checked="" type="checkbox"/>	
Meynckens Geert	Restore	<input checked="" type="checkbox"/>	
Pycke Bart	Yuso	<input checked="" type="checkbox"/>	
Raty Louis	Flexide-energy	<input checked="" type="checkbox"/>	
Van Bossuyt Michaël	Febeliec	<input checked="" type="checkbox"/>	
Van Nuffel Margot	Otary	<input checked="" type="checkbox"/>	
Wagnier Jean-François	Febeg	<input checked="" type="checkbox"/>	
Weber Noé	Lampiris	<input checked="" type="checkbox"/>	
Weyns Cedric	Flexcity/Actility	<input checked="" type="checkbox"/>	
Williame Jean-François	Eneco	<input checked="" type="checkbox"/>	
Donnay de Casteau Loic	Engie		<input checked="" type="checkbox"/>
Jong Dieter	Eiya		<input checked="" type="checkbox"/>
Loos Rob	Aspiravi - Energy		<input checked="" type="checkbox"/>
Steensels Marc	Otary		<input checked="" type="checkbox"/>



<b>Participants</b>		<b>Attended</b>	<b>Excused</b>
Attanasi Arnaud	Elia	<input checked="" type="checkbox"/>	
Chim Didier	Elia	<input checked="" type="checkbox"/>	
Clement-Nyns Kristien	Elia	<input checked="" type="checkbox"/>	
Magnant Philippe	Elia	<input checked="" type="checkbox"/>	
Matthys-Donnadieu James	Elia	<input checked="" type="checkbox"/>	
Mertens Steven	Elia	<input checked="" type="checkbox"/>	
Leroux Amandine	Elia	<input checked="" type="checkbox"/>	
Pierreux Nicolas	Elia	<input checked="" type="checkbox"/>	
Poncelet Kris	Elia	<input checked="" type="checkbox"/>	
Tsiokanos Anna	Elia	<input checked="" type="checkbox"/>	
Van den Wayenberg Sofie	Elia	<input checked="" type="checkbox"/>	

## Report

Author	Didier Chim		
Function	WG Balancing Secretary		
Date report	08/05/2020		
Status	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final version	

### 1. Agenda

- 09:00 - 09:10 - **Welcome and introduction**
- 09:10 - 09:50 - Go-Live approach for FCR and aFRR
- 09:50 - 10:05 - All TSOs results of CBA in accordance with SOGL
- 10:05 - 10:30 - MOG II Project: Status update on the on-going work
- 10:30 - 10:45 - **Coffee Break**
- 10:45 - 11:10 - Implementation plan ToE in DA/ID
- 11:10 - 11:30 - Daily tender mFRR: market results and operational experiences
- 11:30 - 11:50 - Overview AS market 2019
- 11:50 - 12:00 - Short RX Ciara storm management

## 2. Report

### Go-Live approach for FCR and aFRR

- Elia indicates that so far the implementation is on track for the Go-Live of the 1<sup>st</sup> July. However, Elia cautions that it is currently unclear whether the coronavirus situation will have an impact. Elia closely monitors the situation and will keep the market participants informed.
- Luminus indicates that IT implementation on the BSPs side may also be under pressure due to coronavirus. Therefore, it requests a close communication and collaboration to ensure a successfully Go-Live.
- ENGIE asks whether the gateways are intended for non-CIPU units only. Elia confirms.
- Next-kraftwerke asks clarification on the impact of mFRR activation on imbalance price. Elia indicates that the imbalance price is based on the maximum price (for MIP) or minimum price (for MDP) of the balancing means that were activated. So if the weighted average price of activated aFRR bids is higher than any activated mFRR bids, then aFRR determines the imbalance price (cf. the Balancing Rules).
- Rent a Port Green Energy asks whether the frequency bands (step of 50 mHz) are used only in pre-qualification or also in delivery. Elia indicates that the frequency band is used during pre-qualification and by submitting bids to the bidding platform. The delivery points nominated on the bidding platform must be able to deliver the services over the 200 mHz band taking into account the frequency bands determined during the prequalification test.
- Yuso remarks that the aFRR energy price should not be artificially kept lower than the DA and intraday prices, and that in case of extreme prices on the DA and intraday, the price limit defined for aFRR should be set at a higher level. Elia agrees with this remark and indicates that in case of very high wholesale market prices (higher than the proposed technical cap of €1000/MWh), the aFRR price limit should be adapted in order to send the correct price signals to the market.
- Yuso asks what is the minimum bid size to participate in the new aFRR capacity tender. Elia indicates that 1 MW is the smallest bid size.
- Eneco asks the reason for a price cap of 1000€/MWh for aFRR energy in the new design while the current price cap is at 100€/MWh. Elia indicates that currently, aFRR is activated on pro-rata basis, which means that all bids are activated simultaneously. In the new design, aFRR will be activated based on the merit order. The technical price limitation has been increased to allow non-CIPU assets to participate at the aFRR services. In any case, the price cap should not be limiting the market. The same mechanism as for mFRR is put in place, i.e. in case the price limit is reached, Elia can, in coordination with CREG, increase the price limit.

- Eneco asks about the consequences of having aFRR volumes with a high activation price. Elia indicates that currently the activation price of aFRR is stable (around 60€/MWh) and does not foresee any changes in this assumption. Elia adds that the new design is technology neutral and fosters competition since by having a merit order activation, the cheapest bids are activated first.

#### All TSOs results of CBA in accordance with SOGL

- Next-kraftwerke ask to clarify as of when “TminLER” starts counting and whether it is linked to the declaration of Alert State in European Awareness System (EAS). Elia indicates that the counting starts as of the deviation from the steady state (i.e. beyond 50mHz). So, the minimum activation period corresponds to the obligation for the BSP to ensure the availability of an energy content of the reservoir equivalent to a full activation of the FCR Obligation during that period when the Frequency Deviation first exceeds the +/-50 mHz limit. This is explained in the explanatory document of the report with the methodology and assumptions of the CBA, which has been approved in May 2019.
- Flexicity asks whether the share of LER (in contracted FCR) impacts the need of aFRR since some LERs may source energy on the imbalance market. Elia indicates that theoretically this should not have an impact but will require further investigation.
- Febeliec asks what is the penetration of LER in Belgium. Elia indicates that the average on Continental Europe is 32%. There are some LER units qualified in Belgium, but the exact volume should be checked.
- Yuso indicates that the analysis is flawed as it does not take into account a certain number of benefits from LER assets. For example, batteries may provide a faster service than FCR. Yuso is questioning if the assumptions used for the costs of the batteries are in line with the trend observed during these last years. Also, Yuso does not believe that the 3 presented options are the only ones.  
Elia indicates that the methodology and the assumptions used to perform the CBA have been consulted and approved by the NRAs. In particular, the recent cost evolution of batteries is taken into account in the analysis. If those assumptions were to change significantly, the TSOs will rerun the CBA. Elia invites the stakeholders to provide feedback on the results of the CBA during the public consultation.
- Additionally, Yuso considers that the differentiation between LER and non-LER assets is a step backward to the opening of the market to all resources and technologies. Therefore, Yuso urges Elia and CREG to take a closer look into the analysis.  
Elia indicates that the performance of a CBA to determine the minimum activation period for FCR providing units is a requirement from SOGL in order to guarantee operational security of the grid in presence of FCR providing units with LER.

- Yuso indicates that in some situation, a clear cut between a LER and non-LER asset may not be possible. Elia indicates that a number of configurations is possible and depends on the situation. For example, a battery in a pool would be qualified as non-LER assets.

#### **MOG II Project: Status update on the on-going work**

- No comments from the stakeholders.

#### **Implementation plan ToE in DA/ID**

- Restore asks whether the implementation of ToE in DA/ID will hinder the implementation of ToE for aFRR. Elia indicates that the priority is given to the implementation of ToE for DA/ID.

Yuso welcomes the proposal to allow smaller players to have access to the Day-Ahead and Intraday market. However, it indicates that it adds another layer of complexity on top of what already exists. Yuso suggests to Elia to look into the possibility to have multiple BRPs on a single connection point. In such design, each Flexibility Service Provider (FSP) will be its own BRP. The scheme is much simpler. Elia welcomes the support of Yuso and indicates that an analysis of multiple BRPs on a connection point is planned in 2021, if accepted by the CREG. Yuso appreciates the pro-activeness of Elia and is looking forward to the results. It adds that Elia may also consider multiple BSP on a single connection point.

#### **Daily tender mFRR: market results and operational experiences**

- No comments from the stakeholders.

#### **Overview AS market 2019**

- Next-kraftwerke requests clarification on the reasons the price of FCR capacity in the local auction is on average a lot higher than the price on the regional auction. Elia indicates that currently, the FCR capacity price is determined in a total cost optimization of FCR and aFRR capacities, while the regional auction for FCR has a marginal pricing. Additionally, the SOGL obligation to have at least 30% of FCR capacity physically provided in Belgium plays a role in increasing the average price.
- The design will change as of 1<sup>st</sup> of July 2020, where all the FCR capacity will be procured in the regional auction.
- Next-kraftwerke asks whether changing the bidding rules to have a marginal pricing would be possible before the new design as this would benefit the Belgian tariff payers by lowering procurement costs. Next-kraftwerke indicates that many BSPs are bidding below the regional price but are not selected. Elia indicates that since the entry into force of the Electricity Balancing Guidelines, the Terms & Conditions for BSPs is a regulated contract, which requires an approval by CREG.



- On energy bid price of mFRR, Elia reminds that it monitors the bidding behavior of market participants and reports to the CREG any suspicious behavior.

#### **Short RX Ciara storm management**

- There are no comments on the presentation.

### **3. Date for next meeting**

- 08/05/2020
- 19/06/2020