

Minutes of Meeting of WG Balancing on 28th October

Meeting	
Date	28/10/2020
Organiser	James Matthys-Donnadieu

Participants		Attended	Excused
Anciaux Pauline	FOD Economie	<input checked="" type="checkbox"/>	
Bayart Pierre	Rent-a-port Green	<input checked="" type="checkbox"/>	
Carnière Hugo	Belgian Offshore Platform	<input checked="" type="checkbox"/>	
Chafaqi Laila	Luminus	<input checked="" type="checkbox"/>	
Chamfeuil Victor	Lampiris	<input checked="" type="checkbox"/>	
De Cock Pieter	Engie	<input checked="" type="checkbox"/>	
Demeyer Valentijn	Scholt	<input checked="" type="checkbox"/>	
Depraetere Monne	Nemo Link	<input checked="" type="checkbox"/>	
Dierckxsens Calors	Next-Kraftwerke	<input checked="" type="checkbox"/>	
Donnay de Casteau Loic	Engie	<input checked="" type="checkbox"/>	
Gibbert Jan	Centrica	<input checked="" type="checkbox"/>	
Harlem Steven	Luminus	<input checked="" type="checkbox"/>	
Hendel Manfred	?	<input checked="" type="checkbox"/>	
Kreutzkamp Paul	Next-Kraftwerke	<input checked="" type="checkbox"/>	
Laleman Ruben	Engie	<input checked="" type="checkbox"/>	
Lazarescu Anca Manuela	RWE	<input checked="" type="checkbox"/>	
Libert Brice	CREG	<input checked="" type="checkbox"/>	
Limpens Tanguy	Axpo	<input checked="" type="checkbox"/>	
Meynckens Geert	Centrica	<input checked="" type="checkbox"/>	
Sereda Ekaterina	RWE	<input checked="" type="checkbox"/>	
Van Bossuyt Michaël	Febeliec	<input checked="" type="checkbox"/>	
Van Bruwaene Mattijs	Luminus	<input checked="" type="checkbox"/>	
Vandamme Nicolas	Lampiris	<input checked="" type="checkbox"/>	
Wagnier Jean-François	Febeg	<input checked="" type="checkbox"/>	
Weyns Cédric	Flexicity	<input checked="" type="checkbox"/>	
Williame Jean-François	Eneco	<input checked="" type="checkbox"/>	



Participants		Attended	Excused
Chim Didier	Elia	<input checked="" type="checkbox"/>	
Matthys-Donnadieu James	Elia	<input checked="" type="checkbox"/>	
Mertens Steven	Elia	<input checked="" type="checkbox"/>	
Motté Arno	Elia	<input checked="" type="checkbox"/>	
Leroux Amandine	Elia	<input checked="" type="checkbox"/>	
Pellegrin Cécile	Elia	<input checked="" type="checkbox"/>	
Pierreux Nicolas	Elia	<input checked="" type="checkbox"/>	
Tsiokanos Anna	Elia	<input checked="" type="checkbox"/>	

Report	
Author	Didier Chim
Function	WG Balancing Secretary
Date report	16/11/2020
Status	<input type="checkbox"/> Draft <input checked="" type="checkbox"/> Final version

1. Agenda

1. Introduction and Validation of minutes
2. Smart Testing: Summary of public consultation
3. Introduction to EU mFRR balancing energy platform
4. Balancing & Belgian market: Roadmap 2021-2022
5. aFRR capacity auctions: Protective measure
6. Public consultation of ToE rules and BRP contract
7. AOB

2. Report

1. Introduction and Validation of minutes

- No comments from the stakeholders.

2. Smart Testing: Summary of public consultation

- No comments from the stakeholders.

3. Introduction to EU mFRR balancing energy platform

- Febeg shares that the current planning for MARI (Q1 2022) seems to be challenging and asks about the impact of the delay of either MARI or iCAROS.
- Elia indicates that it does not plan to be delayed and considers those projects with a high priorities. The Go-Live of MARI shall take place before the legal deadline. A two stage approach is proposed in order to not have a “big bang” with those two major projects.
- Febeliec indicates that indeed everyone should hope for the best and prepare for the worse and therefore request a contingency plan. Febeliec shares its concerns about a design which is not mature enough and which may generates unnecessary costs. Febeliec additionally shares that due to the Covid situation many of its members have their priorities on keeping the lights on.
- Elia indicates that any delay is a loss of social welfare as well as a big opportunity loss for market parties to exchange cross-border and for Elia to get access to energy in case of need.
- Febeliec comments that in case of failure, the Belgian consumers will pay the price.

4. Balancing & Belgian market: Roadmap 2021-2022

Consolidated Roadmap

- Febeliec expresses concerns that too many projects are planned at the same time and raises the risk to lose some stakeholders.
- Engie thanks Elia for useful overview and joins the comments of Febeliec on the fact this is really a lot. 2020 was already very heavy for the teams. Engie asks to focus on what is important and asks to keep in contact with market participants and take into account their workload.
- Elia indicates that focus has been set on key priorities and that not all projects have the same impact on stakeholders (BSP/BRP). Elia invites market parties to make complementary suggestions in the next weeks on priorities. A consolidation with the feedbacks of the stakeholders will be prepared for the next WG Balancing.

FCR/aFRR/mFRR

- Febeliec asks about the timing regarding the implementation of marginal pricing for mFRR capacity.
- Elia indicates that for mFRR, an analysis will take place in Q2 next year before deciding to move to pay-as-cleared.

Reserve dimensioning & Procurement

- Febeliec asks what would be the impact of MARI on the procurement volume of mFRR balancing capacity.

- Elia indicates that the topic will be discussed during next WG Balancing.

Balancing Responsibility

- On top of the DA/ID contractual combo, Febeliec asks whether there are non-contractual combo foreseen (e.g. multiple FSP).
- Elia reminds an assessment one year after the Go-Live of the DA/ID ToE is planned to reassess whether to further develop the non-contractual combo and/or multiple FSP functionality. From the previous analysis, there were insufficient indications regarding the market parties' effective need for these functionalities.
- Febeliec argues that the development of such possibilities can have positive market effect even though it may not be used.
- Elia reiterates that it is not against such model *per se*. However, the previous assessment also showed that the implementation is rather complex for a limited added value.
- Febeliec will be looking forward to the new study.

- Febeliec asks whether a question mark is missing on the DA Balancing Obligation similarly to scarcity pricing, since the public consultation is not over yet and the decision on implementation is not taken yet.
- Elia indicates that the feedback received on DA Balancing Obligation so far is quite positive. The project represents a minor implementation effort only, but agrees that the final decision is not made yet.
- For scarcity pricing, the question mark relates to a counterproposal of Elia. The position of CREG and the market parties regarding the proposal is not yet clear.

MVAR

- Febeliec asks what the view of government is on the change of E-Law.
- FOD indicates that this topic is being discussed with the new minister and the work is in progress, with a goal to finalize the discussions as soon as possible.
- Elia indicates that further evolution is conditioned by the change of the law.

Congestion management, scheduling and planning

- Febeliec asks whether the last arrow refers to cross-border congestion or internal congestion to Belgium.
- Elia clarifies that it is internal congestion that may appear due to MARI and PICASSO.

- Febeliec asks whether there is a link or an impact of iCAROS phase 2 with MARI and PICASSO.
- Elia confirms that there is no link between those projects.

Indicative planning of related consultations

- Febeliec questions the feasibility of the planning for consultations, especially taking into account the consultations for CRM and Belgian Grid. Febeliec shares that it is virtually impossible for federations to draft an answer, circulate it to their members and consolidate the feedbacks with all those consultations in parallel, especially during summer period.
- Elia indicates that consultations on CRM should be over by April 2021. Additionally, the proposal takes into account the wishes of the market parties to have all documents for

- public consultations at the same time to be able to perform consistency check. Some consultations on incentives have already been moved forward to make it more manageable.
- Febeliec indicates that pre-qualifications for CRM will start over the summer and it will impact all market participants, not only the ones asking for subsidies. Not everybody shares the optimism on CRM, the actual timing is pending the decision of the EU Commission.
 - Febeliec adds that even though 7 weeks of consultations for T&C is provided instead of the usual 4 weeks, it is still not ideal for discussions since half of the consultations takes place during summer. Febeliec suggests to extend consultations further.
 - Elia invites the stakeholders to share their opinions on which would be the most impactful and high added value. Elia will try its best to adapt for the next WG Balancing, within the framework of its obligations and regulatory constraints. Sufficient time should also be provided to CREG to make its decision.

5. aFRR capacity auctions: Protective measure

- Febeliec shares its discontent of the significant impact on tariff and reminds that it had warned for this during the design phase. Febeliec agrees with the protective measure put in place and asks that also an exercise is undertaken to assess if also not other points of the design need to be reconsidered as the protective measure does not solve the issue structurally. The total cost will remain significant as the volume will be cleared at any price.
- Elia explains that the split of the volume between the 2 steps depends on the price difference between D-2 and D-1, and therefore should limit situations of high prices.
- Febeliec agrees but indicates that such situation may still happen several times a several times a year which is not acceptable.
- Elia indicates that cost is also an important aspect for Elia but the design should also incorporate other aspects such as opening the market to new entrants and technologies. Elia shares its disappointment regarding the situation. The design has been discussed for over 2 years, several parties have announced volumes which are yet to come even when the Go-Live has been postponed several times.
- Rent-a-Port Green asks whether the measure is temporary. It indicates that regulatory stability is needed in order to get investors on board and is currently working hard to get the capacity. The design should not be changed due to price reasons.
- Elia indicates that the protective measure induces a change in the Terms & Conditions for BSPs and therefore it is enduring.
- Febeliec indicates that it is not against new entrants nor new technologies but this may not be (excessively) at the expense of the consumers.
- Engie thanks Elia for the conservative measure. Engie agrees and supports Febeliec on the fact the design led to sub-optimal situations also on their side. Engie indicates that currently, there is no technology available for the 4 hour product and therefore a second step does not make sense. Engie adds that the design is not so far anymore from the design favoured by Febeg (D-2 contracting for 24 hour product).
- Luminus shares the position of Engie and Febeliec and asks whether the public consultation is open for proposals on design changes. Elia encourages the stakeholders to share their view on the design during the public consultation on the T&C. However, the design will not change overnight and comments will be considered for the longer term.

- On the comment on whether the proposals will be discarded due to the irrelevance to the public consultation, Elia further reassures Febeliec that the comments of stakeholders on design improvements will not be discarded and confirms that they will be considered for later.
- Febeliec indicates that one point to be reconsidered in the design is the divisibility of bids in the per-CCTU auction. This leads to potentially paying several times the start-up costs. Therefore it proposes to split the start-up costs and the variable costs.
- Next-Kraftwerke indicates that the protective measure does not solve structurally the issue and proposes to consider indivisible bids for the second step of the auction. If this is not sufficient, a third step which procures the all-CCTU (24h) may need to be considered.
- Eneco asks whether there will be new pre-qualified volumes soon. Elia indicates that this information is commercially sensitive and invites market parties to share if they wish to.
- Next-Kraftwerke indicates that the assets are ready but some communication problems remain to be solved before joining the market.

6. Public consultation of ToE rules and BRP contract

- No comments from Stakeholders.

7. AOB

- Engie indicates that during the last WG Balancing, it has requested some clarifications on the publication of aFRR data. Some answers have been provided by Elia but some questions are remaining.
- Elia proposes to present an overview of the publications for all balancing services for the next WG Balancing.
- Engie agrees with the proposal.
- Febeliec requests to have a view on liquidity of the different products. It shares its concerns that liquidity may diminish due to the difficulties for stakeholders to cope with the changes in design. It specifically requests a view on:
 - o Number of participants
 - o Total volume (pre-qualified and offered volume)
 - o Potential increase of the Elia's demand
- Elia proposes to have such overview during the first WG Balancing of 2021, to provide a complete overview of the liquidity for 2020.
- Febeliec agrees with the proposal.



3. Date for next meeting