

## Minutes of Meeting of WG Balancing on 27<sup>th</sup> of January

### Meeting

<b>Date</b>	27/01/2022
<b>Organiser</b>	James Matthys-Donnadieu

Participants		Attended	Excused
BASF	Verrydt Eric	<input checked="" type="checkbox"/>	
BASF	Waelkens Tom	<input checked="" type="checkbox"/>	
BEE	Loos Rob	<input checked="" type="checkbox"/>	
Centrica	Adigbli Patrick	<input checked="" type="checkbox"/>	
Centrica	Benquey Romain	<input checked="" type="checkbox"/>	
Centrica	Meynckens Geert	<input checked="" type="checkbox"/>	
Cogen Vlaanderen	Vandersyppe Hans	<input checked="" type="checkbox"/>	
CREG	Maenhoudt Marijn	<input checked="" type="checkbox"/>	
Eneco	van den Berg Jasper	<input checked="" type="checkbox"/>	
Eneco	Williame Jean-François	<input checked="" type="checkbox"/>	
ENGIE	Donnay de Casteau Loïc	<input checked="" type="checkbox"/>	
ENGIE	Stubbe Gerald	<input checked="" type="checkbox"/>	
Eoly Energy	Kormoss Aymeric	<input checked="" type="checkbox"/>	
FEPEG	Wagnier Jean-Francois	<input checked="" type="checkbox"/>	
Febeliec	Van Bossuyt Michael	<input checked="" type="checkbox"/>	
Flexcity	Maes Emiel	<input checked="" type="checkbox"/>	
Flexcity	Vanneste Aron	<input checked="" type="checkbox"/>	
Luminus	Chafaqi Laila	<input checked="" type="checkbox"/>	
Luminus	Harlem Steven	<input checked="" type="checkbox"/>	
Next Kraftwerke	Dierckxsens Carlos	<input checked="" type="checkbox"/>	
Next Kraftwerke	Kreutzkamp Paul	<input checked="" type="checkbox"/>	
ODE	Celis Chris	<input checked="" type="checkbox"/>	
Power Pulse	Hans Taverniers	<input checked="" type="checkbox"/>	
RAP-Green	Bayart Pierre	<input checked="" type="checkbox"/>	
RAP-Green	Fieuws Arthur	<input checked="" type="checkbox"/>	
RWE	Bieman Ton	<input checked="" type="checkbox"/>	
RWE	Hendel Manfred	<input checked="" type="checkbox"/>	
RWE	Lazarescu Anca Manuela	<input checked="" type="checkbox"/>	
Vynova	Peeters Martijn	<input checked="" type="checkbox"/>	
Yuso	Debaere Elias	<input checked="" type="checkbox"/>	
Yuso	Vermandere Jasper	<input checked="" type="checkbox"/>	

Participants		Attended	Excused
Elia	Attanasi Arnaud	<input checked="" type="checkbox"/>	
Elia	Buijs Patrik	<input checked="" type="checkbox"/>	
Elia	Chim Didier	<input checked="" type="checkbox"/>	
Elia	Dufour Raphaël	<input checked="" type="checkbox"/>	
Elia	Hardy Simon	<input checked="" type="checkbox"/>	
Elia	Illegems Viviane	<input checked="" type="checkbox"/>	
Elia	Jacobs Laura	<input checked="" type="checkbox"/>	
Elia	Leroux Amandine	<input checked="" type="checkbox"/>	
Elia	Magnant Philippe	<input checked="" type="checkbox"/>	
Elia	Matthys-Donnadieu James	<input checked="" type="checkbox"/>	
Elia	Mertens Steven	<input checked="" type="checkbox"/>	
Elia	Motté Arno	<input checked="" type="checkbox"/>	
Elia	Oldenhove Thomas	<input checked="" type="checkbox"/>	
Elia	Pellegrin Cécile	<input checked="" type="checkbox"/>	
Elia	Pierreux Nicolas	<input checked="" type="checkbox"/>	
Elia	Tsiokanos Anna	<input checked="" type="checkbox"/>	

## Report

Author	Didier Chim		
Function	WG Balancing Secretary		
Date report	01/02/2022		
Status	<input checked="" type="checkbox"/> Draft	<input type="checkbox"/> Final version	

## **1. Agenda**

1. Introduction and minutes
  - Customers, Market & System: Change of organisation
2. EU Balancing Program update
  - aFRR: status on public consultations
  - MARI: status on derogation to the connection to MARI
  - mFRR: design note status and next steps
3. Incentives: high level presentation of the scope, aim and ambition (Part 1)
  - aFRR 5 min FAT – impact analysis and recommendations
  - Study on procurement strategies for a dynamic calculation of FRR means: Follow-up study on the daily prediction of non-contracted balancing energy bids
  - Analysis of possibilities for combined offers (Combo) of FCR/aFRR/mFRR and ToE DA/ID at DP pg delivery points
  - Analysis and implementation of FCR evolutions pursuant art. 114(2) of SOGL
4. 2021 Year overview: Capacity Auction Results
5. Public Data Exposure
6. iCAROS: impact on data exchange, IT system and operations – focus on phase 1

## 2. Report

### 1. Introduction and minutes

The MoM of WG Balancing of 8<sup>th</sup> of December 2021 are approved.

Elia indicates that the MoM of WS on System Balance Philosophy has been released for review and invites stakeholders to provide comments.

#### **CMS change of organization**

Elia presents a highlight of the new CMS organization and refers to the details on its website.

### 2. EU Balancing Program update

#### **aFRR: status on public consultations**

Febeliec asks to clarify the objective of the workshop on 24<sup>th</sup> of February on Energy Management Strategy. Elia explains that the goal is to clarify what type of strategies are allowed for LER assets and how the BSP can demonstrate that its strategy will allow him to deliver the aFRR service continuously.

#### **MARI : status on derogation to the connection to MARI**

No comments from the stakeholders.

#### **mFRR: design note status and next steps**

Febeliec asks what the expected timing for a feedback is. Elia invites stakeholders to not wait to review the document and expects the feedback by 30<sup>th</sup> April at the latest. This deadline will allow, in case of need, based on the feedbacks, to organise an ad hoc workshop in May or early June. The consultation of T&C BSP mFRR is expected in September.

### 3. Incentives: high level presentation of the scope, aim and ambition (Part 1)

Febeliec requests to have an overview of all workshops and WG Balancing meeting in order to plan their attendance. Elia takes note of the request.

#### **aFRR 5 min FAT – impact analysis and recommendations**

RAP reacts that higher requirements should not be imposed on assets able to react quicker and refers to the fact other TSOs needing a quicker reaction created a dedicated product for this. Elia clarifies that assets that can react faster will get the opportunity to do so, but that all BSPs offering aFRR will remain subject to the same minimal requirements, i.e. it is not because a battery can react quicker that they will have more stringent requirements than other technologies. The product will remain technologically neutral. Elia clarifies as well that investigations on faster products is out of the scope of the incentive.

#### **Study on procurement strategies for a dynamic calculation of FRR means: Follow-up study on the daily prediction of non-contracted balancing energy bids**

Febeliec regrets that nothing will be implemented before 2025 but looks forward to the discussions.

#### **Analysis of possibilities for combined offers (Combo) of FCR/aFRR/mFRR and ToE DA/ID at DPpg delivery points**

No comments or questions from the stakeholders.

## **Analysis and implementation of FCR evolutions pursuant art. 154(2) of SOGL**

No comments or questions from the stakeholders.

### **4. 2021 Year overview: Capacity Auction Results**

Febeliec asks to add the share of FCR and mFRR in the total cost of balancing capacity. Elia takes note of the request and will update the slide accordingly.

CBS welcomes the time-to-market of products but invites Elia to also work with the DSOs, to accelerate all steps leading to pre-qualification. Elia takes note of the comment and indicates that the consumer centric model intends to create fully aligned solutions with the DSOs to enable faster access of low voltage flexibility to the energy and balancing market.

Febeliec reacts that it seems to be with Elia the only party concerned by high balancing reservation costs and reminds for the minutes that putting balancing reservation costs on BRPs would probably get the topic more attention from other parties.

#### **FCR**

Febeliec asks to identify local FCR costs and to also give, for all products, a per MW/h price. Elia agrees to complete the slides and publish updated version.

Febeliec asks why Belgian FCR prices are higher than in the rest of the cooperation while the technology of the assets is the same. Elia explains that there are arbitrages that can be done between FCR and aFRR, so opportunity costs can be priced in. In some cases, Belgium has to rely on CCGTs to provide part of the core share too.

Febeliec insists that competition should increase to get more volumes in the Belgian market. Elia agrees and explains that this is the goal of the Consumer Centric Market Design (CCMD) and the new balancing roadmap.

Cogen Vlaanderen asked which country and what technology is usually setting the price in the FCR Cooperation. Elia indicates that it usually is Germany. With regards to technology, Elia shares that it does not have this information.

#### **aFRR**

Febeliec stresses that balancing capacity costs more than doubled, which is significantly impacting the tariffs. Febeliec sees 3 elements explaining the cost increase: commodity market prices (high gas prices), design of aFRR capacity and liquidity.

Regarding design, Febeliec indicates it hopes that the new design will mitigate high prices in the future, stresses that the discussions on aFRR were really needed and thanks Elia for having prioritized them. Elia invites market parties to discuss the participation of wind in aFRR. RAP-Green indicates that it trusts that the new aFRR design will make the market more dynamic and control the price. RAP-Green considers also that the aFRR product is more demanding than other balancing products (e.g. FCR) which justifies a higher price.

Regarding liquidity, Febeliec invites Elia to spend more energy on educating the market to attract more participants and volumes. The products are getting more and more complex and some participants face difficulties to get started. Firstly, Elia agrees and explains that it is part of the objective of CMS reorganization (Customers will engage even more with the market as part of "customer obsession"). Secondly, Elia indicates that indeed an explicit participation implies some constraints. This is one of the rationale to foster implicit participation, so that one can react and benefit from the Real-Time Price. Thirdly, Elia strives to enlarge competition with the Exchange of Energy Blocks and by allowing competition behind the meter as part of CCMD. Elia adds that some initiatives are for the shorter term while other are planned for the foreseeable future. Elia invites Febeliec and other market parties to signal low hanging fruits to increase liquidity. CBS states that effort to open the market have brought liquidity in the market through new technologies and contributed to a lowering of the prices.

CBS reacts that comparing years does not really makes sense as the market situation is different. Additionally, the quality of the service has also increased (products are more reliable). Elia agrees that reliable products are needed indeed to allow a reduction (or avoid an increase) of balancing needs. Elia adds that volatility of market is different since the procurement moved from weekly to daily. Febeliec indicates that the shortening of procurement frequency might have been a mistake in the knowledge that this is imposed by EU regulation.

#### **mFRR**

No comments or questions from the stakeholders.

#### **5. Public Data Exposure**

RAP-Green had some questions and remarks on how to get data and is invited to contact its KAM for such questions. Elia will revert to RAP-Green on this after the meeting.

#### **6. iCAROS: impact on data exchange, IT system and operations – focus on phase 1**

BASF asks whether a minimum activation time is foreseen and whether it can be ensured for Redispatching (RD). Elia clarifies that a minimum activation time feature is not foreseen. The minimum activation is 15 min. However, activations for RD are usually for several hours.

Febeliec indicates that the connection to MARI is important but reminds that the go-live of iCAROS phase 1 is a pre-requisite to MARI. Elia agrees that the switch from implicit to explicit bidding for both redispatch bidding as well as mFRR bidding needs to occur at the same go-live and that the decoupling of the 2 data exchanges is a prerequisite in order to be able to connect to MARI .

Febeliec endorses the need for support of change management for OPA/SA given the evolution from static data exchanges at certain gates towards continuous dynamic data exchanges but also indicates that the implementation of iCAROS phase 2 will be even more difficult than phase 1 as in some situations the whole framework (operational procedures, IT ...) needs to be built from scratch and it is not only change management. Elia agrees with the remark of Febeliec that when instead of the currently used default rules a similar data exchange will be required from small productions and demand facilities, some market participants will have to integrate a new continuous process, starting from scratch. Elia aims to create sufficient awareness and discuss with the stakeholders how Elia can help the customers and facilitate the on-boarding. Elia is open for ideas that would create an awareness by these small productions and demand facilities.

Eneco asks to confirm the Go-Live date for iCAROS phase 1. Elia confirms that the current target data is to have a Go-Live of iCAROS phase 1 together with mFRR local design early Q1 2023.

Engie refers to impact of CRI on balancing bids filtering, insisting that impact of CRI should be duly monitored. Elia confirms that transparency will be provided and states that the current results indicate that the new methodology used for the CRI is more accurate than the methodology used today to establish the red zones.

Engie indicates that the BSPs should not be penalized by the CRI and requests Elia to make a proposal to compensate the individual loss of opportunity for a BSP. Elia takes note of the request but clarifies that it is not intended to compensate individual loss of opportunity that may result from the filtering of balancing energy bids. The question has been investigated but would have to be considered in a broader context than only this specific situation. Elia reminds that it will only filter balancing bids if necessary in the framework of operational security. The intend of Elia is to keep filtering of balancing bids to a minimum given that the general interest is to have as much volume of balancing bids as possible but without jeopardizing operational security.

#### **AOB – WG Balancing meetings**

Some mistakes were present in the slide recapping the meeting dates. Meeting dates have been checked and are line with the communicated dates in December 2021, with the modification of the meeting of March from the 22<sup>nd</sup> to the 24<sup>th</sup> of March.

### **3. Date for next meetings**

- WG Balancing 24/03/2022 13:00 – 16:00
- WG Balancing 05/05/2022 09:00 – 13:00
- WG Balancing 22/06/2022 09:00 – 13:00
- WG Balancing 15/09/2022 09:00 – 13:00
- WG Balancing 27/10/2022 09:00 – 13:00
- WG Balancing 07/12/2022 09:00 – 13:00