



Minutes of Meeting of WG Balancing on 22nd of June

Meeting	
Date	22/06/2022
Organiser	James Matthys-Donnadieu

Participants		Attended	Excused
BASF	Waelkens Tom	<input checked="" type="checkbox"/>	
BSTOR	Bayart Pierre	<input checked="" type="checkbox"/>	
Centrica	Benquey Romain	<input checked="" type="checkbox"/>	
CREG	Libert Brice	<input checked="" type="checkbox"/>	
CREG	Marijn Maenhoudt	<input checked="" type="checkbox"/>	
CREG	Van den Waeyenberg Sofie	<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	Laleman Ruben	<input checked="" type="checkbox"/>	
ENGIE	Weyns Cedric	<input checked="" type="checkbox"/>	
Eoly Energy	Kormoss Aymeric	<input checked="" type="checkbox"/>	
FEPEG	Waignier Jean-Francois	<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"/>	
NW Group	Pierson Tom	<input checked="" type="checkbox"/>	
Otary	Van Nuffel Margot	<input checked="" type="checkbox"/>	
Power Pulse	Taverniers Hans	<input checked="" type="checkbox"/>	
RWE	den Bieman Ton	<input checked="" type="checkbox"/>	
RWE	Lazarescu Anca Manuela	<input checked="" type="checkbox"/>	
Thermovault	Olivella Pol	<input checked="" type="checkbox"/>	
TotalEnergies/Lampiris	Hofman Hannah	<input checked="" type="checkbox"/>	
TotalEnergies/Lampiris	Ludovico Antoine	<input checked="" type="checkbox"/>	
Yuso	Debaere Elias	<input checked="" type="checkbox"/>	
Yuso	Pycke Bart	<input checked="" type="checkbox"/>	
Yuso	Vermandere Jasper	<input checked="" type="checkbox"/>	

Participants		Attended	Excused
Elia	Bosschaerts Caroline	<input checked="" type="checkbox"/>	



Elia	Chim Didier	<input checked="" type="checkbox"/>
Elia	De Vos Kristof	<input checked="" type="checkbox"/>
Elia	Hardy Simon	<input checked="" type="checkbox"/>
Elia	Illegems Viviane	<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	Motté Arno	<input checked="" type="checkbox"/>
Elia	Pellegrin Cécile	<input checked="" type="checkbox"/>
Elia	Pierreux Nicolas	<input checked="" type="checkbox"/>

Report

Author	Didier Chim		
Function	WG Balancing Secretary		
Date report	03/08/2022		
Status	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final version	



1. Agenda

1. Introduction and minutes
2. Workshop: Feedback on consultation on Additional Properties
3. aFRR go-live step 2 : Publications
4. aFRR go-live step 2 : Methodology observation round
5. EU Balancing Program Update
6. Proposal on the revision of the aFRR dimensioning method

AOB

- Launch of FCR Additional Properties public consultation
- Current status of participation of stakeholders in workshops

2. Report

1. Introduction and minutes

[Post-meeting] Febeg indicates that Febeg is missing on the attendance list, represented by Jean-François Wagnier.

The MoM of WG Balancing on 05th of May are approved, with the updated attendance list.

2. Workshop: Feedback on consultation on Additional Properties

In the context of the response to the proposal of CBS to apply a de-rating factor on “derogating” assets, CBS remarks that the argument of level playing field is not holding given that a number of other aspects are not harmonized. For example, RTE is imposing faster reaction (500 ms instead of 2 s) to new batteries. Elia acknowledges that harmonization can be further extended. Elia adds that allowing “derogating” assets to participate to the FCR Service is to increase competitiveness of the Belgian FCR market. If the level of liquidity is sufficient, Elia does not see a reason to allow a sub-standard FCR Service. CBS reacts that new assets complying with requirements are coming.

Engie asks for the timing of the amendment of the T&C FCR in France. Elia invites Engie to refer to RTE directly.

3. aFRR go-live step 2 : Publications

Febeliec asks a number of questions on the possibility to map Belgian and foreign activations and demands to each other, in order to have a clear picture on the impact on imbalance price, the coverage of Belgian imbalance by Belgian assets, export of Belgian aFRR etc. Elia indicates that imported and exported volumes as well as CBMPs (Cross-Border Marginal Prices) are available on a 4 seconds granularity on the [website of TransnetBW \(see link in the slides\)](#). It is to be noted that publication on TransnetBW’s webpage is temporary, the target being to publish it on ETP. After the connection to PICASSO, Elia will integrate this information in the yearly overview. Elia adds that import or export is neither good nor bad but rather a matter of competitiveness. Febeliec indicates that it does not see an issue if Elia exports continuously.

Yuso asks whether the System Imbalance will be available for the whole uncongested area, as this will determine whether the CBMP or the VoAA (Value of Avoided Activation) is used for the imbalance price. Elia indicates that it’s the Belgian System Imbalance that will define whether the Imbalance Price is based on the CBMP or on the VoAA. The aggregated System Imbalances of the LFC areas forming the uncongested area is not published, as this is eventually reflected in the CBMP.

Yuso asks whether data can be found in order to recalculate and forecast the imbalance price. Elia indicates that all information necessary to calculate the imbalance price is on the slide 15. The CBMP is available on the [website of TransnetBW](#) and the System Imbalance is published on [Elia.be](#).

4. aFRR go-live step 2 : Methodology observation round

Engie asks whether the observation round is the only prerequisite to the accession to PICASSO. Elia indicates that an approval of the Balancing Rules by end June and the finalisation of the related implementation are also technical conditions for the accession to PICASSO.

Engie asks whether there is a green light for the approval of the Balancing Rules. CREG indicates that some open points are still under discussion and aims for a decision before summer.

Febeliec asks CREG for the reason for a 2-year derogation. CREG indicates that a derogation can only be granted once, for a maximum period of 2 years. CREG further adds that the idea is not to take the full 2 years to connect. The goal is to move in an ambitious timeline to either connect to PICASSO shortly after the observation round or to re-do an analysis if the observation round results in a decision to delay the accession.

Febeliec insists that the market needs to know sufficiently in advance when Elia would connect. Elia explicitly requests participants to provide feedback if they see any issue with the provisional go-live date.

Febeliec asks whether the WG Balancing of 15th of September is not too late for making a decision on the accession. Elia indicates that on the WG Balancing of September, the intent is only to confirm the accession to PICASSO. There is no implementation on the side of BSPs as there is no new IT flow. Elia intends to have the material sent a few days ahead of the meeting.

Febeg asks to clarify whether the Dutch ATCs will be considered in the observation round. Elia indicates the discussion is still on-going at European level and the results of the observation round will consider sensitivity analysis towards ATCs.

Febeliec asks the difference between the current situation and the situation after accession to PICASSO, given that ATC will be limited. Elia indicates that at the accession to PICASSO, the price cap will be increased to 15 000 €/MWh (from 1000 €/MWh) and marginal pricing will apply, in accordance with the European methodology for the pricing of balancing energy. If no ATC is available, the aFRR costs are likely to increase significantly. Such situation should be avoided so this point will be examined in the observation round and may lead to a decision to postpone the accession to PICASSO.

Febeliec indicates that the availability of ATC during summer and winter period may be different. Elia indicates that with the simulation tool, any day can be simulated, even those before PICASSO go-live, making assumptions on the merit-orders of TSOs supposed to be connected. In any case, simulations will include moments / sensitivities without ATCs and with limited ATCs.

Febeliec asks whether clear criteria are foreseen to define a blocking situation. Elia indicates that it is a common assessment with the stakeholders that needs to take place, based on what will be observed. In case of negative results, Elia and market parties would commonly recommend to postpone the accession. Febeliec highlights that additional costs or higher imbalance prices than in the current situation would not be acceptable.

5. EU Balancing Program Update

Elia presents the status and proposed update of the roadmap.

Engie thanks Elia for the review of the planning and indicates it is very much needed after a first sizing of the needed effort. Engie also supports the approach to cut implementation and related testing in several steps. Febeg also supports spreading the efforts over a longer period.

CBS understands that the proposed new planning is a relief for some market participants but indicates that their developments were based on the old planning. CBS requests a robust date in order to re-plan internally. Elia takes note of the comment but cannot provide an exact date yet. An in-depth analysis has been performed to determine a reliable go-live period.

Febeliec indicates that due to the links between the T&Cs and other regulatory documents, a month of public consultation may be too short. Elia indicates that given the language constraint on the public consultation, the consultations shall start with the English version of the documents. The version in national languages will be complemented afterwards for one month, so in total the consultation period will be more than a month.

Febeliec insists to have all relevant documents available for consultation with some overlap. Elia indicates that it will ensure that this is done as much as possible (see here after). Documents will be consulted in both languages but Elia shares its preference to receive as much as possible comments in English. For the specific comments on the formulation in the national language versions, the comments should be in the relevant language.

Febeliec remarks that a split of the documents into packages would make sense with mFRR T&C and the Balancing Rules as one package and OPA and SA as another package. Elia agrees with Febeliec and confirm that the intention is to split the consultations between mFRR related documents and iCAROS related documents.

Elia highlights that the new mFRR design & iCAROS design are by far two of the biggest projects in terms of IT developments. Any change request after September will likely put the planning at risk and therefore should be avoided as much as possible.

Febeliec indicates that the new planning provides extra time for discussion but at some point, the discussions must end to move forward. Febeliec encourages to respect the new timing to also grasp the benefits. Elia invites the stakeholders to provide their feedback on the planning. Besides, Elia indicates that in 2024 there will be the implementation of ROSC, so the on-going projects need to be closed.

6. Proposal on the revision of the aFRR dimensioning method

Engie shares that it expects only limited effect on the procurement costs. The issues are stemming from high gas prices and low electricity demand, which will effectively increase procurement costs. Elia takes note of the risk and indicates that analysis indicated that a reduction of aFRR needs

could achieve a reduction in procurement costs. However, the probability of increasing procurement costs is not zero as it highly depends on bidding behavior of BSPs.

Febeliec remarks that it is the only stakeholder who supported the proposal as it is also the only one which is bearing the costs of procurement.

BSTOR indicates that the FRR volume will not decrease but rather be transferred from aFRR to mFRR. Elia indicates that the price of mFRR is usually significantly lower than the price of aFRR.

BSTOR stresses that there are too many regulatory changes on aFRR product (e.g. the last amendment is only 2 weeks before the consultation of the LFC BOA). This does not provide clear investment signal. BSTOR also ask for clarity on how the regulator will use the RC factor.

Elia agrees on the need for long term visibility and is performing long term studies on adequacy and flexibility, offshore integration, etc. to give such a view. Elia is also looking at possibilities to facilitate participation of wind, e.g. by allowing alternative baselining methods that will be formalised later on in T&Cs if proven conclusive. In exceptional circumstances, exceptional intervention is necessary to control costs, as supported by the European Commission.

BSTOR asks to clarify the implementation period of the proposed solution. Elia indicates that it wishes to move ahead with implementation planning as soon as possible and proposed to implement the modification one week after approval by the regulator. Elia reminds that the decision is up to the CREG and will be discussed with them. The detail will be part of the approval process.

CREG shares two observations:

- the FRCE quality of Belgium is very good but this quality comes at a cost.
- The prices of aFRR have increased significantly.

CREG clarifies it asked Elia to “normalize” the quality to contain the prices and indicates that the proposed solution seem to be pragmatic and elegant, without indicating a formal approval of the proposal as it is.

CBS shares that it is highly skeptical about the proposal, not only because BSPs will have lower revenues but also because lower volume does not change the fixed costs for CCGT, which will need to be recovered in any case. On the activation side, a reduced aFRR volume will stress the LER assets and the cost of the energy management will likely increase as well, not due to opportunistic behavior but to real costs increases. CBS shares that other options could be considered and indicates that there is a lack of justification for the proposal. Elia takes note of the risks put forward by CBS and also refers to the answers provided in the consultation report.

AOB – Incentive on combo

Elia apologies for cancelling the workshop on combination of balancing services on DP_{pg}. The workshop will be re-scheduled after the summer.



AOB – Participation to next WG Balancing in September

FEBEG indicates that it will not attend the WG Balancing of September.

3. Date for next meetings

- WG Balancing 15/09/2022 09:00 – 13:00
- WG Balancing 27/10/2022 09:00 – 13:00
- WG Balancing 09/12/2022 09:00 – 13:00