

Minutes of Meeting of WG Balancing on 27th of October

Meeting

Date	27/10/2022
Organiser	James Matthys-Donnadieu

Participants		Attended	Excused
BASF	Verrydt Eric	<input checked="" type="checkbox"/>	
BSTOR	Bayart Pierre	<input checked="" type="checkbox"/>	
BSTOR	Fieuws Arthur	<input checked="" type="checkbox"/>	
Centrica	Adigbli Patrick	<input checked="" type="checkbox"/>	
Centrica	Benquey Romain	<input checked="" type="checkbox"/>	
Cogen Vlaanderen	Voorspools Kris	<input checked="" type="checkbox"/>	
CREG	Libert Brice	<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"/>	
FEPEG	Wagnier Jean-François	<input checked="" type="checkbox"/>	
Febeliec	Van Bossuyt Michael	<input checked="" type="checkbox"/>	
Flexcity	Maes Emil	<input checked="" type="checkbox"/>	
Luminus	Chafaqi Laila	<input checked="" type="checkbox"/>	
Luminus	Harlem Steven	<input checked="" type="checkbox"/>	
ODE	Celis Chris	<input checked="" type="checkbox"/>	
NW Groupe	Pierson Tom	<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"/>	
Yuso	Vermandere Jasper	<input checked="" type="checkbox"/>	



Participants		Attended	Excused
Elia	Attanasi Arnaud	<input checked="" type="checkbox"/>	
Elia	Bosschaerts Caroline	<input checked="" type="checkbox"/>	
Elia	Chim Didier	<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	Oldenhove Thomas	<input checked="" type="checkbox"/>	
Elia	Pellegrin Cécile	<input checked="" type="checkbox"/>	
Elia	Pierreux Nicolas	<input checked="" type="checkbox"/>	
Elia	Vanderlinden Loup	<input checked="" type="checkbox"/>	
Elia	Voet Jan	<input checked="" type="checkbox"/>	

Report

Author	Loup Vanderlinden		
Function	WG Balancing secretary		
Date report	30/11/2022		
Status	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final version	

1. Agenda

1. Introduction
2. Winter Plan Status Update
3. EU Balancing Program Update
4. AOB:
 - o Combo on DPpg: Public Consultation
 - o aFRR activation method: Public Consultation
 - o aFRR EMS: Status
 - o Next WG Balancing

2. Report

1. Introduction

- Organizational changes are announced regarding Elia's Board of Directors and consecutive internal changes within Markets department: Markets will be split between European Markets and Offshore, led by Benjamin Genêt, and Energy Management and Adequacy (dealing with Ancillary Services, Congestion Management, Adequacy Market Design), led by Jan Voet.
- Jan Voet will take over the chairmanship of WG Balancing and WG Adequacy.
- Benjamin Genêt will take over the co-chairmanship of WG SO & EMD.
- The Secretariat of the WG Balancing will be taken over from Didier Chim by Loup Vanderlinden (loup.vanderlinden@elia.be).
- Minutes of Meeting of 15/09/2022 and 28/09/2022 are approved.



2. Winter Plan Status Update

- ENGIE invites Elia to remain proportionate in the bidding obligation, in particular considering the volume to be offered. Elia responds that the proposal has been improved by setting a cap on the obligation to the mFRR balancing capacity to be contracted. Hence the obligation is to bid on all available capacity, up to 950 MW. ENGIE considers this volume still high. Luminus considers the cap discriminatory for smaller BSPs having the obligation to offer all their flexibility while others do not. Elia explains that the cap is only to avoid adding useless administrative burden on large BSPs.
- ENGIE expresses concerns about the case where the information about the reduction of the contribution of the sharing capacity would be late, which would leave limited time for market parties to prepare and meet their bidding obligation. Elia understands the concern but explains that the timing for getting from a Regional Control Center a communication for Critical Grid Situation is already defined and out of control of Elia. According to the procedure and as reflected in the LFCBOA under approval, the first publication would take place in D-3.
- Febeliec is concerned that some BSPs may only offer their most expensive bids when this obligation to bid is triggered. Elia indicates that the price is set by the BSPs.
- Luminus asks about the status of discussions with the authorities about the bidding obligation. Elia reminds that it does not decide on this, but that the intent is to use Electricity Law art. 32 after consultation of CREG.
- BSTOR expresses support on the willingness to encourage new technologies to participate in balancing capacity auctions.
- Febeliec welcomes Elia's initiatives such as the Flexibility Event organized for market parties and invites Elia to provide more information for their members (with the KAMs) on what volume could be covered with mFRR Flex product, which is easier to provide in the short term than the mFRR Standard product. Febeliec indicates that the mFRR Standard cannot generally be provided standalone and would require contractual negotiations with other parties. Elia will keep on providing the information via the KAMs that the additional volumes can be provided both with mFRR Flex or mFRR Standard products.
- Febeliec requests traffic lights to be used in addition to the foreseen communication about the reduction of the contribution of the sharing capacity, to inform the market longer in advance about potential risk of adequacy issues. Elia indicates that this is not foreseen.
- ENECO asks on the status of discussions with DSOs to accelerate participation of LV flexibility to balancing. Elia indicates that it is in close collaboration with the DSOs to progress on this topic.
- Febeliec stresses that removing 250 MW from the wholesale energy market risks to push Belgium in a shortage situation, which can lead to adequacy issues (i.e., high prices and curtailments). Elia agrees, in theory, but reminds that no adequacy issue is expected in Belgium for the upcoming winter. The purpose of the measure is to avoid that energy is sold abroad on the day-ahead market, leading to an issue in real time. Febeliec expresses concerns that by considering a merit order that is neither very long nor very flat, the measure could have an impact on market prices and result in high costs for the industry and final customers. Elia acknowledges a potential price impact but reminds its obligations to operate the grid safely and secure the necessary reserves.
- Febeliec asks whether the Critical Grid Situation (CGS) may be cancelled after its issuance. Elia confirms that this situation may occur but is unlikely thanks to a robust process. Elia



explains that TSOs look for solutions before publishing the CGS, which means the signal should be reliable. Nevertheless, a change in weather conditions may lead to the withdrawal of the CGS, e.g.

- Elia will present in the next WG Balancing a feedback analysis on the aFRR capacity auctions since the go-live of the new design in May. This analysis will however not include a CBA of the reduction of the contracted capacity, as different parameters affect the auction results and the activated volumes. CBS insists on the need for a detailed analysis as they believe the impact has been significant and not necessarily beneficial.

3. EU Balancing Program Update

- Febeg asks whether there are ongoing discussions with ACER on reviewing price caps applicable to balancing energy bids on the EU platforms. Elia indicates that it will start discussion with ACER, if applicable with other TSOs which share the same concerns. However, Elia indicates that whether ACER will be open for discussion is unclear. Elia understands from CREG's decision that CREG is not opposed to a lower cap, but a change would have to be decided at EU level.
- Febeg considers it very theoretical that the cap is reviewed before the other conditions are fulfilled to allow a connection to PICASSO.
- Febeliec insists that the additional liquidity that will result from the connection of France is certainly valuable, but at the condition that there is available transmission capacity to access this foreign liquidity. What matters is the combination of both.
- CBS asks if there have been discussions on limiting the imbalance price rather than the aFRR price, and keep a clear market signal for aFRR. Elia indicates that the introduction of the deadband in the imbalance price was to achieve this purpose. Elia however reminds that the absence of limitation on aFRR prices combined with a limitation of the imbalance price would affect the balancing margin that would also impact consumers. Febeliec agrees that the deadband limits the damage for consumers but had also other merits to avoid overshoot/undershoot in reactive balancing and system stability.
- CBS asks if CREG accepted in its decision a criterion on a minimum volume of non-contracted bids in aFRR market, as recommended by the WG Balancing in its resolution on the connection to PICASSO. Elia responds that there have not been discussions with CREG on this as the blocking point was the introduction of the local temporary price cap. CREG invites the market participants to provide their questions via email and will present its decision, if relevant. CBS indicates that clear conditions for a Go/No Go are needed.
- CREG expresses concern about the impact of a connection to PICASSO on market parties. A more detailed reaction can be provided if market parties request so. CBS would welcome such a discussion. CREG will discuss internally on next steps.
- Febeliec and CBS ask whether the reassessment of the connection of Elia to PICASSO will take place once ENTSO-E/the European project decides on the accession of RTE, or when RTE joins. Elia invites stakeholders to provide their feedback as both interpretations of CREG's decision are possible. Elia indicates that one could consider accessing together with RTE or only after an analysis to be performed based on data collected after RTE's accession.
- It is clarified, on Febeg's request, that the roadmap foresees a connection of RTE to PICASSO in Q3 2023. Elia indicates that RTE shared informally their confidence on this

date but without guarantees. Elia indicates that if this planning is respected, the result of the observation run could be ready by November 2023, depending on the data Elia needs to have before proceeding. Febeg regrets the one-year delay in PICASSO go-live, which does not give a good signal to the market (lack of predictability of market design changes). CBS is also disappointed by the delay and increased uncertainty.

- Febeg and RWE ask about the impact of the postponement of Elia's connection to PICASSO on MARI. Elia responds that MARI and iCAROS should not be impacted as both are functionally unbundled from PICASSO. Febeliec is surprised that the decision would have no impact on MARI and iCAROS, considering relations between regulated documents and potential cascading effects. Elia agrees that there are some constraints (e.g., some time needs to be foreseen between the go-lives of PICASSO and MARI), but they do not lead to a need to postpone MARI again. Market parties are however invited to express their views on this. Febeliec does not disagree but insists on having a clear timeline.
- Luminus adds that stable planning is needed to organize internal implementations, allocation of resources, etc. They spent all resources on PICASSO, expecting a go-live of PICASSO first. Elia stresses that developments needed for PICASSO on BSP's side were mostly for the step 1 of the go-live in May 2022 and that the timeline for MARI has been adapted already, taking the longest timelines requested by the market parties. Hence, Elia questions the reaction and welcomes market parties' feedback and arguments. Febeg indicates that other Febeg members share Luminus' views.
- Febeliec reminds that the recommendation of WG Balancing regarding the connection to PICASSO after winter 2022-2023 under some conditions was a balanced compromise. Febeliec asks what would be the impact of not connecting to PICASSO on the depth of the Belgian merit order. Elia explains that it is difficult to make reliable assumptions on the future ATCs but also on the aFRR merit order that will be observed in France.
- CBS asks a view on the impact of the delayed connection to PICASSO on the saturation of the Belgian merit order and the depletion of Limited Energy Reservoirs (LERs). CBS indicates that a delay in the connection to PICASSO will have an impact on LER units which may not be compensated by the reduction of aFRR volumes from 145 MW to 117 MW.
- CBS indicates that the distinction between the roles of BRP and BSP, which comes with iCAROS phase 2, is necessary to bring up additional aFRR volumes. A delay in the implementation of MARI and iCAROS would further push back the integration of such volumes. CBS asks for an interim solution to be able to bring those aFRR volume online.
- Elia invites all market parties to provide feedback on the presented way forward, either during the meeting or afterwards, via their KAM energy.
- BSTOR asks whether there are plans to join balancing capacity cooperation. Elia indicates that there are no such plans in the short term as the Day Ahead market is favoured compared to reserving ATC for the procurement of balancing capacity. Additionally, cross-border synergies are already captured via our Reserve Sharing Agreement, without the need to reserve ATCs.

Decision CREG on Balancing Rules

- Febeliec asks what the issues are as there was a compromise supported by WG Balancing. Elia refers to the presentation made by Elia during the WG Balancing of September 2022.

- Febeg asks what the options are if Elia and CREG do not agree. Elia indicates that CREG can initiate changes to the Balancing Rules. Elia adds that it is considering legal steps but would like to find an amicable agreement. Elia stresses that it will not move its red lines when it comes to system security. Febeliec asks CREG to be involved in any drafting of a new proposal deviating from the compromise supported by WG Balancing (e.g., through a similar organization as WG Balancing) and insists on the importance of involving the market parties in the discussions before the formal consultation and asks highlights compared to Elia's proposal. CREG's representative in the meeting invites market parties to send him questions (brice.libert@creg.be with Elia in copy). CREG may then organize a presentation to further discuss the topic.

External Testing

- Elia presents the external testing planning for MARI and iCAROS and invites all relevant market parties to ask their questions to their KAM, as testing is not very active yet although it is critical.
- Febeg insists on the need to get clear feedback on open design points. Elia acknowledges the request and is still working on it.

4. AOB

- Elia reminds that public consultations are ongoing on the studies on aFRR activation method and on the simultaneous offer ("combos") of balancing services on a same DPpg. Some WG Balancing members indicate that they have not received an email announcing the consultation while others did receive it. Elia will check whether there was a technical issue with the delivery.
- Febeliec cannot attend the meetings on March and September 2023 in the afternoon. Elia will check if the dates can be changed, considering the willingness to organize WG Balancing and WG CCMD on the same days.
- Febeliec asks for an overview of what is expected for next year (including incentives).

3. Date for the next meetings

- WG Balancing 09/12/2022 09:00 – 13:00
- WG Balancing 02/02/2023 14:00 – 18:00
- WG Balancing 21/03/2023 14:00 – 18:00
- WG Balancing 16/05/2023 14:00 – 18:00
- WG Balancing 29/06/2023 14:00 – 18:00
- WG Balancing 26/09/2023 14:00 – 18:00
- WG Balancing 14/11/2023 14:00 – 18:00