

Minutes of Meeting of WG Balancing on 9th of December

Meeting

Date	09/12/2022
Organiser	Jan Voet

Participants		Attended	Excused
BASF	Verrydt Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BSTOR	Bayart Pierre	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CBS	Adigbli Patrick	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CBS	Benquey Romain	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CREG	Maenhoudt Marijn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	Sluis Peter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	Van den Berg Jasper	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	Williame Jean-François	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ENGIE	Donnay de Casteau Loïc	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ENGIE	Laleman Ruben	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eoly Energy	Kormoss Aymeric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FEBEG	Waignier Jean-François	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Febeliec	Van Bossuyt Michael	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Flexcity	Potvliege Harold	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Next Kraftwerke	Adao da Fonseca Mariana	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Next Kraftwerke	Dierckxsens Carlos	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Next Kraftwerke	Kreutzkamp Paul	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NW Groupe	Besserve Tristan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NW Groupe	Pierson Tom	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NW Groupe	Polsinelli Hugo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ORES	Buisseret Thomas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Otary	Van Nuffel Margot	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Power Pulse	Taverniers Hans	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RWE	Lazarescu Anca Manuela	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thermovault	Brouyaux Louis	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Hofman Hannah	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Rosen Adrien	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UGent	Van Gompel Jonas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yuso	Debaere Elias	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yuso	Vermandere Jasper	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Participants		Attended	Excused
Elia	Attanasi Gautier	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Boschaerts Caroline	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	De Vos Kristof	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Hardy Simon	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Illegems Viviane	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Le Maire Victor	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Leroux Amandine	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Magnant Philippe	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Motté Arno	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Oldenhove Thomas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Pellegrin Cécile	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Pierreux Nicolas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Poncelet Kris	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Tsiokanos Anna	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Vanderlinden Loup	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Voet Jan	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Report

Author	Loup Vanderlinden
Function	WG Balancing secretary
Date report	16/01/2023
Status	<input type="checkbox"/> Draft <input checked="" type="checkbox"/> Final version

1. Agenda

1. Introduction
2. EU Balancing Program update
3. aFRR Capacity Auctions: Return of Experience New Design
4. Results of the Public Consultation on aFRR Activation Method
5. Results of the Public Consultation on Dynamic Procurement Study for FRR
6. Results of the Public Consultation on Combos
7. Study Evolution BRP Nominations – Feedback Following the Public Consultation
8. Follow-up on the BAL Incentive 'Improvement of the Quality of Input Data Congestion Management'
9. AOB:
 - o Winter Plan
 - o Feedback on Workshop Losses
 - o Next WG Balancing

2. Report

1. Introduction

- Agenda for today's WG Balancing is approved.
- MoMs of the WG Balancing of 27/10/2022 and the workshop on losses of 17/11/2022 are approved.

2. EU Balancing Program update

As a follow-up of discussions in the previous WG BAL, CREG attended the first part of the WG BAL meeting to clarify their approach on the connection to Picasso project and the modifications in the balancing rules / T&C BRP rules.

CREG's feedback on connection to PICASSO

- CREG explains that they decided to extend the use of the derogation and delay the connection to PICASSO, and to request a new evaluation in November 2023. According to CREG, the WG Balancing's request to introduce a local price cap on aFRR energy bids is not in line with the EU regulation. Therefore, CREG prefers to have discussions on EU level to assess whether something needs to be changed to avoid price peaks and/or long aFRR activations.
- Next Kraftwerke asks CREG clarification regarding the timeline. CREG answers that November 2023 was chosen based on the connection of RTE. As of this moment, Elia should access available ATC on all its continental borders for the exchange of aFRR energy.
- Febeliec points out that more borders considered does not necessarily lead to more ATCs on these borders. CREG answers that it is a fair point.
- CREG adds that there is a legal deadline to connect to the platform, to which Febeliec answers that some deadlines were not respected in the past and that it should therefore not be the only concern, taking into account the risk of cost increases.
- BSTOR asks reminder about the legal deadline for the accession to PICASSO, to which CREG answers 24th July 2024.

CREG's feedback on balancing rules / T&C BRP

- CREG explains they are in the process of reviewing the T&C BRP to include the imbalance price calculation. *Besides*, although the starting point would be the rules currently approved in the Balancing Rules, the CREG will amend them (e.g., regarding the application of a cap/floor and a deadband) in accordance with the concerns expressed in their decision on the Balancing rules¹. CREG considers indeed that the imbalance price calculation should not deviate from the price result of the different European markets to which Belgium is going to connect.
- CREG is planning a public consultation from 5th January up to 5th February, and a decision by 9th March.
- Elia asks CREG to elaborate on what that means for the balancing rules and other documents. CREG answers they have only sent request on modification of T&C BRP, main reason being a change in the regulatory framework. The other documents will not be changed by the CREG.

¹ Decision (B)2433 of 19th July 2022



- Febeliec is wondering what the changes in the Balancing Rules are, to which CREG answers that it depends on the process between Elia and CREG, and that there is a difference to make between the imbalance price and the imbalance tariff.
- Febeliec is confused following CREG's answer, adding they need to know where they are going. Febeliec asks how the alpha component is to be changed. CREG answers that they cannot change unilaterally the tariff proposal, meaning that the alpha is unaffected.
- Febeliec requests Elia to share their vision as to what they should expect in the following months. Elia answers that they take note of the position of CREG, precisising that Elia has fundamental issues with the amendment (regarding imbalance price) from CREG as it threatens system security. Elia adds that the impact on timing is being assessed, which is why Elia will come back with an updated planning during the 1st WG Balancing of next year. FEBEG shares the concerns raised by Febeliec and Elia.
- Febeliec insists on the need for clarity on imbalance prices and project implementation plans, which is fully supported by FEBEG. CREG questions the implementation issue considering the EIF of the rules will be when connecting to PICASSO. Febeliec refers to the cascading effects of the changes. Elia is also looking at the different impacts on timing for modification of regulated documents.
- ENGIE explains they need clarification on the imbalance tariff as it creates a lot of uncertainty regarding what they need to factor in in supply contracts, PPAs, etc.
- Febeliec would appreciate Elia's input before next WG Balancing that could be considered before the end of CREG's public consultation.

Elia's presentation on EU Balancing program

- Febeliec requests to be informed as soon as possible on the status of discussions with CREG (whether the two parties have reached agreements or not). Elia highlights that the planning for all projects is interlinked, meaning that a full assessment and detailed roadmap is needed but takes time, which is the reason of foreseeing it for the first WG BAL of next year.
- FEBEG expresses his doubts on the existing planning for MARI/iCAROS. Elia confirms that their feedback has been well noted.
- Next Kraftwerke confirms that the current planning for MARI/iCAROS is demanding for them too.
- ENGIE appreciates Elia's reactivity and bilateral meetings that took place to support implementation. ENGIE is still fully committed to work on the different projects but also needs a finalised design.
- Febeliec precisises that they also need time before validating the planning for iCAROS phase 2 as they still need to understand what is expected from them. Elia is aware of this and adds there will be discussions with Febeliec's members. Elia reminds that they are organizing sessions to help MPs understanding iCAROS and MARI and invite MPs to take this opportunity. It is indeed important that everybody keeps on progressing as good as possible.
- FEBEG asks clarification on the timing of the unofficial and official public consultations for T&C OPA, SA and Coordination Rules. Elia answers that the organisation in 2 steps

is a matter of language rules. Febeliec appreciates that Elia starts the Public Consultation in English to provide more time.

- Febeliec asks about the status of BSP facilitation. Elia indicates that Elia still needs the input from some specific market participants to confirm that its ideas are fulfilling the needs adequately. Elia will come back to Febeliec on this when appropriate.

3. aFRR Capacity Auctions: Return of Experience New Design

- Febeliec asks Elia what assumptions are made to predict prices for the 2024-2027 period. Elia answers that this exercise is indeed not straightforward, but that Elia relies on assumptions of evolution of gas prices and considers future market evolutions as well as the benefits of further development of the market. More details can be provided to Febeliec and other market parties if requested.
- Febeliec asks what Elia is doing to reduce the costs, to which Elia replies that high costs are explained by market conditions, and that the analysis shown in the slides indicates that there is a need to further develop liquidity.
- CBS asks multiple questions. First, they insist on the need for an impact analysis of the contracted volume reduction. Elia responds that it is not that straightforward, that a lot of parameters are impacting the costs and that it's not possible to simulate the auction cost for a higher procured volume. CBS insists that looking at costs only is not fully significant and asks whether Elia saw a reduction in the number of CCGTs selected. Then, CBS points out that on some days, per CCTU prices were lower than all CCTU auctions, which seems weird in their view, asking for confirmation/clarification. Elia confirms that virtual bids below the reference cost are always selected² and that more explanations on the results of specific auctions can be provided if needed. Elia indicates that more detailed discussions can be organized bilaterally on the cases identified by CBS. Finally, CBS recalls that looking at cost alone is not a relevant KPI and that one should always compare situation as is vs what the situation could have been in absence of changes.
- On the TCO degradation, Febeliec asks why new PQ could lead to a cost increase. Elia explains that it may increase the TCO degradation, per definition of the merit-order selection following the first TCO run, but not necessarily the total costs, as those virtual bids are sometimes already selected in the first TCO. Febeliec asks why the TCO degradation cap has not been implemented, to which Elia answers that it was not necessary at the go-live of the new design because the degradation was not expected to reach 20%, but that the context evolved due to the reduction in procured volume and the evolution of liquidity in single CCTU. Febeliec states that they would like to see this point addressed in the roadmap that will be presented at the next WG Balancing.
- Requests from ENGIE, CBS, and BSTOR to have an in-depth analysis of the reduction of procured capacity to 117 MW. Elia answers that it is working with CREG to make a new (enduring) proposal for probabilistic dimensioning.
- BSTOR thanks Elia for the work done and insists on the need for stability in market design and volume of reserves. Elia answers that, on the basis of the information currently available and next to a possible implementation of the cap on TCO degradation, there is no short-medium plan on the evolution of aFRR capacity auctions design.

² Out of the meeting note: exceptions are possible when the full volume in one direction is allocated to virtual bids

- ENGIE and BSTOR request that total system cost including reserve contracting, activation, and imbalance costs should be considered. Elia answers that it's not straightforward to evaluate the impact on the activation costs, as a lot of parameters impact the comparison (Elia's aFRR demand, ATCs, free bids,...)

4. Results of the Public Consultation on aFRR Activation Method

- Febeliec asks what the next steps are and if the modifications are to be implemented. Elia answers that the feedback from the public consultation from all stakeholders has been considered and that after discussion with the CREG, the implementation plan proposed in the report consulted is confirmed, meaning it would be included in the next proposal for amendment of the T&C BSP aFRR. Febeliec stresses that they are against it.

5. Results of the Public Consultation on Dynamic Procurement Study for FRR

- Febeliec is disappointed that its feedback did not result in changes in Elia's recommendations on the implementation plan. Febeliec has the feeling that Elia's mind is already made up before the public consultation and therefore wonders on the usefulness of a public consultation.
- Elia answers that it generally aligns its studies well with stakeholders before the consultation (in this case by means of two workshops) and most suggestions or comments from market parties are considered before the formal public consultations via the various workshops. Nevertheless, Elia takes note of this remark and commits to be clearer in the future on how the consultation impacts the final report of its studies.

6. Results of the Public Consultation on Combos

- Febeliec asks what actions Elia takes following the public consultation. Elia answers that the goal is to progress on the combos aFRR/mFRR and FCR/aFRR. For the latter, there is first a need to change the declarative baseline regarding FCR, which is still subject to discussions on the roadmap. Febeliec adds that the combo FCR/aFRR would be good to increase liquidity.
- ENGIE acknowledges that the convergence of the concepts DPpg and DPsu in terms of rights and obligations is out of scope of the study but considers it an important point.

7. Study Evolution BRP Nominations – Feedback Following the Public Consultation

- Febeliec indicates that, for this topic, it is clear what the changes to the recommendations are following the feedback provided by the stakeholders during the public consultation. Elia takes note of the remark.



8. Follow-up on the BAL Incentive 'Improvement of the Quality of Input Data Congestion Management'

- Febeliec asks if what is needed from Elia' side are real time data inputs or real time schedule. Elia answers that only measurements are needed as there is no intention to change schedules on the roadmap.

9. AOB

Winter Plan

- Luminus and Febeliec ask if there is any news on the implementation plan and CREG's decision. Elia answers it can be implemented three days after approval of the LFC Means and it hopes the proposal will be approved as soon as possible. Elia also clarified that the balancing capacity increase (250 MW) proposed in the LFC Means can be implemented before the bidding obligation would be in place.
- Febeliec suggests to Elia to contact other market parties than the usual BSPs. Elia thanks Febeliec for the suggestion.
- ***Additional clarification after the meeting:*** Elia has been announcing the implementation of the Winter plan (250 MW) during workshops with clients and will keep on doing it. In addition, we will have a monthly webinar in 2023 during which we explain high level balancing and the opportunities for the market. It is a free inscription and Febeliec members are also welcomed to join this webinar.
- ENGIE asks if any CGS occurrences have been identified so far. Elia answers that no CGS occurrences have been identified yet.

Feedback on Workshop Losses

- FEBEG comments that it is not clear what the next actions are to be taken after discussions. Elia answers that the questions will be tackled during the WG Belgian Grid.

Next WG Balancing

- Febeliec notes that there will be a workshop on tariffs on 14th November that could be aligned with the WG Balancing.
- FEBEG is surprised by the fact that the meeting was rushed although an email was sent prior to the WG Balancing to indicate it would be light and therefore shortened. Elia replies that it is mainly due to CREG's intervention in the beginning of the meeting, which was confirmed only shortly prior to the WG Balancing.



3. Date for the next meetings

- WG Balancing 02/02/2023 14:00 – 18:00
- WG Balancing 22/03/2023 09:00 – 13:00
- WG Balancing 16/05/2023 14:00 – 18:00
- WG Balancing 29/06/2023 14:00 – 18:00
- WG Balancing 27/09/2023 09:00 – 13:00
- WG Balancing 14/11/2023 14:00 – 18:00