

Minutes of Meeting of WG Balancing on 27th of September

Meeting	
Date	27/09/2023
Organiser	Jan Voet

Participants		Attended	Excused
BASF	Verrydt Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BSTOR	Fieuws Arthur	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BSTOR	Van De Keer Lieven	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CBS	Gillis Jeroen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cogen Vlaanderen	Reyniers Stefaan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cogen Vlaanderen	Vandersyppe Hans	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	Boddu Sumalik	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	Masiak Eryk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Eneco	van den Berg Jasper	<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"/>
FEPEG	Waignier Jean-François	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FEBELIEC	Van Bossuyt Michaël	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Flexide Energy	Gresse Pierre-Henri	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luminus	Chafaqi Laila	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luminus	Harlem Steven	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Next Kraftwerke	Dierckxsens Carlos	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Otary	Van Nuffel Margot	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Riva Group	Marin Alexandre	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RWE	Lazarescu Anca Manuela	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scholt Energy	Demeyer Valentijn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Smart Energy	Geldof Michael	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Smart Energy	Wattyn Guillaume	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Hofman Hannah	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Mullenders Cedric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Virya Energy	D'Souza Nirmala	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Participants		Attended	Excused
Elia	Boschaerts Caroline	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	De Vos Kristof	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Illegems Viviane	<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	Ruben Victor	<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	07/11/2023		
Status	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final version	

1. Agenda

1. Introduction
2. EU & BE Balancing Program update
 - a. Imbalance Price – feedback public consultation
 - b. Business testing protocols with MPs
 - c. Feedback workshop on aFRR evolutions and connection to PICASSO
 - d. Coming stakeholder management interactions
3. T&C BRP – Evaluation of the impact of the relaxation of the DA balance obligation
4. BRP perimeter adjustments – feedback public consultation
5. Winter Plan Balancing – feedback public consultation
6. Summary of yearly reporting on FRR dimensioning

2. Report

1. Introduction

- MoM of latest WG BAL of 29/06/2023 are approved.
- Febeliec would like to discuss on the identification of operational barriers, in addition to design and products that are generally discussed. The goal is to reduce entry barriers, notably on DSO level. Febeliec also invites other MPs to discuss such barriers. Elia agrees to discuss potential entry barriers in an upcoming WG BAL.

2. EU & BE Balancing Program update

a) Imbalance Price – feedback public consultation

- Elia explains it has already submitted the new proposal of the Imbalance Price formula to the CREG, hoping for an approval to prevent compromising the go-lives of the EU balancing platforms.
- Febeliec asks Elia what kind of monitoring is foreseen. Elia replies it wants to discuss this with MPs, adding that in the T&C BRP it is written that Elia commits to do such monitoring after connection to the EU balancing platforms. As FEBEG stated in its answer to the PC, a “what-if” analysis may be put in place.
- Febeliec asks FEBEG if it has concrete proposals regarding the implementation of high price mitigation measures for connection to PICASSO. FEBEG did not have concrete ideas. Elia comments that it strongly commits to investigating and implementing high price mitigation measures for the connection to PICASSO but that this should rather be seen as a prerequisite for the connection to PICASSO than for the T&C BRP approval as those mitigation measures are not related to the imbalance price formula and as they do not play a role in the connection to MARI, which should be before that of PICASSO.

b) Business testing protocols with MPs

- ENGIE explains that they are already willing to deploy in production environment iCAROS, and requests Elia to communicate on what has already been implemented. Elia replies they may have an answer by the week following the WG Balancing.
- Febeliec asks why the BSP facilitation is not in the slides. Elia answers it had a specific workshop on this matter (07/07), and that it will be ready for go-live. Febeliec adds that the communication towards MPs on the testing timeline is important. Elia agrees and adds that it is a facilitation, not an obligation so all MPs are welcomed to test it.

c) Feedback workshop on aFRR evolutions and connection to PICASSO

- Febeliec asks to what extent elastic demand can be implemented without amending EBGL. Elia replies that the pricing proposal needs to be amended and that it will be part of the discussions on EU level. Febeliec asks who is conducting the European Public Consultation. Elia replies it will be ENTSO-E and the goal is to launch the Public Consultation end of October, which will last 2 months during which MPs are invited to express their comments on the matter.
- Febeliec adds it would be relevant to add this in the MESC agenda. Elia replies it will be in the EBSG meeting, of which Febeliec replies that the EBSG has no decision power, so it is more valuable to add the discussion in the MESC. Elia will transfer this information.
- BOP asks if Elia is ready to share some price data on the connection to PICASSO with/without elastic demand for the 2nd workshop on 12/10, as it would allow their financial department to know what to consider in the bidding strategy. Elia replies it has performed a quantitative analysis in 2022 and that this is still considered representative for the situation without elastic demand. Regarding the situation with elastic demand, the qualitative analysis shows the main risk identified is covered, which is sufficient to be confident in this mitigation measures. Besides, a quantitative analysis would rely on too

many assumptions. However, some illustrative examples will be made available for the upcoming workshop to exemplify some typical situations. BOP thanks Elia.

- Febeliec comments that it has no problem with Elia giving examples, but Elia should not help MPs to draw pricing strategies. Elia replies it is only meant to explain the mitigation measures.
- ENGIE welcomes the approach but needs all details for full support.

d) Coming stakeholder management interactions

- No comments expressed from MPs.

3. T&C BRP – Evaluation of the impact of the relaxation of the DA balance obligation

- Febeliec is relieved that there are no issue with the go-live of the relaxation of the DA balance obligation. Nonetheless, Febeliec asks Elia and CREG to closely monitor it as the impacts linked to a cold winter are yet to be seen. Furthermore, there is an additional risk with traders not having the possibility to compensate their portfolio imbalance in case they do not have physical means to do so. Febeliec requests to maintain a close follow-up until a tight period has happened.

4. BRP perimeter adjustments – feedback public consultation

- FEBEG asks clarifications on the complexity linked to option 1.c. Elia explains it is due to two reasons. First, the potential benefits of option 1.c are only obtained if BSPs effectively follow the assumed activation profile, which can only be guaranteed in case of amendments to the mFRR design. In addition, if Option 1c would be applied, the Transfer of Energy models would also need to be extended to the quarter hour preceding/following the activation, which requires a calculation of the delivered volume during the quarter hour where the ramp is initiated/terminated, which would again require amendments in the mFRR design.
- ENGIE reacts on “Elia is ready to investigate”. ENGIE explains that by no means ENGIE is willing to make losses during a full year (e.g. when doing upward activation with a negative SI). Elia precises it will not do retroactive action. Elia further highlights that not all activations will follow the MARI profile perfectly and therefore, even with option 1.c, there will be imbalances and potential risks for the BRP of the BSP. Elia further recognizes that there are still uncertainties following the connection to MARI but that a potential decorrelation between imbalance prices and the moments of mFRR activations would rather reduce the impact of the block approach compared to the situation today. Elia also highlights that what matters is the average impact and not the impact in a particular activation, which could also be beneficial for the BRP of the BSP. Lastly, Elia reminds that a BSP can consider risks related to the imbalance in the price they submit.
- FEBEG asks clarifications about the monitoring of Elia. Elia replies that, if BSPs would come with clear evidence that the impact of the block approach has increased and has become significant, Elia is ready to re-investigate. Elia further clarified that the market parties can easily monitor the potential impact of the block approach as the required information, being the moment and direction of mFRR activations and the imbalance prices in those moments, are all publicly available.

5. Winter Plan Balancing – feedback public consultation

- ENGIE can acknowledge and accept the existence of a bidding obligation but stresses that such measure should be temporary and proportional. ENGIE has concerns on the timing. It needs to prepare bids for the power exchanges, which is quite time and effort intensive. Elia notes the comment, on foreseen timeline the trigger will be communicated as soon as possible as from three-days before real-time, until 7 AM D-1, the deadline for communication of the balancing capacity requirements.
- ENGIE adds that a well-functioning market should not have any obligations. Elia replies that there have been measures to improve liquidity, but they are not expected to solve liquidity issues on short-term. So, in the meantime, short-term measures must be implemented by Elia to ensure the availability of reserve capacity.

6. Summary of yearly reporting on FRR dimensioning

- Febeliec asks what the impact of this report is. Elia replies it is purely informative. On the dimensioning itself, there will be no change foreseen. A point of attention is on Nemo Link schedule forecast, for which the forecast accuracy is to be monitored and the method might need to be revised if the accuracy does not improve. On downward capacity, there may be also a point of attention: compliancy is high and is getting better, but actions are needed if this would further deteriorate.
- ENGIE regrets that the data stops at the end of January because in the meantime, short-term measures were presented in the WG Balancing end of June. But looking at the data presented, everything seems very fine. Elia explained that when looking at the latest figures until end of summer 2023 the results are not very different, including the results on the coverage of the downward capacity needs. In other words, the situation does not get worse after January, and on the contrary, there is even an indication it gets better compared to previous years (although this is also related to the fact Nemo Link is more frequency predicted in import which reduces the downward reserve needs).

However, Elia does still not observe a 100% coverage of the reserve needs, similar as in previous years. It is for this reason that Elia presented the use of exceptional balancing measures to cover the remaining risks associated with periods where the needs are not adequately covered. Elia believes this approach of complementing FRR dimensioning (at 99% reliability levels) with exceptional balancing measures is a cost-effective solution compared to engaging in full procurement, particularly if the problems ought to be temporary .

Elia adds that it is particularly concerned with the impact of PV. To address downward flexibility, flexible assets should participate to the market. Elia is open to discuss solutions in the framework of the WG Balancing. Should downward mFRR capacity be contracted, we need to be sure it effectively mitigates the problem. Elia adds that part of the solution is Elia's CCMD that has been discussed with market parties.

7. Conclusions

- Elia commits to do a presentation on incompressibility issues regarding the summer period for next WG Balancing.
- On potential entry barrier issues, Elia will investigate if a dedicated workshop is necessary.



3. Date for next meeting

- WG Balancing 14/11/2023 14:00 – 18:00
- WG Balancing 18/12/2023 14:00 – 18:00