

## Minutes of Meeting of WG Balancing on 18<sup>th</sup> of December

<b>Meeting</b>			
<b>Date</b>	18/12/2023		
<b>Organiser</b>	Jan Voet		
<b>Participants</b>		<b>Attended</b>	<b>Excused</b>
BASF	Verrydt Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOP	Canière Hugo	<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	Adigbli Patrick	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CBS	Gillis Jeroen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CREG	Maenhoudt Marijn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Danske Commodities	Saxbeck Ghita Hagsten	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ecopower	Swennen Ine	<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"/>
European Commodities	Baudson Axel	<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"/>
Flexcity	Van Vlaenderen Emiel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luminus	Chafaqi Laïla	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luminus	Harlem Steven	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luminus	Van Engeland Sam	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Next Kraftwerke	Kormoss Aymeric	<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"/>
Park Wind	Antonissen Senne	<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"/>
SPF Economie	Brasseur François	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thermovault	Gérard Thibaut	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Hofman Hannah	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TotalEnergies	Mullenders Cédric	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vynova Group	Peeters Martijn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yuso	Debaere Elias	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Participants</b>		<b>Attended</b>	<b>Excused</b>
Elia	Attanasi Gautier	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Elia	Bakker Carsten	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Bosschaerts Caroline	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Illegems Viviane	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Koelman Nicolas	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elia	Leroux Amandine	<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	31/01/2024		
Status	<input type="checkbox"/> Draft	<input checked="" type="checkbox"/> Final version	

## 1. Agenda

1. Introduction
2. EU & BE Balancing Program Update
3. Incentive Smart Testing Implementation
4. Incentive EMS requirements

## 2. Report

### 1. Introduction

- MoM of last WG BAL are approved with one small correction.

### 2. EU & BE Balancing Program Update

- Elia presents a new timeline for the go-live of Icaros, Mari and Picasso projects, taking into account as well the letter from CREG postponing the decision of the underlying regulatory documents to February. CREG precises that it will take a decision but cannot commit at this stage that it will be an approval in February 2024. Elia replies it hopes for an approval and tries to give the best possible view on the planning to market parties.
- Luminus asks for the reasons on the delay. CREG explains that the deadline in December 2023 assumed that everyone was aligned, which has not been the case. CREG considered therefore that a decision in December 2023 was not possible and decided to delay its decisions. Elia indicates that the deadlines and the process that were discussed upfront between the CREG and Elia were respected as such, and that Elia aligned as much as possible with CREG before the public

consultation and before submitting the proposals after the public consultation and will continue to try to solve the remaining open points for CREG as soon as possible.

- Centrica asks if the local and global go-lives are still conditioned to an approval of the rules by CREG in February 2024, and asks if a connection to PICASSO in October 2024 is still realistic. Elia explains that any go-live is conditioned to regulatory approval. For Elia's operations, it is impossible to do multiple go-lives impacting several operational processes and tools altogether, so the entire planning depends on the needed approvals in due time. Centrica mentions the multiple shifts of the planning already and agrees that multiple go-lives at the same time would be too challenging. Elia explains that parallel to the process to obtain the CREG's approval, there will be also an additional intensive common testing with market parties. Both activities need to be successful in order to fulfil the condition to go-live. A more detailed planning will be communicated to market parties as soon as possible. Elia will do everything on its side to respect the new planning and to have these projects successfully launched according to the new planning.
- Elia insists on the importance to continue the implementation needed for iCAROS/mFRR local go-live at market parties' side in order to respect the updated timeline.

#### T&C BRP:

- Regarding CREG's request to adapt the real-time balance obligation of the BRP in the T&C BRP: CREG clarifies that the main disagreement between CREG and Elia relates to the consideration of the CBMP in the imbalance price formation. According to CREG, when connecting to the EU platforms, Elia also needs to use the CBMP of these platforms as imbalance price. CREG has the intention to approve first the dead band, cap, and floor components but for CREG, it is important to clarify the end goal. What happens if there is no system security issue? Should Belgian BRPs be incentivized to balance the EU network? If not, what is the motivation for the evaluation plan? CREG considers that encouraging Belgian BRPs to help balance the EU system should be the target. According to Elia it is too early to draw this conclusion already without knowing whether its proposal is secure or not. Furthermore, Elia believes this discussion on the contractual BRP obligation shouldn't be addressed in a Request for Amendment after 1.5-year discussion on the imbalance signals. T&C BRP amendment for previous evolutions of the BRP balance obligation took 6-month discussion, so Elia is not comfortable to adapt this obligation in the context of a RfA (i.e. in 2 months); Elia asks all market participants to express their views on this. Elia highlights that a BRP would have, following CREG's position, a legal obligation to balance something not properly defined; the BRP could (legally) not react anymore on the Belgian System Imbalance but should react to a European system imbalance instead (which is not defined in EU regulation and is technically impossible to calculate). Elia provides the example of France activating upward mFRR and Germany activating downward aFRR. What should a Belgian BRP do in such situation? Elia questions the urgency to write such unclear requirement in the T&C BRP and suggests considering potential evolutions of the BRP balance obligation as a possible recommendation of the evaluation plan, based on "what-if" analysis, as such balance obligation is the essential part of the T&C BRP. Elia hopes it can find an agreement with CREG so that T&C BRP can be finalized.
- Luminus is concerned that this discussion could keep going between Elia and CREG, blocking all progress on important market evolutions. Elia reminds that the evaluation plan aims at evaluating options and impact on system security, which is needed to define or confirm a target model. Elia highlights that there is today no unique price signal at European level since EU balancing platforms can send contradictory signals; the obligation of the BRP with CREG's RfA is therefore not clear. CREG then suggests remaining vague in the T&C BRP and say that the BRP should "balance the system", instead of saying that the BRP should balance the Belgian LFC Block. Elia refers to the obligation in the legislation to balance the imbalance price area, which corresponds to the LFC Block.

- CREG asks for a general wording so that the T&C do not have to be amended based on the outcome of the evaluation plan. Elia replies that the T&C BRP will need to be amended based on the outcome of the evaluation plan anyway should cap and floor be removed, so it is more consistent to keep the BRP balance obligation aligned with the applicable imbalance price formula. Besides, Elia indicates that they are still working on the long-term vision and discussing it with CREG.
- On the evaluation plan, Luminus asks clarification on the timing of the WG BAL presentation. Elia explains that feedback from market parties will be asked before mid-January and that a final proposal taking this feedback into account will be discussed at next WG BAL.
- Febeliec asks if intermediary results will be available before final report. Elia explains it will monitor whether there are risks, etc. but for the sake of resource management, no intermediary evaluation is foreseen. The length of the evaluation period is already a trade-off as the situation in EU is not stable yet. Should it be stretched even more, it will be even more time-consuming with limited added value. Febeliec agrees with Elia but wants to avoid similar situation as with aFRR, where some time was needed to adapt the capacity auction design. During this evaluation period, Febeliec asks if the values of the parameters will change or not. ELIA replies that it is not its intention to change the imbalance price formula during the observation period. However, if Elia comes to the conclusion, at the end of the observation period, that some elements of the imbalance price formula (for instance the cap and floor) are useless and can hence be relaxed, it would then suggest to introduce a relaxation plan of these elements in the implementation plan of the T&C BRP. This relaxation plan could then indeed make use of parameters of which the value would be progressively adapted so that the process to relax the cap and floor, based on new evaluation periods, is not too heavy (e.g. it happens without formal public consultation such as it was done for the relaxation of the DA balance obligation of BRPs). Elia indicates that this relaxation plan is not foreseen at the moment as the outcome of the evaluation plan may be that the cap and floor components are strictly necessary from a system perspective and should hence be maintained. Febeliec reacts, saying it would like to have a feeling on the number of occurrences that the cap and floor components are used to set the imbalance price. Elia explains such analysis is foreseen and refers to the next slides in the presentation.
- ENGIE asks how Elia will figure out, having those deadbands, cap, and floors in place, whether they are necessary and whether, without them, BRPs would have reacted in a way that could have endangered the system. ENGIE is afraid that if these parameters are kept then Elia would never know whether they are necessary. Elia explains that as long as the risk is high, Elia cannot afford to do trial and errors. In the context of the development of a smart balancing controller, Elia is working on methodologies allowing to estimate how BRPs would have reacted to another price signal. Using these methodologies will allow assessing what would have been the additional implicit reaction in Belgium if Elia had provided another price signal. If Elia comes to the conclusion that under another imbalance price formula,  $X$  MW of additional implicit reaction are triggered, and that at that moment there are  $Y \gg X$  MW of ATC then there is no issue as there are no real-time congestion issues. If ATCs are exceeded on the contrary, then the cap and floor components are probably necessary. If the risk of real-time congestion ends up being assessed as low, it will be proposed to progressively relax the cap and floor, so that the risk can be assessed based on real-life experiment, similarly to what was done for the relaxation of the DA balance obligation of the BRPs. ENGIE thanks Elia for the explanation. ENGIE urges Elia to not use a black box model and to be transparent in the model. Elia agrees and welcomes ENGIE in any input they may have for bettering the model.
- European Commodities asks if Elia will publish all data regarding the what-if analysis. Elia confirms that it could indeed organize the sharing of these data if it presents added value for the stakeholders (subject to confidentiality issues).

- Febeliec asks for an update on the introduction of aFRR elastic demand. Elia indicates that the feedback from the EU public consultation is quite positive, with some concerns expressed on the indirect setting of a price cap, the use of aFRR specific products and the need for transparency on elastic demand curves. Elia considers that these concerns are not justified or will be addressed. Febeliec asks on the timing of ACER's decision. Elia replies that the final text is aimed at being handed out to ACER by early February, and that ACER then has 6 months to take a decision.
- ENGIE states it would support anticipating the consultation on the EMS incentive to avoid having public consultations at the same time as the go-lives.
- Luminus notices that the public consultation on GFlex will be moved forward. Elia refers to the incentive discussion and its presentation and follow-up in WG Belgian Grid.
- Centrica asks to have a good view on the scope of FCR. Elia refers to the study on additional properties implementation and indicate that a workshop should be organised with market participants to enter into more details should it be decided to proceed with these changes in 2024. Centrica thanks Elia for the clarifications.

### **3. Incentive Smart Testing Implementation**

- No comments from MPs.

### **4. Incentive EMS requirements**

- No comments from MPs.

### **3. Date for next meeting**

- WG BAL 07/02/2024 09:00 – 13:00
- WG BAL 27/03/2024 09:00 – 13:00
- WG BAL 21/05/2024 09:00 – 13:00
- WG BAL 28/06/2024 13:30 – 17:30
- WG BAL 30/09/2024 14:00 – 18:00
- WG BAL 22/11/2024 13:30 – 17:30
- WG BAL 19/12/2024 14:00 – 18:00