

Workshop incentive on connection with flexible access – Meeting report

Meeting

Date	23/02/2024
Organiser	Antoine Weynants

Participants	Company
Elia	
Antoine Weynants	Elia
Philippe Magnant	Elia
Kristof Sleurs	Elia
Jan Voet	Elia
François De Hoe	Elia
Cindy Bastiaensen	Elia
Jean-Philippe Deckers	Elia
Maëlle Verheyden	Elia
Market parties present	
Vander Schelde Philippe	FLUVIUS
Van Nuffel Niels	FLUVIUS
Van Den Waeyenberg Sofie	CREG
Van Bossuyt Michael	FEBELIEC
Marchand Stéphane	CWAPE
Achten Leander	STORM
Stragier Hans	YUSO
Debaere Elias	YUSO
De Taeye Bart	INFRABEL
Eyckmans Philip	NYRSTAR
Waignier Jean-François	FEBEG
Laleman Ruben	ENGIE
Renoy Quentin	ENGIE
Leroy Nicolas	EDORA
Harlem Steven	LUMINUS
Verhegghe Karen	LUMINUS
Celis Chris	ODE
Mellis Kevin	SYNERGRID
Uytterhoeven Anke	VREG
Market parties online	
Pirard Anne	CWAPE
Canière Hugo	BELGIAN OFFSHORE PLATFORM
Decoux David	ORES
De Winter Christophe	OTARY
Pètre Dimitri	EOLY-ENERGY
DEKNUDT Mario	ENGIE
van Engeland Sam	LUMINUS
Splingaer Jonas	EOLY-ENERGY

Artois Brutus	ENECO
Fodil-Pacha Faris	BRUGEL
Van De Keer Lieven	BSTOR
Vandezande Roxanne	BNEWABLE
Macau Aurore	VIRYA-ENERGY
De Lathouwer Jonathan	SIBELGA
Marin Alexandre	RIVAGROUP
Bayart Pierre	BSTOR
COLLADO Thierry	CWAPE
Masiak Eryk	ENECO
Haaker Nick	BRUGEL
Langhendries Jan	PARKWIND

Report

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1. Agenda

Part I

1. Context and Encountered Challenges
2. CREG Incentive and Feedback of Public Consultation on Flexible Access
3. Ongoing and Already Launched Actions

Part II

4. Main Principles of Proposed Vision (Target Model)
5. Integration of Grid User Flexibility in Long Term Grid Planning
6. Temporary Period for Earlier Grid User connection
7. Questions?
8. Next steps

2. Report

Context and Encountered Challenges

- BSTOR:
 - A lot of EDS are ongoing indeed. A process is needed to efficiently manage the capacity reservation
 - This is a valid point. Elia is currently together with the CREG defining the approach on reviewing the connection process, including the capacity reservation process.
 - There is no tipping point in the load so far. Are the assumptions used to determine whether a connection is flexible appropriate and not too conservative?
 - The assumptions and scenario used to perform the analysis of future grid connections, and of grid planning in general are indeed key. While not part of this project, Elia continues improving this process together with stakeholders.

- Febeliec asks how many connections are effectively realized? And what are their capacity? Otherwise, the increasing number of EOS and EDS mainly reflects Elia workload and the increase in capacity reservation, not what's really happening on the grid.
 - Elia will consider whether it's feasible to provide data on the effective connections based on historical data

Ongoing and Already Launched Actions

- Hosting Capacity Map
 - Febeliec states that Demand Facilities are (in most cases) not flexible. The slide doesn't reflect that.
 - Elia highlights that it considers flexibility on load cannot be imposed (must remain voluntary). The design of different products accommodating flexibility will occur in a next stage.
- Existing G-flex solution
 - Luminus asks what « L-flex » means? Is it “Gflex concept” applied to load? Is L-flex the same as G-flex?
 - Febeliec says that given that load is paying more tariffs compared to production, they can't be flexibilized in the same way.
 - Luminus doesn't agree with the statement "without additional costs borne by society", as it has an impact on the grid user.
 - Elia clarifies that the meaning of the statement is that when flexibility is activated through Redispatching (with an activation cost), it has an impact on tariffs, which are borne by all grid users. This is not the case with a “Gflex” activation under the current regime.
 - BSTOR reminds that products should be technology neutral. It's not because BESS or electrolyzers are flexible that we can activate a lot without impact, it will have an impact on the business case of those assets.
 - CWAPE asks what's the difference between flexible access and G-flex?
 - Elia explains that Gflex is a specific way to implement flexible access.
 - Febeliec says that flexibility depends on a lot of factors, for instance on location. There is also a link to be made with balancing obligations and balancing activations.
 - BSTOR: for MPs that only have 1 asset, the impact on balancing is even more important. We should discuss compensations, BRP perimeter correction, etc. knowing that baselining will be complex (we don't know what the Delivery Point would have been doing if it was not activated via G-flex)
 - Elia answers that this statement illustrates very well that it's a transversal project that requires a lot of analyses in several knowledge areas. These aspects will be taken into account when defining future products.

Main Principles of the Proposed Vision (Target Model)

- Febeliec states that curtailment during 5% of time corresponds to about 15 days a year, which is significant. In addition, for the industrial consumption, the impact is also on the possibility to honor the orders. There are therefore a lot of factors to take into account (number and duration of activation, maximum activation time, repartition over

the years (50% in 1 year and then nothing for 9 years is 5% on average but is not acceptable, ...). So, technology neutrality is important, but we should keep in mind that the constraints are not the same.

- Elia acknowledges that specific constraints need to be taken into account for different situations/technologies. The vast differences between the capabilities and constraints of different demand facilities would therefore result in their participation to flexibility products needing to remain on a voluntary basis.
- Febeliec explains that the impact of production on industrial sites has a very different impact on congestions compared to production connected directly on the grid, as this production can be directly consumed on site.
- Nyrstar explains that a residential heat pump curtailed 4h per day is perfectly ok, as long as it's available the 20 other hours of that day. This is the kind of considerations we will have to talk about.

Integration of Grid User Flexibility in Long Term Grid Planning

- CWAPE refers to EU legislation to make a distinction between market flex and technical flex. We should do market flex and not technical flex.
 - Elia answers that's a debate we can have.
- Febeliec raised that we should not develop the grid for every single connection request as this would lead to the building of an oversized grid given that a lot of connection requests will not lead to an effective project
- Luminus asks what's different with what we do today, as we already have flexible connections and redispatching
 - Elia explains that an important discussion will be on how to manage congestions that become structural and how to answer GU's needs. Are the current products fit for purpose?
 - Elia also emphasizes that we don't replace grid investments by remunerated flexibility, we do both in parallel.
- Febeliec: what's the advantage for the grid user? If it's on a voluntary basis, he will just go for the grid development.
 - Elia answers that we need to define how voluntary it is when there is inherent flexibility, for example for production or storage.
- Engie says that the example is quite simple, but that in practice it will be more complex and that the cable will have additional societal benefits.
 - Elia answers that this is indeed a simplified example to illustrate the idea, but that the long-term planning study will take everything into account.
- Need for bounds on the flex?
 - ODE states that there should be some bounds and that renewables should be prioritized.
 - Elia notes the position on the limits. On the priority of renewables, the way to activate the flexibility will be part of the coming discussions.
 - Edora states that :
 - With the current mechanism, we have curtailment on specific units. An optimization should be possible in case where there are other assets in the region.

- If flexibility is voluntary, then we should go to market based. How will EVs react (will they participate)? It's difficult to have a view on the potential of flex at this stage.
 - Elia answers that the discussion on remuneration scheme takes place within iCAROS.
- A distinction is to be made between a case where the grid user is alone to solve the congestion and a case where alternatives are possible. So, we can't use the same scheme as for balancing, but in some areas, we can go for market based (possibly with a price cap).
 - Elia clarifies that the scope we are talking about here is related to the context of long-term planning, where we want to make a tradeoff between grid reinforcement and remunerated flexibility. For that purpose, a view on the expected flexibility costs is needed. If the effective flexibility costs are much higher than the expected flexibility costs (which could be the case with market-based or freely priced mechanism), it would increase the congestion management costs, and would eventually be reflected in the tariffs. In that case, it would maybe have been better to reinforce the grid.
- We can already have implicit mechanism based on tariffs, and then some cost-based mechanisms for cases where the Grid User is isolated and market-based mechanisms when there's competition.
 - Elia answers that we will focus :
 - On Elia's Grid Users in the short term, where there are often not so much alternatives.
 - On the short term needs, a.o. on the method to take flex into account and on operational aspects. For example: when G-flex and redispatching are possible, what do we do? This will be discussed in a coming workshop. The discussion on remuneration scheme is within iCAROS, both topics need to remain decoupled.
 - Statistics would be useful to see where the congestions are.
- Febeliec states that it will be different per technology.
- Luminus agrees and cites the example of SMRs
- Nyrstar states that a survey could make sense.
- Infrabel states that flexibility in the case of a CDS will be very challenging.
- Engie asks how we will tackle the development in some part of the grid compared to other parts? How do we do the tradeoff? Engie fears that introducing this flexibility might leave some regions underdeveloped. Grid users don't think at the same timeframes than TSOs.
 - Elia replies that we are targeting a harmonious development of the grid and that we should have criteria to ensure it.

Temporary Period for Earlier Grid User connection

- Febeliec requires clarification on the remuneration. It should be avoided to pay subsidies to Grid Users to compensate for the flexibility during the temporary period and then to put an end to the temporary period.
 - CREG reminds that an end date to the temporary period should already be defined according to the Grid Code.
 - Febeliec asks how to manage the allocation of the grid capacity. When a project is realized, but a new Grid User requests a connection, who will benefit from the capacity?
 - Engie also asks how we will allocate the capacity to the different grid users who are waiting for the same (planned) reinforcement project? How transparent will it be? Will Elia publish in the development that the planned project will create additional capacity for ensuring a firm access to specific grid Users?
 - Elia notes the point.
- ODE asks whether it would not make sense to propose a flexible contract (on voluntary bases) with guarantees to every Grid User?
 - CWAPE answers that if there is no risk of congestion, we don't need flexible connection agreements.
 - Elia mentions that when no congestions are identified, it means that investments in the grid have been done. If financial compensations are given to this Grid User, it would come down to paying twice (once for the grid investment, and once for the flexibility).
 - Febeliec says that the flexibility of this Grid User could also be used for future connection requests.
- Luminus says that more guarantees than the commissioning of the project could be given by Elia in some cases. Should we not put the cursor somewhere in the middle?
 - Elia answers that the maximal durations are proposed to limit the Grid Users' risk. It's a question of balance between risk for the Grid Users and risk of cost socialization.
- Luminus asks what happens if the grid situation changes and that there are no more congestions: will the temporary period end?
 - Elia answers that the temporary period will not be re-evaluated, mainly for 2 reasons. First, if a re-evaluation is performed, it has to be done in a systematic way for all GUs, and the results could go both ways (shortening or lengthening of the temporary period), which would introduce additional uncertainty for the GU. Secondly, because if no congestion occurs, the GU will simply not be activated anymore, so he will get the benefit from reduced congestions.
- Engie suggests a distinction could be made between internal and external factors in case of delay of infrastructure projects. For example, the end of the temporary period could be set at the planned commissioning date of the project once the permits have been received, as from that moment in time Elia has more control on the project planning.
 - Elia notes this feedback for further discussions.



- CWAPE asks how we could avoid a situation where Elia is not incentivized to deliver the infrastructure projects before the end of the fixed duration?
 - Elia answers that this is again the balance between who bears the risk: the Grid User or the tariffs. When linking the end of the temporary period to the planned commissioning date, the impact of a delay would be socialized.
- Luminus states that next to the definition of the temporary period, guarantees on the volumes that are activated are needed, and asks what will happen beyond the bounds: activation via redispatching or other? At what conditions?
 - Elia agrees with Luminus and is working on the possibilities to give guarantees on this level as well. This will be part of the discussion in coming workshops. Attention points here are the gaming risk and the question on how to treat the baseline.
- Febeliec states that next to the maximum volume or maximum time of activation, consumers would also need more precise modalities, such as the duration of the activation, the time between different activations, etc.

3. Date for next meeting

- 26/03/2024 - 2nd Workshop Incentive on connection with flexible access.