

Workshop on connections with flexible access

11/12/2024 – Meeting report

Meeting

Date	11/12/2024
Organiser	Antoine Weynants

Participants	Company
Elia	
Antoine Weynants	Elia
Philippe Magnant	Elia
Benjamin Genêt	Elia
Anna Tsiokanos	Elia
Jonathan Sprooten	Elia
Jean-Philippe Deckers	Elia
Maëlle Verheyden	Elia
Market parties present	
Sofie Van den Waeyenberg	CREG
Philippe Vander Schelden	Fluvius
Benerice Crabs	Belgian Offshore Platform
Hugo Canière	Belgian Offshore Platform
Gunnar Watthe	DEME
Chris Celis	FEPEG
Ruben Laleman	Engie
Valentine Faucon	Parkwind
Pierre Bayart	BSTOR
Lieven Van De Keer	BSTOR
Virginie Moens	BSTOR
Eryk Masiak	Eneco
Michael Van Bossuyt	Febeliec
Walter Aertsens	Infrabel
Market parties online	
Annemie Vermeylen	Heathcliff
Ken de Backer	VREG
Gijsbert Lybaart	RWE
Hans Vandersyppe	Cogen Vlaanderen
Van Nuffel Niels	Fluvius
Mario Deknudt	Engie
Maurice Vissers	Enenco
Quentin Renoy	Engie
Ruben Donceel	Eneco
Leander Achten	Storm

Report

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1. Agenda

1. Introduction
2. CREG project decision on Code of Conduct – Elia first feedback
3. Impact on the BSP: status
4. Reporting & publication of flexibility activations
5. Placeholder: Technical report for Grid Connection Studies proposing a flexible access
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2. Report

These minutes should be read together with the accompanying slides. The explanations given by Elia on each topic are to be found in the slides and are not summarised here. These minutes focus on reflecting the core of the discussions that have taken place.

Introduction

Febeliec asks information to the CREG regarding the timeline of the Code of conduct.

CREG explains that:

- The public consultation was launched on the 05/12/2024.
- The public consultation will last 6 weeks, until the 16/01/2025.
- The decision on the code of conduct is planned for end of February/ beginning of March 2025.
- In parallel we need to discuss the concrete entry into force of each part of the Code of Conduct before having a final decision.

Febeliec asks for a clear planning for implementation and for the different go-lives.

Elia explains that there is a section dedicated to the planning at the end of the presentation, which depends on the content and the planning of the approved Code of Conduct, with a lot of interdependencies to consider.

BOP asks who defines the Entry into force?

CREG explains that the Entry into force that is included in the Code of Conduct is part of CREG's decision. But some elements need to be translated into other regulated documents (T&Cs, Coordination Rules and Connection Contract) and will go live accordingly with the implementation plan of the concerned documents, which are proposals from Elia that are approved by the regulators.

Elia reminds that, in the workshop of October, we have presented in which regulated document each design element will be described, together with an implementation plan of the different changes. There are 5 go-lives foreseen. It has been established on the basis of the design described in Elia's proposal of the Code of Conduct.

BOP states that the tenders for PEZ are being prepared. There are still a lot of uncertainties and flexible access is one of them. It's important to have as much clarity as possible.

CREG points out that, for some elements, having a decision on the Code of Conduct is sufficient. The principles described in the Code of Conduct might take some time to be implemented, but will be implemented when the offshore wind farms will be connected.

Febeliec explains that the Entry into force is also important for them, especially for the regulatory sandboxing.

Elia explains that we can start working on the regulatory sandboxing even if the Code of Conduct is not yet into force.

Febeliec states that eventually it will have to be approved by the CREG, so the decision on the Code of Conduct and its entry into force is needed at some level.

Parkwind asks if a recomputation (of flexibility volumes) will be possible for the offshore tender.

CREG explains that the revaluation concerns only the application of the thresholds, which is a new concept. Their assessment is that it will not take too much time for Elia, as no recomputation is needed. As soon as the Code of Conduct entry into force, Elia has 3 months to provide updates for all EDSs, including the one for the offshore.

Elia reacts and states that a recomputation would be needed to strictly apply the threshold. Elia nevertheless welcome that the intention of CREG is not to have a recomputation and will discuss with CREG how it can be achieved.

Elia asks the CREG to confirm that the Entry into Force discussed here only concerns article 61 and that the other articles will be treated later.

CREG indeed confirms that only flexible access (Art. 61) is handled in the project decision this time. The other articles will be treated in a second step later in 2025.

CREG project decision on Code of Conduct – Elia's first feedback

BOP explains that Elia mentions an impact on the implementation plan: which part of the implementation plan exactly?

Elia: the analysis is still ongoing, but it will certainly concern the go-lives requiring the full IT implementation in order to be able to activate (and settle) the flexibility consistently with what will be foreseen in the Code of Conduct, but maybe also other go-lives.

Febeliec has concerns regarding the connection contract. A proposal for amendment was submitted to the regulators and was then withdrawn. There are some other important elements (e.g. LFDD) that must be added soon.

Elia mentions that 2 amendments of the Connection Contract will take place in 2025, and that this document needs to be approved by several regulators, potentially increasing the time necessary for the approval process.

Febeliec replies that maybe 3 amendments would be needed if it takes too much time to integrate the flexible access modalities as the amendment for LFDD should not take too long.

BSTOR states that the first go live is to be able to compute flexible volumes in a future proof way, which requires the update of the Code of Conduct and the methodology. When will the methodology apply? Will it be needed to adapt the methodology again after CREG decision on the Code of Conduct?

Elia explains that if the methodology is compatible with the Code of Conduct that will enter into force in Q1 2025, which is our current expectation, we don't need to re-adapt the methodology afterwards. The methodology is compatible with the current Code of Conduct and will enter into force with its publication before end of the year.

Luminus mentions that Elia has a lot of freedom for changing the methodology. How will we work in the future?

Elia: we will publish the methodology on our website and then we will systematically apply this version of the methodology for all the upcoming connection studies. Before the next adaptation of the methodology, we commit to discuss with the stakeholders – with an informal public consultation for example. The process and frequency will be clarified next year. As there has already been a formal public consultation via the design note this year, no consultation is foreseen in the short term.

BSTOR states that not all elements of the methodology have been consulted, f.i. the definition of the reference context.

Febeliec replies that a formal or informal consultation is of minor importance. The fact that the methodology is not approved is not comfortable and doesn't offer the full stability. We should be able to give comments on it.

Elia reminds that the main principles of the methodology are described in the Code of Conduct. The methodology then gives the detailed modalities. The reference context is not part of the methodology and should therefore not be included in the Code of Conduct but in the development plans.

Luminus: it's a black box for us. If the CREG doesn't approve the methodology, we just need to trust Elia that the studies are done accordingly to the methodology.

Elia explains that these are two different aspects. It is not because the methodology document is not regulated that the CREG cannot control its correct application.

CREG explains that they don't have the detailed information and the needed data in order to verify the calculation and the final flexibility figures.

- In the present decision project, the CREG does not foresee a regulation of the methodology, but the CREG asks for the publication of the methodology and transparency in case of changes.
- Based on that, in the future, we will assess if a regulation of the methodology is needed or not.

Grid Users contribution to congestion management costs

Febeliec has questions regarding the impact on tariffs. How much will it cost? What are we talking about? And why? Who will pay for this? Note that Febeliec would have preferred an “uncapped” imbalance price.

CREG explains that there is an extensive justification in the project decision of the Code of Conduct, and will not answer now. The CREG is aware of Elia’s position. The CREG considers that the impact on tariff is not due to the CREG design but to the fact that Elia activates flexibility in real-time.

Elia will come back to the real-time activation in the next topic.

BOP: We need to look at all the costs – not only the grid tariff. If the strike price is impacted, it is not in the interest of society.

Febeliec states that there is not only offshore.

BSTOR explains that the risk related to the imbalance price, even with a cap, is uncontrollable. And we need to look at all the cost for society.

Engie states some elements are missing on the slides. If we take all the elements of the CREG's proposal, it's not that bad.

Elia explains that the most important for Elia is the locational incentive, to ensure a harmonious development of the grid and optimize the grid usage – because the grid would be bottleneck. If, for a Grid User, it's becoming more neutral to come at a (non) congested place we face the risk that Grid Users ask for connections where it is not the most appropriate leading to the development of the grid in an anarchic way. This will also have an impact on the grid tariff – which is a secondary concern for Elia, but extremely important still – but the most important concern for Elia is to have a harmonious development of the grid. With CREG’s proposal for the Grid User contribution to the imbalance (based on Day-Ahead price), the “back-of-the-envelope” estimation of Elia is 300M€ per year. This is an estimation with a lot of assumptions and that can be challenged, but the objective is to raise attention on the fact that is a topic than can't be neglected.

CREG states that the 300M€ is challengeable. CREG did challenge it and believes it's very much overestimated. But it's not the topic, it's Elia's choice to activate in real-time. The discussion should focus on that.

Febeliec states that the current framework is not acceptable and affordable for demand as demand will have to bear those costs through the grid tariff.

Infrabel mentions that they hear that Gflex is becoming the norm.

Elia explains that this is often the case for new EDS's. And the reason is because we are beyond the scenarios considered in the development plans (storage targets etc). If we look to the sum of all the reserved capacities, we are far beyond the 2024 target. It can be because we have underestimated the scenario and the potential, or because grid users are quickly reserving capacity and we have important volume of sleeping capacities. It's to be noted that flexibility is now limited to a few years, before the commissioning of planned reinforcement projects. We cannot put more reinforcement projects in our portfolio now.

It's therefore important to introduce the bank deposit (or any alternative system) that allows to clean up these sleeping capacities.

Eneco states that Elia's approach is more difficult for financing projects.

BOP states that Elia just made the perfect argumentation with the locational incentive: offering a flexible connection to PEZ is not the right thing to do.

BSTOR states that there is no locational incentive if we have flexibility everywhere.

Febeliec states that the cleaning of sleeping capacities must be done.

Elia replies that:

- After the cleaning of the sleeping capacities, there will be good locations to connect without (or with limited) flexibility.
- Elia finds extremely concerning that there is a CREG decision that acknowledges a tariff impact but without quantification.
- Elia will come back to the real-time activation in the next topic.
- Elia reminds that in the current situation, there is no guarantee at all for the grid users. In our proposal we already go much further than the current framework.

CREG replies that current design is not regulated, hence it's not a valuable reference in the discussion. CREG also believes Elia's proposal is not legal. We are responding on the principles.

Reactions on the real-time activation and activation in the firm power

Elia clarifies that the “real-time activations” it's not an “Elia decision”, but it's a full design / a full package, which is coming with benefits and drawbacks. Elia acknowledges that there are some disadvantages. But the overall balance is good, and it is the fastest way forward before other products are developed (reference to previous workshop).

CREG states that activations in the firm power are possible and foreseen in CREG's proposal (art.61 series §4) but should be exceptional. It implies monitoring and reporting from Elia to the CREG.

Elia: this was not clear for us; we will further analyze this.

CREG doesn't understand why we will significantly reduce activations with real-time activations.

Elia explains that:

- A lot of congestions only occur in case an incident (N-1) occurs. Counting on the temporary overloading capabilities of the network elements and having the possibility to activate in real-time allows to avoid activating preventively "in case of": the Gflex signal will be sent to the Grid User **only** if the incident effectively occurs and if flexibility is effectively needed (based on real-time measurements and not based on forecasts). So, the impact on the frequency of activation is significant.
- We can have the discussion if the drawbacks and the complexities related to real-time activations are considered as not acceptable by CREG and market parties, but then we

will also have to accept the drawbacks of not doing real-time activation. The grid study methodology assumes activation in real-time. If it's not the case, the flexibility levels will be much higher.

- We have been among the frontrunners at EU level to manage the grid with curative measures. Some TSOs don't do that and operate their grid much less efficiently. Real-time congestion management is key.

BSTOR understands that real-time activations will reduce activated volumes, but a level-playing field is needed between grid users with a flexible access and firm power, and grid users with a firm access.

Elia reminds that activations are much less frequent in the firm power and refers to the Target Model to fully achieve this level playing field.

Luminus states that we need to see the full package and if it's balanced or not.

Infrabel: different Grid Users have different needs and capabilities.

Febeliec : it doesn't work for demand anyway. We understand the need to activate in real time in some situations, but we need solutions for demand facilities.

Elia commits to develop products for demand. It is also the reason why we presented the Target Model and why we proposed to have POCs in the meanwhile.

Impact on the BSP: status

BSTOR agrees with Elia's proposal, as long as we don't impact prequalification of assets, which would not be acceptable.

Febeliec:

- Asks what "significant flexibility level" means and if we want to put restrictions on participation of delivery points behind with a flexible access with a "significant" flexibility level.
- States that the disqualification of a delivery point should only impacts that delivery point. A general threshold would be applicable to all delivery points, including those behaving correctly.

Elia explains that those measures mentioned are to be understood as last resort measures. It is what we would do for any kind of situation where we notice a major issue in any of the contracts or rules: if we observe a bad functioning, we need to bring changes. And the changes themselves can't be designed now as we don't see any issue.

CREG states that for mFRR, EBGL doesn't leave any other choice than to filter the bids. A MARI activation needs to be respected.

Elia explains that if we need to filter all the bids preventively, including for aFRR, we're unnecessarily losing a lot of volumes. We will look into the interpretation of EBGL and look for possible solutions.

Febeliec asks what is the impact of unavailability of free bids on reserves dimensioning?
Elia replies that this is a good point which needs to be investigated.

Eneco asks if the penalties for capacity are still progressive?

Elia answers that there are 2 penalties related to balancing capacity. The penalty related to the difference between the capacity obligation and the volumes of energy bids submitted is indeed progressive, but as the activation occurs in real-time, Gflex doesn't prevent the BSPs to submit energy bids in accordance with their capacity obligation. Therefore, it's the 2nd penalty related to capacity which is targeted here, and which is the availability test for mFRR and the capacity component of the activation control for aFRR.

BSTOR states that the general principles seem to make sense. Within the cap, there should be clear consequences (e.g. loss of remuneration and penalty), but those should be clearly defined if we want the BSP to participate and it should not lead to the loss of pre-qualification. If we open the risk to lose pre-qualifications, there is a huge impact.

Elia reminds that it is not the objective to remove pre-qualification, but if a BSP behaves in an inappropriate way, leading to frequent unavailability of dimensioned reserves, Elia needs to have the possibility to take consistent measures.

Luminus asks if Elia has the same considerations for participation to CRM?

Elia reminds that for the CRM, a 1st analysis based on expert judgement shows a negative correlation between adequacy issues and congestion issues. In other words, the risk of simultaneous activation of Gflex and CRM is very limited, which is not the case for the BSP. Elia will be looking further into the question of the correlation and will pursue the discussion next year.

Reporting & publication of flexibility activations

Febeliec understands that we don't publish yet for confidentiality reasons. But if there are some interesting conclusions, Elia should share it – while taking the confidentiality aspects into account and without the figures

Elia will see what we can do, always under constraint of confidentiality.

Technical report for Grid Connection Studies proposing a flexible access

BSTOR states that we need to know what is the impact of capacities which will potentially not be realized.

Febeliec asks in which Working Group will the discussion on potential take place?

Elia explains that this is a part of the Federal Development Plan, so the discussion will take place in the Working Group Belgian Grid and the TF Scenarios.

Luminus explains that we could have a permanent flexible access (forever). If circumstances change, could you give less flexibility? Or eventually a firm access?

Elia replies that we describe the market conditions for each phase of flexibility. And with the temporary period concept, there will be no flexibility (meaning without remuneration) forever since there is cap to 5, 10 or 15 years in the worst case where no project is identified yet.

CREG has question about the monotone and asks if it is already applicable?

Elia explains that we proposed to add the monotone in the note describing the content of the technical report. It will be available in the coming reports.

BOP requests to have all data which is not confidential. We need to be able to challenge Elia's results.

Elia asks how this would help the Grid User in better evaluating their business case?

CREG agrees with Elia. More data can be given to the CREG if necessary, not necessarily to the Grid Users.

Febeliec states that we need be cautious when sharing information, there is a risk of collusion.

Elia states that if some market parties think that we don't apply the methodology correctly, there is the approval process with the CREG to verify the correct application of the methodology.

CREG states that Elia is a TSO, and CREG has confidence that Elia does the calculation correctly. CREG understands that the Grid Users would like certainty that the results are correct, but providing more information will not help the Grid Users to have more confidence in the results.

Febeliec states that some information is confidential. Some information can be given to the CREG, but not to other Grid Users (which could be competitors).

Infrabel: there are EOS / EDS. What information do you give for the different types of studies?

Elia explains that we give the same information, but we propose different options/variants in the context of an EOS.

BOP states that market conditions are important.

Elia explains that we describe the market conditions (in an high level way), and we hope it helps the Grid User. We are open to feedback how to improve the description.

BSTOR has a remark on the bank deposit and the updated capacity reservation process, which will need to be implemented in order to improve the situation.

Elia fully agrees that the cleaning of capacity through the bank deposit implementation is a key element to reduce the level of flexibility.

Planning for 2025

BOP reminds that 24/07/2025 is the deadline for the offshore tender. The rules should be clear well before this deadline.



3. Date for next meeting

- 12/02/2025 - Workshop on connections with flexible access.