

Minutes of Meeting of the work session on Economic optimization of the use of balancing products (21st May)

Meeting

Date	21/05/2025
Organiser	Tanguy Port

Report

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Function	Project coordinator
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1. Participants

The list of participants at this meeting is incomplete. Some presences could not be confirmed at the time this report was written. Anyone wishing to complete or correct this list is invited to provide the necessary information so that the document can be updated accordingly.

2. Agenda

1. Incentive objective & scope
2. Proposed work approach
3. Preliminary results
4. Study organization - schedule for 2025
5. Q&A session

3. Report

1. Incentive objective & scope

- A question was raised about the link between the optimization focus and the imbalance price. It was answered that while the imbalance price and implicit reaction will not directly be included in the objective function, this initiative to optimize the use of aFRR and mFRR will have an impact on the imbalance price.

2. Proposed work approach

- Some participants were not aware of the possibility to have inelastic demand for mFRR and asked Elia to clarify.

3. Preliminary results

- Questions were raised about some of the proposed constraints.

- Regarding the constraint on FRCE quality, it was asked about the consequences if Elia would “free ride” on the aFRR available in neighbouring countries. It was clarified that there are currently discussions about this matter between TSOs, as rules are not strictly forbidding such practices, but such practices are also not considered acceptable. Additionally, “free riding” at moments when aFRR is too scarce will lead to unsatisfied demand and will have consequences on our dimensioning, increasing our contracting costs.
- Regarding the constraint on the limit of the amount of activated FRR volumes, Elia clarified that it believes, as a TSO, that it is not Elia’s role to arbitrate between aFRR & mFRR prices outside the flexibility volume needed to cover our own imbalance. Elia therefore doesn’t intend to analyze the impact of such arbitrage between aFRR and mFRR in the context of the incentive.
- Regarding the constraint to avoid transferring mFRR inelastic demand from MARI as elastic demand to PICASSO, Elia clarified that there are ongoing discussions between TSOs. By relying more on aFRR activations compared to the current activation strategy, Elia would in essence replace an mFRR demand by an aFRR demand. Considering the rules currently applied for determining the aFRR elastic demand (i.e., limiting the inelastic part of the aFRR demand to the dimensioned volume of aFRR), this would very regularly come down to replacing an inelastic mFRR demand by an elastic aFRR demand. In case Elia would (for a longer period) not introduce an mFRR demand and at the same time not satisfy the resulting elastic aFRR demand because this aFRR demand could only be satisfied at prices exceeding the price thresholds of the elastic aFRR demand, Elia would, during tense market conditions, not comply with the FRR implementation frameworks, which request TSOs to not define elastic FRR demand except in cases where TSOs, at the time of defining the FRR demand, have at their disposal alternative ways to meet this demand or to balance the system in general.

4. Study organization - schedule for 2025

- No feedback received.

5. Q&A session

- A question about the implementation of quick wins already this year was raised. Elia clarified that it is the intention to implement a quick win that has already been identified and presented during the work session (as a proof-of-concept) once Elia’s connection to MARI is stabilized and a short-term monitoring of the new market conditions in the post-MARI connection has been performed.
- A question about the additional aFRR volumes that are targeted to be activated compared to the current situation was raised. Elia answered that the slides presenting the savings potential provide an idea about the levels of these volumes.
- A question was asked about the status of Elia’s connection to MARI. Elia answered that information about the status wasn’t received at the time of the presentation yet, and that it was rather a good sign.
- A question was asked about the quarter hours with limited ATCs, to know whether a more proactive activation of mFRR would allow additional savings. Elia clarified that proactive activation of mFRR is already foreseen in our current activation strategy. The SI is supposed to be covered by mFRR to the extent the SI forecast is accurate.

4. Date for next meeting

- November (exact date to be confirmed)

5. List of abbreviations

ACE	Area Control Error
ATC	Available Transfer Capacity
BRP	Balance Responsible Party
BSP	Balancing Service Provider
DA	Day Ahead
DR	Demand Response
EMS	Energy Management Strategy
EV	Electrical Vehicle
FRCE	Frequency restoration Control Error
HV	High Voltage
ID	Intraday
IGCC	International Grid Control Cooperation
LV	Low Voltage
mFRR DA	mFRR Direct Activation
mFRR SA	mFRR Scheduled Activation
MV	Medium Voltage
RT	Real-Time