



Contracting Ancillary Services 2014

Users' Group 20/06/2013



R1/R2/R3/ICH evolutions for 2014 tendering

=> Evolutions 2014



- Rationale of main evolutions for 2014
 - Following constructive discussions organised by Ministry in Q1 2013 and Letter of Comfort from CREG, a first step towards a **shorter term sourcing** of primary and secondary Reserves for a reasonable amount of volumes
 - Extending to **R3 Production** the significant evolutions made to R1 and R2 in 2013 (100% availability, secondary market and related revised penalties)
 - Several steps further facilitating the participation of load, including the creation of a **new product to capture flexibility from distributed energy resources**
- In more detail:
 - **Δ R1:**
 - The combination – mix of primary control products is optimized.
 - **Δ R1 Load:**
 - Allow participation of pools of access points to R1 Load (existing asymmetric product for Elia connected clients)
 - **Δ R3 Production:**
 - Free activation prices (instead of capped fuel cost based prices today)
 - Secondary market
 - ⇔ New availability penalties: QH penalties not linked to the reservation price.
 - **NEW product: R3 Dynamic Profile:**
 - New product to allow R3 provided by distributed resources for 2014
 - This product is capped to maximum 50MW for 2014.
 - **Short Term Sourcing R1 & R2**
 - A part (20-30%) of the required volume will be sourced on a monthly basis as of 01/01/2014.

R1/R2/R3/ICH evolutions for 2014 tendering

=> Volumes 2014



For 2014, ELIA has requested the CREG the approval to source the following volumes:

	2013	2014
Primary Reserves (R1)	91 MW	96 MW (to be confirmed as ENTSO-E value not yet known)
Secondary Reserves (R2)	140 MW	140 MW
Tertiary Reserves (R3)	661 MW for imbalance management off which <ul style="list-style-type: none">• 400 MW R3 Production• 261 MW Interruptible Load	661 MW for imbalance management off which <ul style="list-style-type: none">• From 350 to 400 MW R3 Production• Max 50MW for R3 Dynamic Profile• 261 MW Interruptible Load

R1/R2/R3/ICH evolutions for 2014 tendering

=> Status for 2014 tendering (R1 R2 R3)



- April 10th Consultation note on evolutions 2014
- April 12th Rx Volumes 2014: proposal introduced to CREG
- April 17th Consultation of market during balancing taskforce
- May 17th Tendering R1-R2-R3 launched for 20 working days
- May 31st Balancing Rules adaptation: proposal introduced to CREG
- June 14th Tendering R1-R2-R3 results
- +/- July 1th Elia send report to CREG and Minister on received volumes & prices
- CREG – has 60 working days to assess reasonability of received offers
- By early July Tendering ICH and “R3 Dynamic Profile” launched
- September Tendering results for ICH and “R3 Dynamic Profile”
- December Short term sourcing for (target) 20-30% of 2014 R1/R2 volumes
- 01/01/2014 Start of delivery for contracted products.