

STRATEGIC RESERVES (SR)

Elia TF 'Implementation Strategic Reserves'





MEMBERS





CONTENT

Eligibility
criteria

'Out of
market'
principle

Strategic
demand
reserve

Tendering
process

Activation



ELIGIBILITY CRITERIA

Technical characteristics

- No discrimination based on technology: only product specifications!
- Compliance with legislation (environmental permit, emission limits, ...)?
- Technical or security risks?
- Technical failure (no repair in due time or at acceptable costs, ...)?
- CHP's (their processes are linked with industrial or tertiary heat demand; contractual constraints; ...)?

Availability criteria

- Does the SR need to be available during the whole year?
- Will there be a pre-notification in order to prepare for activation?
- Will availability of plants in SR be tested by Elia? What about costs for testing?



'OUT OF MARKET'-PRINCIPLE

No market distortion

- No impact on price signals: price spikes – indicating a risk of capacity shortage – should be allowed (in order to trigger demand side response and new investments, prevent decommissioning, ...)
- Indivisibility of power plants should be guaranteed in the tendering documents

Day-ahead

- Obligation of plants in SR to bid at Belpex Maximum Price in DAM Belpex?
- Activation by Elia when there's no clearing of DAM Belpex? How will this work?

Balancing

- No distortion of intraday-market
- Price that triggers activation should be much higher (>> Belpex Maximum Price)



STRATEGIC DEMAND RESERVE (SDR)

SR and SDR are two different products!

Availability

- Limited number of activations per year (like for example ICH)
- Not available when industrial consumer is not manufacturing: to guarantee availability the industrial consumers needs to continue to manufacture - and thus maintain consumption - at high electricity prices

'Out of market'

- How will the 'out of market'-principle be applied to SDR?
- Maintain consumption to give incentive to other demand to reduce consumption (merit order)?

Impact on BRP

- Liability, information flows, ...?
- Will an intraday activation impact the imbalance price?
- How will the impact on the perimeter of the BRP be dealt with?



TENDERING PROCESS

Timing

- Concern: no deadline for decision Minister
- Time between selection – ideally before summer - and delivery of service should be realistic

Selection

- Elia has the possibility to optimise in function of availability
- Need for transparency and clear selection criteria
- Importance of standard product definitions – for generation as well as for demand – to ensure comparability

Contracting

- Standard-contract should be available at the moment the tender is launched
- Important to include 'force majeure' events and other circumstances, e.g. compliance with legislation (environmental permits, emission limits, ...), technical or security risks, technical failures that cannot be repaired in due time or at acceptable costs, ...



ACTIVATION

Activation

- How will Elia choose from the pool of SR?
- Will there be a merit order?
- Need for transparency and clear activation criteria



QUESTIONS





CONTACT

Steven Harlem

steven.harlem@febeg.be

0032-2 500 85 89

www.febeg.be