Elia TF Strategic Reserves

1st meeting 17 feb 2014.

GABE remarks on Strategic Reserve Implementation :

General :

- To warrant Generation-Load adequacy:

  Min (P generation) > Max (P loads + P ancillary serv.) at any t

  ↕ ↕ ↕ ↕

  N-1 power plants | Winter Peak H. | R1+R2+R3… | worst cases

- We have to distinguish between
  - Accidental / rare inadequacy G - L → rare load restrictions
  - Structural / recurrent inadequacy → systematic load restrictions

- Note that, **already today any industrial site, the order book of which is not full, has interest to modulate its consumption between peak and off-peak hours, as much as possible, because of price differential !**

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GABE remarks on Strategic Reserve Implementation :

Reserves provided by « Demand Side »:

- For industrial sites reducing their consumption to solve inadequate generation capacity with regard to loads, during « critical hours »,

  Number & total duration of consumption reductions are key factors.

- On one hand, higher is the number of consumption reduction,
  - smaller is the industrial production, putting fix costs on less product, decreasing plant competitiveness
  - more consumption will be transfered to “not-critical” hours;

    therefore, during more and more hours, the market will be tight with high prices, killing electro-intensive industry competitiveness.
  - In fine : industries will no more be profitable in this country !
- Conclusion: **Too long & frequent Consumption Reductions are not acceptable solutions against structural G-L inadequacy for hundreds of hours by year**.

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Reserves provided by « Demand Side »:

- **But on another hand**

  Some situations have a low occurrence probability (~ hundred hours a year) but required a great deal of power reserve. It would be inefficient to book this one from power plants, at market price.

Conclusion:

- **The optimum to palliate large but rare lacks of generation capacity is consumption reduction.**

Therefore: for this reserve,

TSO should contract industrial site load-shedding (~100 hours / year).

we recommend to study extension of ICH : more interruptions, more hours.

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GABE remarks on Strategic Reserve Implementation :

Reserves provided by « Generators » :

- After the period of incentive by green certificates, some cogeneration units migh be stopped, because of lack of profitability.
- Therefore,we recommend **the mechanism permits the participation of cogeneration units**.