

Minutes of meeting Balancing Taskforce 23/09/2013

List of participants:

Company/association	Name	Present	Excused
Entelios	Stefan Smets		X
REstore	Luc Dossche	X	
Powerhouse	Jasper van den Berg		X
Energypool	Emilie Scholtès	X	
Energypool	Fernet Guillaume		X
Actility	Mehdi Hajjam	X	
Wom	Herman Marien	X	
Belpex	Rob Loos	X	
Fgov	Senne Gabriels (+2)	X	
EDORA	Noémie Laumont		X
VBO-feb	Olivier Van der Maren		X
GABE	Jean-Pierre Bécrot		X
Febeliec	Peter Claes	X	
Febeg	Steven Harlem	X	
ENI (Nuon)	Antoine Thoreau	X	
E.ON	Carlo Degli Esposti	X	
Electrabel	Bart Massin	X	
EDF Luminus	Frédéric Demaret	X	
INEOS	Geert Meynckens		X
Nyrstar	Sven Verwimp		X
Infrabel	Walter Aertsens		X
BASF Antwerpen	Eric Verrydt		X
Air Liquide	Raphaël Lhomme	X	
Arcelor Mittal	Luis de Miguel		X
Energycluster	Ron Schuermans	X	
Alstom	Ward Gommeren		X
Anode	Dieter Jong	X	
ODE	Tine Deheegher	X	
CREG	Jacques Gheury	X	
CREG	Brice Libert	X	
CREG	Gilles Wilmart	X	
Anode	Dieter Jong	X	
Lampiris	Bruno Vanderschueren		X
Lampiris	Jeroen Van Os		X
Infrac	Annick Dexters		X
Ores	Didier Halkin	X	

Ores	David Vangulick	X	
Eandis	Luc Decoster	X	
Tecteo	Amandine LEROUX	X	
Elia	Emeline Spire	X	
Elia	Bob Hebb	X	
Elia	Hans Vandenbroucke	X	
Elia	Carton Filip	X	
Elia	Pieter-Jan Marsboom	X	
Elia	Valéry Stembert	X	

Minutes of meeting :



Slides_Balancing
Taskforce 7_VFinal.ppt

Slides used (and published online):

1. Validation of Meeting Minutes dd 27-06-2013

Elia received remarks via Febeg concerning the minutes of the previous meeting:

Point 4:

- FEBEG asked whether Elia would also publish the flows between DSO's. Elia replied it didn't had the intention to publish these.

Point 5:

- Elia confirmed it has the intention to switch asap – as soon as the criteria are met – from monthly to weekly products.

Point 6:

- Elia explained it will only use Slow Standard Products when the Fast Standard Products are saturated or when there's a structural imbalance.
- Implementation of Slow Standard Products leads to overlap with the intraday market: Elia is discussing with Belpex how to deal with this. Elia will provide some feedback in the TF 'Balancing'.
- Elia will put incentives in place in order to encourage flexibility suppliers to move towards Fast Standard Products.

⇒ Remarks are treated in the validated version of meeting minutes published on-line.



Minutes of Balancing
Taskforce dd 27-06-2

2. Agenda

1. Welcome
2. Validated Meeting minutes dd 27-06-2013
3. Various
 - Status of ARP-Contract
 - iGCC: Status of implementation new optimization module
 - Dow Jones ZIG index => Platts Day Ahead Zeebrugge gaz price assessment
4. Status of Tendering Rx 2014
5. Final design proposal bid ladder platform
6. Pauze
7. Short Term Sourcing: Status, process, timings and test.
8. Network Code Balancing – Introduction of principles
9. Status "Ontwerpverslag 18 maanden"
10. Questions – Remarks - Next steps - next meeting date

3. Various information & feedbacks

Status / feedback for proposed ARP contract changes:

The aim was to give the audience some feedback about the results of a public consultation regarding the adaptations in the ARP contract concerning "articles 10.2 and 11.1.2"

Art 10.2

The published prices are, in a first step, non-validated prices. During one of the next balancing task forces, Elia will give a presentation about the reliability of the imbalance prices.

Anode: 100% reliability is a primary condition for market functioning.

- *Elia: 100% is technically not possible, a validation period will always be necessary. To increase the comfort feeling, Elia could develop the publication of "warnings" to indicate when there is a higher risk for quality issues (eg scheduled IT-upgrades or server switches, etc...)*

Art 11.1.2

During the presentation some questions/comments were given by the audience on article 11.1.2:

Febeg: the specific duration (2 years) of the product R3DP should be written in the ARP-Contract.

- *Elia: Proposal is indeed limited to 2 years but it shouldn't be in the ARP-Contract. It can be described in the cover letter.*

Febeg: Did Elia already receive the approbation of the regulators? When will the decision be taken?

- *Elia: The goal is to have approbation from the regulators as soon as possible, in order to communicate the amended contract at last on the 15th of December 2013 in order to come into force on the 1st of January 2014 (2 weeks to become active after approbation). All the BRP's should receive an amended contract. Elia is planning to introduce begin October the amendments of the ARP contract to the regulators; CREG has 30 days to accept (or reject) the amended contract; VREG has 2 months to accept (or reject) the amended contract.*

IGCC: Status of implementation new optimization module.

Go-Live expected on the 9 October 2013

Anode: Does Elia have already an estimation of the impact on the NTC?

- *Elia: There is no impact in NTC, only the remaining capacity (ATC) after ID is used for IGCC.*

Dow Jones Zig Index → Platts Day ahead Zeebrugge gaz price assessment.

The DJ Zig Index seems to be no longer published as of 16 september 2013. Elia proposes to replace the DJ index by the Platts Day ahead Zeebrugge gaz Price, however, one producers has asked to use Heren index.

Febeg is requested by Elia to find consensus between producers about which index is acceptable for all.

4. Status of tendering Rx 2014.

2014 prices for R1-R2-R3 are not considered as unreasonable by CREG which means that no Royal Decree is needed. It's a major step further for this market.

Lesson learned of R3_DP will be discussed at the next expert group meeting.

5. Final design proposal bid ladder platform

Elia has presented her final proposition of product design on Bid ladder platform and received the following comments:

Anode: Why only the non-contractual reserves are concerned in the current proposition? Why is a prequalification necessary for FAST product?

- *Elia: New balancing network code must first be finalized. Elia doesn't exclude to take into account the contractual reserves in the longer term. For the short term Elia proposed to start with the non-contractual reserves because there is a link with the order of activation (grid code imposes that first non-contractual reserves are activated). On the long run contracted reserves probably will be included as the bid ladder platform is the gateway to the European Merit order list and no (local) unshared bids are allowed for standard products in the NC on balancing*
- *The prequalification mentioned here is a technical analyse of the installations in order to assess whether they are physically capable of delivering a certain power profile, so not used to avoid congestions. A TSOs need to be compliant with the Network Code LFC&R; it has to prove that there are sufficient reserves available in the control area in order to restore the system imbalance within 15 min. Hence we have to show that the fast mFRR are technically capable of delivering the offered volumes within 15 minutes.*

Febeg: Why "a pay as bid" model"?

- *Elia: Elia recognises that the last draft of the NC on balancing is recommending marginal pricing. However in case a detailed analysis is showing that another pricing method is more efficient it is also allowed. However a move from pay-as-bid is an important impact and requires a detailed analysis regarding different issues. For instance it is unclear whether all costs of activations will be still covered through the imbalance settlement. Currently a significant part of the margin out of the balancing settlement is used to cover the costs of counter activation. It is unclear whether this is possible with marginal pricing. (Remark: Financial neutrality must be ensured according the NC on balancing.). There are also different ways for applying marginal pricing; should the marginal price be calculated per products or for all products together? Should the marginal price reflect only the activation performed for the balancing of one control area?*
- *The bid ladder platform shall be developed in such a way that a shift from pay-as-bid to marginal pricing can be implemented in a flexible way.*

Activity: Elia organises a DSM survey to determine the potential of DSM. Why only at the TSO level?

- *Elia: As this survey is a joint initiative taken by Febeliec and ELIA aiming at collecting information on the potential of DSM and the modalities under which DSM could be extracted, it is decided to address this survey to ELIA-connected customers.*

6. Short term sourcing: Status, process, timing and test.

The aim was to inform the audience about the progress of the on-going developments and the process for short term sourcing, Elia received the following comments:

Febeg: Around noon a lot of operational processes take place, perhaps it would be better to move the gate closure time towards 14 PM.

- *Elia: For Elia this could be acceptable.*

Febeg: What will be the criteria for organising a second round? Sourcing precisely the correct volumes will be difficult.

- *Elia: A second round will only be organised in exceptional cases, e.g. when the selection is obviously suboptimal;*
- *If the bidders make as many offers and combinations as possible the probability of a second round will also drastically decrease, this is key to make short term sourcing a success. It is the responsibility of the providers to introduce sufficient bids.*
- *CREG will monitor offers (bids) and resulting selection.*

The requirements for publication of price information are being written (and will be aligned with CREG), Elia requests all taskforce member (and specifically FEBEG) to provide input on this topic within 2 weeks.

7. Network code balancing.

Elia didn't receive any additional comments on this topic.

8. Status "ontwerpverslag 18 maanden".

Anode: Contradiction between imbalance pricing as a strong incentive and remove the incentive if RES is activated.

- *Elia: a mechanism must be developed to incentive the RES to participate at the balancing market based on a market price.*

9. Questions – Remarks – Next meeting

Based on the results of a Doodle the next meeting will take place on the 21st of November.