

Minutes of meeting Balancing Taskforce 17/04/2013

List of participants:

Company/association	Name	Present	Excused
Entelios	Stefan Smets		x
REstore	Pieter-Jan Mermans	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	Alexandre Torreele	x	
Belpex	Pierreux Nicolas		x
Fgov	Claude Adams		x
Fgov	Stéphane Marchand	x	
EDORA	Noémie Laumont		x
EDORA	F. Gerard		x
EDORA	Fawaz AL Bitar		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	
E.ON	Jimmy Tjoa	x	
Electrabel	Dirk Hendrix	x	
EDF Luminus	Bram De Wispelaere	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	Philippe Alboort	x	
Arcelor Mittal	Luis de Miguel	x	
Arcelor Mittal	Younes Outemzabet		x
Energycluster	Ron Schuremans	x	
Alstom	Ward Gommeren	x	
ODE	Tine Deheegher		x

CREG	Jacques Gheury	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	Dejong Daniel		x
Tecteo	Amandine LEROUX		x
Tecteo	Nicky Pirard		x
Tecteo	Ugo Verminio		x
Elia	Emeline Spire	x	
Elia	Bob Hebb	x	
Elia	Hans Vandenbroucke	x	
Elia	Carton Filip	x	
Elia	Valéry Stembert	x	
Elia	Stephane Otjacques	x	
Elia	Manuel Aparicio	x	
Elia	Isabelle Gerkens	x	
Elia	Sophie De Baets	x	

Minutes of meeting :



Slides_Balancing
Taskforce 4_VFinal.ppt

Slides:

1. Validation of Meeting Minutes dd 01-03-2013

There were 2 feedbacks concerning the minutes of the previous meeting:

- A) From Anode
- B) From Ores

Regarding the comments formulated by Ores, Elia has specified that the global view on the Network codes will be presented in a future balancing taskforce meeting.

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

2. Agenda

- Welcome
- Validation of Meeting minutes dd 01-03-2013 (10')
- Feedback from experts working group "Ancillary Services provided by distributed resources" (60')
- Various information and feedbacks (30')
 - Proposal for some ARP-contract changes
 - Confirmation that solar forecasting = on-line (// with Easter Monday)
 - Results from survey wrt "Enhancement balancing publications"
- Pause
- R1/R2/R3/ICH evolutions for 2014 tendering (60')
- Consultation/discussion based on design note sent upfront by Elia
- Characteristics of balancing energy products for bid ladder (30')
 - Introduction for a questionnaire i) Direct activated or scheduled ii) Fixed time period or floating time periods iii) Activation time iv) Start costs v) Firmness; what do you need to guarantee this? Vi) Bidding process; GCT, fixing,... vii) Exclusive bids viii) Min amount (MW) etc ...
 - Next steps
- Questions – Remarks - Next steps - next meeting date

3. Feedback from experts working group "Ancillary Services provided by distributed resources"

During the presentation of the feedback from the experts working group, Elia received a lot of feedback from the audience including the following ones:

a. General feedbacks

ORES :

- Understands that pragmatic solutions are chosen but notes that some gaps in the process remain to be solved and believes that the time remaining to solve these before the tendering (beginning of July) is very short.
- Different regulatory aspects still need to be covered. For example, if the number of EAN codes participating in this new product would become very large, this could lead to additional costs at DSO side, costs that should be financed.
- All Belgian regulators should be involved in the implementation of R3 Dynamic Profile.
- How will we manage the possible for monthly modifications or switch of BRP, BSP, GU participating in R3 Dynamic Profile? Even though the concept of this product seems simple, the operational implementation could be more complex as seen at first sight.
- The choices made for the short term development of such a product should not exclude evolutions in the future. DSO's will have an important role in the future for managing the information flows in a centralised manner, etc...

Elia: It is right that to achieve the goals, there still is a lot of work to be done and it is an ambitious challenge for all the parties involved. The feedbacks received will be taken into consideration for finalizing the high level design; details will be further discussed during the

expert working group meeting of April 29th and following ones. Every participant was invited to send by e-mail additional comments on the presentation at the following addresses:

- Hans.vandenbroucke@elia.be
- Filip.carton@elia.be

Activity:

- If the activation price of the "R3 Dynamic Profile" would be 0 (zero) and thus cheaper than the other R3 products, why would Elia activate it at the end of the merit-order?

Elia: If we would apply a pure economical merit order of bids as a selection criterion, the maximum of 40 activations per year for R3 Dynamic could be used-up rather soon, which could cause problems later in the year.

- The Elia methodology to compensate the imbalance of the BRP through MIP for their energy produced - while load is adjusted - is not fair. The producers will receive a MIP remuneration more than likely higher than the retail prices or the actual price that he has recuperate to his customer.

b. About the volume and selection

Restore:

- The fact that the candidate BSP must provide their margin of flexibility for P/ OP/ Base per EAN code will ensure a quality insurance.

Febeliec:

- Will the BRP have the possibility to refuse that one of their "GU" participates in the delivery of this new product?
- What will be the rules in case of a Closed Distribution System?

Elia: The BRP has no right to refuse a GU within its perimeter to participate to the delivery of R3 DP. The BRP has to be informed about GU's participating, he will not be asked for an acceptance, and it is more a clarification of the rules between the supplier and the GU. The GU who wants to participate has to be pro-active with its supplier and explain what can be the consequences of his participation.

Regarding the CDS, it's too early to already give an answer but Elia takes the point into account.

- The current presented product is typically designed for aggregators or for the owners of "heating and cooling" installations but not for big industrial companies. The time of reaction is too short to give them the possibility to participate.

Elia: The Balancing products developed by Elia must be designed for use close to real time as prescribed in the European network codes. But perhaps slower products could be developed for the day-ahead and/or intraday markets.

c. About the prequalification

Anode:

- If the "R3 Dynamic profile" is based on load shedding why a prequalification phase is needed to avoid congestion on the DSO grid?

ORES:

- The prequalification phase will not only be used in order to mitigate the risk of congestions on the DSO grid but also to avoid voltage problems.

d. About the availability & activation

ORES:

- The availability will be measured based on ex-post (15 minutes) data sent by the DSO, it will not be based on real time (eg 10 seconds) measurements.

Elia: Indeed, we need for control & settlement of activation and availability the 15min validated AMR-metering data from DSO's.

Febeliec:

- A requirement of 100% availability will have the consequence that GU's will not participate because of their maintenance plan. They could not guarantee such a high percentage of availability.

Elia: This should be covered via the aggregation of different GU's.

Anode:

- Could the percentage of availability be negotiated case by case?

Elia: This possibility will not be offered, it will be a standard contract for every potential participant with 100% availability requirement.

- Anode asks more details about the formula for calculation of the penalty when there is an activation without the volumes being available?

Elia gave the asked precisions, the calculation formula already exists.

NYRSTAR:

- Effectively, it will not be possible to combine the product "R3 Dynamic Profile" with the current ICH product offered by the Grid user on the Elia network?
- Is it possible that the volume sought for ICH will be influenced by the volume searched for the R3 Dynamic Profile (50 MW) ?

Elia: Normally not, the volumes required by Elia will remain the same but perhaps some GU will switch from one product to the other one.

e. About the communication when activation

ORES:

- A communication based on the EAN codes of the GU in the DSO grid will not be easy because those EAN codes are unknown for the BRP and the TSO.
- The prequalification phase must also mention if Elia can activate several EAN code of one BSP.

Indeed, ELIA will activate a portfolio of a BSP which might contain EANs in various DSO service areas belonging to multiple BRP portfolios.

EDF Luminus:

- EDF Luminus wants to have more precisions about the information's that the BRP will receive for his customer participating in such a service: volumes, EAN codes, number of activation, etc...?

Elia: the structure of this information is currently discussed in the expert working group. Elia will do the necessary communication when a decision on that topic is available.

ORES:

- The DSO's can help and play a central role by giving this kind of information's in real time.

Energy pool:

- Will the activations always concern all the contracted energy or will it be possible to activate a part of the contracted energy?

Elia: For each contract it will always be a full activation of the contracted energy (no partial activations)

- Because Elia doesn't activate all BSP together and there will not be activation prices, how Elia will choose those who will be activate or not?

Elia: Most likely we will use the number of remaining activations as selection criteria.

Febeg:

- The GU has to inform its supplier and has to sign a contract with the BSP. This implies that the GU and its Supplier have to renegotiate their current contract. It could be difficult depending of the contractual framework.

EDF Luminus:

- The Supplier may be faced with "load shifting problem" because the load profile of the GU will change if he participates to this new product.

E.ON:

- E.On doesn't have the same perception on that topic because if there exist a "full load contract", the GU's have the legal obligation to inform its Supplier if he decides to sell energy to the grid.

Elia: As part of the contracting phase, each BSP will have the obligation to provide a GU-signed document stating that the GU has informed his Supplier of being part of a BSP-pool.

ORES:

- This a short term pragmatic solution. DSO's should know all the parties involved (BSP – GU – Supplier). The above mentioned remarks must be taken into account for the "Long term product".

f. About the imbalance settlement

- A settlement chain is an absolute necessity. Because in case of activation, Elia doesn't correct the perimeter of the BRP, Elia settles the BRP via the balancing mechanism.
- Without additional corrections the Supplier will not sell its energy to the GU. => The Supplier will not be remunerated by the imbalance price...

g. About the settlement of the service

- BRPs position is raised with the effectively activated energy. Hence, the BRP (and through him Supplier) is remunerated by the imbalance tariffs. Moreover, the BRP is not penalized for the discrepancy.

h. About the tendering of R3 Dynamic Profile

Anode:

- The tendering for the product "R3 Dynamic Profile" must take place before the tendering for the ICH product. That will give the possibility to the GU not eligible for the "R3 Dynamic Profile" to participate in the tendering for ICH.

Elia: This year the tenderings of ICH and R3 DP will take place at the same time. The possibility can be foreseen to introduce exclusive bids (eg offer the same volumes as ICH and R3 DP but indicate that both can't be selected)

4. Various information & feedbacks

Proposal for some ARP-contract changes:

The presentation was done by Isabelle Gerkens (Elia).

The aim was to propose to the audience some adaptations in the ARP contract concerning:

- The article 10: Balancing obligation of an ARP
- The article 11.1.2: Auxiliary services supply

During the presentation some comments were given by the audience:

a. About article 11.1.2

Elia clarified that the adaptations in the ARP contract are done only to organize the side-effects of the product "R3 Dynamic Profile" to the ARP perimeter, due to the specific design of the product. The goal is to mention the impacts for the ARP given the non-correction of the ARP perimeter in case of activation, nor the information of participation/activation done by Elia.

The full description of this product will be done in another contract that will be draw-up and signed between the BSP and Elia.

b. About article 10

Febeg:

- Are the proposed adaptations compatibles with the article 157 of the federal grid code?
- What is the timing of implementation?

EDF Luminus:

- There's a link with article 11: if Elia activates something in the ARP's perimeter, Elia should be liable for this action

Elia: Nothing is specified in the current article 157 of the federal grid code concerning the proposed adaptations because this was written in 2002. The evolution of the current balancing mechanism may lead to a need to update the Federal grid code. However, the General Guidelines (incl European) already introduced the principle of reactive balancing. Elia hopes to finalize this topic by the summer before starting the public consultation required by CREG, which would take some time to be organized.

Every participant was invited to send by e-mail additional comments on the presentation at the following addresses:

- Isabelle.gerkens@elia.be
- Filip.carton@elia.be

Confirmation that solar forecast = on-line

- Manuel Aparicio (Elia) confirmed that the solar forecast publications are on-line since March 27, 2013. He has shown the different available screens and how those can be used by the ARP's.

Results from survey regarding "Enhancement balancing publications"

- Manuel Aparicio (Elia) has given the result of the survey that he launched during the last balancing taskforce meeting on the possible "Enhancement balancing publications". The proposals 1, 2 & 3 are identified as the most critical by the participants. Elia will take these results into account for further IT developments depending on the budgetary possibilities.

5. R1/R2/R3/ICH evolutions for 2014 tendering

During the presentation of the R1/R2/R3/ICH evolutions for tendering 2014, Elia received some feedbacks from the audience including the following ones:

EDF Luminus and Febeg:

- The timing between the tendering and the contracting of products is too long and should be shortened (proposal of September in place of May). The current period of time represents a too high risk for offering R1 and R2. On top of that FEBEG would have preferred a larger amount of the volumes to be contracted on a short term. As a consequence the tendering process for 2014 is suboptimal: one should not expect too much of this pilot project.
- Febeg also insists that it's crucial that the yearly volumes of R1 and R2 are fixed before starting with short term sourcing.

Elia: All steps in the current calendar are driven by legal obligations and must be respected by Elia.

E.ON:

- The template for contracting R3 Production must be available and sent to the market before the tendering.

Elia: At the time of launching the tendering all the template contracts will be part of the tendering documentations provided by Elia.

Elia:

Elia has asked and received the approbation from the audience to use as activation price for R3 production a market based price (free bids) and no more the current cost-based calculated price.

Energypool:

- Changing and using such price mechanism for the activation of the R3 production will have a big influence on the imbalance prices.

Febeliec:

- A monitoring system of prices offered must be organized to prevent and detect abuse in order to ensure the fair prices. Evaluation after one year is needed.

EON:

- High penalties will not push the implementation of a secondary market. Only financial incentives rather than threat of penalties will support the secondary market.

Anode:

- Organize a secondary market for R3 with an availability of 100% will not be efficient and will block some small producers to participate.

6. Characteristics of balancing energy product for bid ladder

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

7. Next steps - To do's

Next meeting is planned on May 25th.

Preliminary agenda:

- Welcome (between 13 and 13:30)
- Start at 13hrs30
- Validation of Meeting minutes dd 17-04-2013 (10')
- Feedback from experts working group "Ancillary Services provided by distributed resources" dd 14-05-2013 (45')
- Various information and feedbacks
 - a. Status / feedbacks ARP-contract changes (15')
 - b. ...
- iGCC Module 1 – Feedback from Elia regarding the first months results (30')
- Pauze
- "Bid Ladder" Definition of balancing Energy products. (60')
- Results/status "Reserve Study - Horizon 2018" (45')