

Minutes of meeting Balancing Taskforce 30/11/2012

List of participants:

Company/association	Name	Present	Excused
Entelios	S. Smets	x	
Restore	P-J. Mermans	x	
Restore	J-W. Rombouts	x	
Energypool	E. Scholtès	x	
Actility	M. Hajjam	x	
Powerhouse	J. van den Berg		x
WOM	H. Mariën	x	
Energycluser	C. Goossens		x
APX Endex	A. Torreele	x	
Edora	F. Gérard	x	
Edora	F. Al Bitar	x	
ODE	T. Deheegher	x	
VBO-Feb	O. Van der Maren	x	
FGov	C. Adams		x
GABE	J.P. Bécret	x	
Febeg	S. Harlem	x	
Febeg/ENI	A. Thoreau	x	
Febeg/E.ON	C. D. Esposti	x	
Febeg/Electrabel	D. Hendrix	x	
Febeg/EDF Luminus	F. Demaret	x	
Febeliec	P. Claes	x	
Febeliec/INEOS	G. Meynckens	x	
Febeliec/Nyrstar	S. Verwimp		x
Febeliec/Infrabel	W. Aertsens		x
Febeliec/BASF	E. Verrydt	x	
Febeliec/Air Liquide	R. Lhomme	x	
Febeliec/Arcelor Mittal	P. Alboort	x	
Febeliec/Arcelor Mittal	L. de Miguel	x	
Febeliec/Arcelor Mittal	Y. Ouemzabet	x	
Agoria/Alstom	Ward Gommeren		x
Elia	E. Spire	x	
Elia	F. Carton	x	
Elia	B. Hebb	x	
Elia	V. Stembert	x	
Elia	J. Houben	x	

Minutes of meeting :

Slides:



2012_11_30_Final_Slides Taskforce 1.pdf

1. Introduction taskforce & practical aspects

Considering the context and challenges for the balancing market the upcoming years the scope of the “taskforce bidladder” will be extended to a “balancing taskforce”. The Users’group of Elia will be requested to confirm this extension¹.

The following topics will be handled by this balancing taskforce:

- Bid Ladder project
- Evolutions of R3 products and contracts for 2014 and beyond
- Participation of load to AS
- Future vision for R1 and R2 procurement and resources
- Balancing publications
- XB balancing synergies

The extension of the scope of the taskforce won’t affect the development of the bid ladder platform. If required new meetings – in parallel to the bid ladder meetings- will be organized to treat the other topics. In addition, CREG will be added to the list of participants.

Mr. Claes (Febeliec) requested to add the discussion about the links between day ahead markets and balancing as a topic. According to him ,balancing should start with a correct day ahead signal. Although Elia fully supports this principle, it was decided not to add day-ahead arrangements per se on the list of points to be treated as day ahead markets are organized by the exchanges and as a consequence are not controlled by Elia. However, to the extent it is influenced by the design of balancing arrangements, this objective will be taken in the work of the TF.

Mr. Bécret (Gabe) explained that the development of new ancillary services isn’t easy and sufficient time should be foreseen to discuss the details in order to develop products which are appropriate for industrial consumption.

2. Context & challenges for balancing

¹ This proposal was accepted by the Users’group on 06/12/2012

Ms. Spire (Elia) explained the context and challenges for the Belgian balancing market. In particular, Elia has already done significant efforts to adapt existing/develop new products to allow participation of load into the balancing market (R1 Load, ICH 2013, Pilot project "R3 from Decentralised load") and wishes to continue.

Next year (2013) Elia will work on the following topics:

- Enhancement of balancing publications
- Bid ladder platform
- Evolution of R3 products
- Contractual model for participation of load and decentralised resources into the balancing market
- Future vision for R1 and R2 procurement and resources
- Investigate/Study potential cross-border collaborations for balancing energy and reserves.

3. Philosophy and organisation of Belgian balancing market

Mr Hebb (Elia) explained the organisation of the Belgian balancing market. Currently there are 2 important actors active in the balancing market; ARP & TSO.

He explained also that Elia tries to develop a balancing market where market parties are incentivised to resolve imbalances in order to reduce the residual imbalance to be resolved by the TSO

Mr Hendrix (Febeg) questioned whether this philosophy is compatible with the balance responsibility of BRPs. Elia explained that this doesn't affect the responsibility of ARPs as the best effort obligation to balance out any known imbalance before real-time remains. The publication in real time of imbalance prices allows BRPs to reduce their imbalance risk.

4. Bid ladder project

Current CIPU Framework

Mr. Carton (Elia) first explained the current framework of CIPU and more specifically how balancing bids are sent by producers.

Mr Demaret (Febeg) stated that the current neutralization time of 1 hour applicable to modify production programs on intraday is limiting the possibilities for transactions on intraday markets. It is difficult to conclude a firm deal if it is unsure whether the new product program will be accepted by Elia.

Mr Bécrot (GABE) explained that currently Elia is neutralizing load shedding requests for tertiary reserves on load by considering their initial off take program. He asked why it is not possible to apply this principle for free bids coming from all load. Elia explained that it is impossible to install meters on every access point. Moreover currently we only receive off take programs for clients on the high voltage grid so this principle cannot be applied for load on distribution.

Workaround APP in CIPU

Mr. Hebb (Elia) explained that BRPs - having signed a CIPU-contract – have today the possibility to offer bids by means of an aggregated powerplant (APP) in the

CIPU-framework. Elia developed this workaround to allow bids from load and decentralized energy resources before the new bid ladder will be active.

Ms. Scholtès (EnergyPool) explained that it is important for aggregators to have the possibility to offer independently from BRPs balancing bids. Elia explained that they are open to discuss this, but that unfortunately currently no easy solution to allow this exists.

Mr Bécret (Gabe) explained that if the flexibility from load can only be offered to Elia via the ARP it will remain with the ARP for own needs.

Mr. Rombouts (Restore) asked from which amount flexibility might be offered through the APP.

This will be possible with volumes starting from 1 MW.

Mss. Scholtès (EnergyPool) explained that is important to have the possibility to create multiple APP per ARPs in order to have the possible to offer per quarter-hour volumes at a different price. Elia explained that all requests for APPs will be handled individually and Elia will develop extra APPs if request is appropriate and brings concrete flexibility into the market. On the Bid Ladder platform, a variety of bids with different prices will be possible.

Design Bid Ladder platform

Mr Hebb (Elia) gave an introduction on the framework guidelines balancing published by ACER² which aspire on the long run to a European bid ladder platform. Because within a couple of years ENTSOe will decide upon the standards products for balancing energy and the pricing mechanism, the Belgian Bid Ladder platform should be developed in such way that it can be adapted in flexible way in order to follow these new specifications.

Mr Hebb (Elia) explained also the key design issues of the bid ladder platform:

- Pricing mechanism; pay-as-bid vs. pay-as-cleared
- Definition of products
- Firmness
- Congestion management
- Contractual model

On demand of Mr Mermans (Restore) Elia explained that they will develop the Belgian bid ladder platform independently in parallel with the works on the European NC and the stabilization of European arrangements, trying to ensure convergence to the extent possible.

After reaction of multiple stakeholders Elia confirmed that a discussion will be done about the conditions needed to guarantee firmness by balancing service providers.

Mr Mermans (Restore) explained that transparency on congestions on the grids is important for them as finding flexibility requires a significant commercial effort. It should be avoided that some flexibility suddenly cannot be used any more due to grid constraints.

² http://www.acer.europa.eu/Electricity/FG_and_network_codes/Pages/Balancing.aspx

Mr. Hendrix asked whether the same rules for congestion management will be applicable for bids coming for load and production. Elia confirms that such rules should be determined using objective criteria.

5. AOB

Next meetings

- 11/01/2013 AM: Which contractual model to use for offering free bids
- End February: portfolio and unit bidding/link to congestion management

Next steps - To do's

- Remarks on these minutes can be sent to bob.hebb@elia.be
 - Final minutes will be validated on the next taskforce.
- The participants of the taskforce are requested to present at the next taskforce their expectations about the bid ladder per association. (3 most important points)
 - Aggregators are requested to contact each other in order to do the same.
 - Please inform us in due time if you intend to present something and send your presentations in advance to fillip.carton@elia.be
- Please fill in this Doodle so that we can choose the most suitable date for taskforce n°3:
 - <http://www.doodle.com/6vgetmhk7r7mqv3z>
- At the next taskforce the contractual framework will be discussed. Input from stakeholders related to this subject is welcome.

6. Proposed agenda Balancing Taskforce n° 2 ; 11-01-2013

- Validation of Meeting minutes dd 30-11-2012
- Various information and feedbacks
 - Organization of training regarding the basics of balancing.
 - Feedback from User's Group dd 06-12-2012
 - Information about XB-Balancing workshop
 - ...
- Stakeholders expectations – per association
 - FEBEG?
 - FEBELIEC?
 - Aggregators?
 - ...
- Contractual model
 - Overall philosophy
 - Link with the energy supplier
 - Link with the ARP (perimeter correction =incentive to execute)
 - Existing initiatives (// models) for participation of Load
 - Possible model for "free bids" offered at the bid ladder.
 - Possible models for reservation of capacity (and R3 evolutions)
 - What are the criteria or the requirements to choose a model?
- Questions & remarks
- Next meeting date
- ...