



Status TF Balancing

Users Group – 20/03/2014



Feedback about Short-Term Auctioning of Reserves

=> Highlights



	# of bids	Second round?	Selected Volume [MW]	Average Prices [€/MW/h]
January	98 bids	Y, for selection price satisfaction	27 R1 100mHz	41,22
			20 R2 Up	12,5
			20 R2 Down	12,5
February	189 bids	Y, for selection price satisfaction	28,9 R1 100mHz (PE+LOP)	34,74
			20 R2 Up	15,57
			20 R2 Down	15,57
March	78 bids	Y, for selection price satisfaction	27 R1 100mHz	111,63
			20 R2 Up	41
			20 R2 Down	41
April	65 bids	Y, for selection price satisfaction	27 R1 100mHz	152,73
			20 R2 Up	42
			20 R2 Down	42

- Rather high number of bids (but volatile)
- For the first 3 auctions a second round was triggered because of the third criteria (criteria of selection of one bid with price >150% average price);
- Difficulties for introducing bids in the IT tool was encountered during the first 2 auctions.
 - After investigation these issues were caused by performance of STAR to cope with such amount of bids and mainly complex “MNBCW” relationships
 - These performance issues have been resolved for the last auction
- Prices are volatile

Evolutions to AS for tendering 2015

Strategic Reserves (SR)

Task Force
implementation SR

Short Term Sourcing R1 &R2

R3 Dynamic Profile 2015

Tendering & Contracting

“Package 2015”

Task Force
Balancing

- From Dec – May : 6 monthly auctions organized for R1 100mHz & R2
- CREG will draft analysis on ST auction results of 1st semester 2014
- Without positive analysis on S1 2014 and without explicit support from CREG, ELIA cannot continue with short term sourcing for 2015.
- **June Y-ahead tender a priori for 100% LT but with possibility/scenario of sourcing R1 100mHz and R2 on short term basis in 2015**

Next steps

- ⇒ Principle for determining respective share of ST-LT 2015 for different scenarios to be included in Balancing Rules (cf. 2014). Consultation and analysis ongoing.
- ⇒ Priorities in case of reconduction
 - ⇒ Consolidate processes and tools
 - ⇒ Improve auction rules where possible

Prolongation of current product to 2015

Early March: ELIA will provide a **reporting on the activations of R3DP** in Jan and Feb 2014 to CREG

→ allowing Forbeg to validate prolongation of the R3DP product for 2015.

Improvements to R3DP 2015

- In order to provide more transparent, interactive and closer-to-real-time communication / information on the effective impact of activation of flexibility in BRP- portfolio and to avoid counter-activation, ELIA and DSO will examine the question of the **quasi-real time information to the concerned BRP.**
- ELIA and DSOs actively looking into lessons learnt of 2014 **prequalification process** (technical compliancy check, volume check, sequential process, harmonized & transparent criteria,...)

Moving forward on a flexible prequalification process as of 2015 tendering

→ Establishment of framework contracts enabling new players to participate to the short term tendering process once the annual tendering has passed

Decreasing the minimum bid size for all reserve products from 5MW to 1MW for the annual and short term contracting

→ This reduction (and harmonization) in minimum bid size will facilitate the participation of smaller players and new entrants.

Updating the bidding sheet for ICH

→ As for R3 Production for 2014, all annual offers for ICH for 2014 will be collected via an intelligent bid-sheet allowing a more bidding conditions, such as multiple bids with different parameters, volumes and/or prices. This will provide more flexibility to ICH-candidates.

Indicative calendar for 2015 tendering



Feb 17 th	1st TF Balancing: planning, contracting process, presentation of and start consultation period on "Package 2015"
Mar 14 th	End of consultation period – possible amendments to "Package 2015"
Mar 21 st (tbc)	2nd TF Balancing: final Package 2015 on basis of which the Balancing Rules for 2015 will be prepared and submitted to CREG
Mar 26 th	Design Freeze
Apr 1 st	Opening European Qualification procedure R1 / R2 / R3 (continuously open)
May 1 st	Call for candidates R3DP
May 15 th	Deadline signature Framework Contract R1-R2-R3
May 16 th	Tendering R1-R2-R3 launched for 20 working days
June 1 st	Tendering ICH & R3DP launched
June 1 st	Start prequalification process R3DP = deadline for submission of prequalification requests to DSOs and ELIA
Mid-June	Tendering deadline to submit offers to ELIA for R1-R2-R3
July 1 st	Elia sends report to CREG and Minister on received volumes & prices. CREG – has 60 working days to assess reasonability of received offers.
July	CREG report on short term auctions R1 & R2 during S1 2014
<Sep 1 st	Communication prequalification results to BSPs
Sep 19 th	Tendering deadline to submit offers to ELIA for ICH and R3DP
Sep 22 nd	CREG report on reasonability of prices R1, R2 and R3
Early Oct	Communication of selection of ICH and R3DP
Dec	Start short term sourcing R1 & R2 (subject to CREG approval & comfort) ?