

Public consultation – Draft decision on the final modalities determining the incentives to improve the performance of the electricity transmission system operator during the regulatory period 2024-2027

12<sup>th</sup> January 2023

Centrica thanks CREG for the opportunity to respond to the public consultation on the final modalities determining the incentives for Elia's performance during the regulatory period 2024-2027. This is a non-confidential response.

The final modalities proposed by CREG aim to improve the TSO performance in various areas, including the increase of cross-border capacity, the timely implementation of major infrastructure projects, the increase of customer satisfaction, the improvement of data publication, the selection of innovation projects as well as the reduction of average interruption time.

Centrica highlights the following points:

- Centrica welcomes the incentive to increase cross-border capacity availability and asks to focus more on the intraday timeframe
- Centrica welcomes the incentive to improve data quality and requests a more convenient and efficient access to BSP-related data

**Centrica welcomes the incentive to increase cross-border capacity availability and asks to focus more on the intraday timeframe**

Centrica generally welcomes Elia being incentivized to make more cross-border transmission capacity available to the market. This can help to:

- Improve security of supply: additional cross-border capacity allows Belgium to access a greater diversity of energy sources, which help to reduce the risk of supply disruptions
- Promote competition: increased liquidity allows for greater competition, which can drive down prices and benefit consumers
- Increase market efficiency: the efficient use of transmission infrastructure helps to optimize energy flows between countries, reduce costs and optimise overall welfare
- Enhance integration of renewable energy sources: additional cross-border capacities facilitate the integration of renewable energy sources, such as wind and solar, into the grid. This can help Belgium to better meet its renewable targets and reduce reliance on fossil fuels

Centrica is however concerned by the significant increase in the number of hours with zero intraday ATC values on all Belgian borders during the past years. It strongly indicates that transmission capacity is not managed efficiently and can lead to market shortages or disruptions. It remains to be seen if the recent improvement of the situation can be sustained.

Centrica therefore believes it is important to help the TSO ensure the availability and efficient management of intraday cross-border capacity. This should be pursued by putting more weight on the incentive described in Art. 4.2.1.4. Not only would this benefit the intraday market, but also European balancing platforms (MARI, PICASSO, IGCC), leading to increased liquidity and more efficient price

discovery, as well as encouraging participants to unlock additional short-term flexibility. The incentive can be increased by a combination of the following:

- Increase the incentive share allocated to the improvement of intraday markets beyond 25%
- Increase the initial threshold as of which a border is considered as closed beyond 100 MW
- Increase the rate of annual growth of the above mentioned threshold beyond 25 MW
- Review the weights attributed to the different ID timeframes (15:00 D-1, 22:00 D-1, 10:00 D)
- Increase the penalty factor for negative intraday ATCs beyond 30%
- Increase the minimum threshold beyond -50%

**Centrica welcomes the incentive to improve data quality and requests a more convenient and efficient access to BSP-related data**

Centrica welcomes the incentive on improved data quality and requests a more convenient and efficient access to BSP-related data. Elia should be incentivized to provide more granular data to BSPs via an API, thus helping to:

- Improve efficiency: API access makes it easier for BSPs to retrieve and analyze data, and integrate it into their internal systems and processes
- Enhance decision-making: timely access to granular data allows for more informed business decisions
- Increase transparency: API access facilitates the (automated) verification of data accuracy

Centrica therefore asks the CREG to consider adding a fifth data stream ("stream 5: BSP data") to Art. 4.3.3.2, including among others:

- API access: contractual data (prequalified volumes, Electrical Zone information of delivery points, etc.) as well as invoice data should be made available to BSPs through an API instead of web applications or Excel files
- Data granularity: invoice data made available to BSPs should further break down the current quarter-hourly value e.g., according to the underlying markets (aFRR, mFRR, etc.)
- Timeliness: data should be provided to BSPs in a timelier fashion e.g., first estimates for penalties should be available much earlier than 2 months after the event