

Febeliec answer to the CREG consultation on the Elia proposal for the modification of the day-ahead market coupling in CWE for the application on an import restriction in France during winter 2018-2019

Febeliec would like to thank the CREG for this consultation on the Elia proposal for the modification of the day-ahead market coupling in CWE for the application on an import restriction in France during winter 2018-2019 as a result of predicted system security risk on the Swiss electricity grid.

For Febeliec it is of the utmost importance that at any time an as large as possible volume of cross-border capacity is given to the market, by preference in an as early as possible timeframe, while of course respecting the operational security and integrity of the grid.

As already indicated in many consultations in the past, Febeliec is not in favour of any (artificial) external constraints that are introduced in the flow-based market coupling algorithm, as they arbitrarily reduce the volumes that are given to the market without reflecting the real stress on the individual critical grid elements that are to be taken into account for the flow-based market coupling. As Switzerland is not (yet) participating in the CWE flow-based market coupling, Febeliec understands that this creates some additional complexities. For Febeliec, the preferred approach would be to include Switzerland and its interconnectors in the market coupling, as it would give a (more) correct representation of the impact of flows on individual identified critical cross-border grid elements. Febeliec takes note of the proposed three approaches on the PLEF meeting of July 9th 2018 and can agree with them as solutions, with a preference identical to the order in which they are listed in the CREG document. Febeliec also takes note of the preferred solution from the concerned TSOs proposed on the PLEF meeting of September 18th 2018, where an external import constraint in France will be introduced during certain periods. As it concerns winter in combination with night periods, Febeliec a priori does not see too many clear issues for the application of such approach in this case, as the overall impact on the flows in CWE should not be too impacted (but there will always be an impact, with negative effects for some).

Febeliec would nevertheless like to voice following concerns with the proposed approach: first, it creates a precedent for the introduction of new external constraints in the flow-based market coupling algorithm, a practice which Febeliec does not prefer for the reasons described above and which goes against the trend of removing or at least reducing external constraints that can be observed in the recent past, and second, the proposed solution would only be applicable to a certain maximal volume (a maximum reduction of 1000MW) and a maximum number of activated hours (maximum 100 hours). Whereas Febeliec can only support the limitation of the application of the proposed external constraint, it remains strange that an apparent critical issue (non-respect of grid security in Switzerland, for example by non-respect of N-1 criterion or other safety parameters) will be solved by this external constraint for (maximum) 100 hours, after which 100 hours, if this issue would still occur, TSOs could still find other solutions to cope with it. Febeliec wants to reiterate that it supports the limitation of the application of the external constraint, but cannot understand that apparently other measures are also still available in the arsenal of the TSOs to cope with it and are not being used instead of this introduction of an external constraint. Moreover, Febeliec is concerned that this approval, for only winter 2018-2019, will be continued in subsequent time periods and might also be used as a precedent for either new external constraints and/or more hours of application and/or larger volumes to be applied for reduction.

In conclusion, Febeliec takes note of the approval by the CREG of the proposal, but urges the CREG (as well as all other concerned parties, both NRAs and TSOs as well as all other stakeholders) to remain very cautious with the road that is chosen and to be very careful that this precedent does not lead to a slippery slope effect, which could in the end result in substantial reductions of the cross-border capacity given to the market, to the detriment of all grid users in Europe. Febeliec urges the TSOs and NRAs, including CREG, to look into all the proposed alternatives, including a trilateral dispatching between France, Germany and Switzerland and/or the integration of Switzerland in the flow-based market coupling.