

Febeliec answer to the CREG consultation on the proposal of Elia for the modification of the flow-based day-ahead market coupling in CWE

Febeliec would like to thank the CREG for the consultation on the proposal of Elia for the modification of the flow-based day-ahead market coupling in CWE on the treatment of multiple Nominated Electricity Market Operators (NEMOs) and the removal of the external constraint in the French bidding zone.

On the first topic, Febeliec continues to wonder whether the chosen approach with multiple NEMOs is efficient from a system perspective, as the need for the implementation of procedures for the treatment of such constellation has led to release date and budget overruns on many projects, while the benefits for the system are at least questionable and maybe even non-existent. Febeliec can only wonder whether a single regulated NEMO would not have been a better choice, as already mentioned at earlier accounts. Moreover, the current situation with multiple NEMOs, while already being much more complex and requiring a large number of additional procedures and measures, could even (theoretically) lead to extreme situations. Imagine for example a situation where all load in a bidding zone (or even the entire coupled area) would bid in via one NEMO and all generation via another NEMO. In case of unavailability of any of these NEMOs and its orderbooks (e.g. decoupling because of IT problems, ...), this could lead to a decoupling with local backup auctions, but while each NEMO only has one side of the equation (either demand or generation), this example would lead to full curtailment of load and simultaneously to full ramping down of all generation (and in case this theoretical case does not materialize, intermediate situations could lead to partial curtailment and/or generation stops), while on a system and grid (technical) level there is no adequacy concern. Even though presumably unlikely, such situation could never occur in case of one single (regulated) NEMO, while requiring additional contingency planning in case of multiple NEMOs.

On the second topic, Febeliec can only wonder whether, after the previous abolition of the external constraint for Germany and now France, there is still a sufficiently strong case for the maintaining of an external constraint in Belgium, especially also taking into account the provisions of the Clean Energy Package on cross-border capacity. Febeliec invites CREG and Elia to do an in-depth analysis on this topic and justify the maintaining of the Belgian external constraint as well as a clear indication on the time period for which this external constraint will be maintained.