Nico Schoutteet

From: FEBELIEC <febeliec@febeliec.be>
Sent: 18 November 2019 21:07
To: consult.2014
Cc: Nico Schoutteet; Andreas Tirez; Baerts Marie-Pierre; Van Bossuyt Michael
Subject: Consultation publique / Openbare raadpleging 2014

CREG - Openbare raadpleging over de goedkeuringsaanvraag van de NV ELIA SYSTEM OPERATOR voor een derogatie van artikel 16, achtste lid van Verordening (EU) 2019/943 met betrekking tot een minimale beschikbare capaciteit voor zoneoverschrijdende handel - Febeliec reaction

Febeliec appreciates the opportunity offered by the CREG to respond to this public consultation. Lack of commercially available cross-border connection capacity has been a major concern for (industrial) consumers in Belgium and in other CWE countries for many years, and have often been the cause of significant price differences between the coupled markets in recent years. The regulation aims to significantly increase the available capacity for the electricity market, and was therefore positively welcomed by market parties.
Febeliec fully understands the arguments advanced by Elia to apply for this derogation, but regrets market parties might, as a consequence of such a derogation, not dispose of the imposed 70% availability of cross-border capacities during another (or more) year(s). Elia operates one of the most interconnected grids in Europe, and grid users can rightly claim a maximum availability of the grid capacity they pay for through tariffs. Febeliec therefore regrets Elia cannot guarantee the 70% availability as from 1st of January 2020 and strongly invites Elia to increase its efforts to reach the CEP70% target as soon as possible.
As for the arguments Elia advances, Febeliec would like to underline that the Clean Energy Package has been discussed between the different European decision takers since November 2016 and has been approved in June 2019, which should have left sufficient time to take the necessary measures to control loopflows (1st argument), to find additional re-dispatching capacities (2nd argument) and to secure operation security risks in time (3rd argument).
Febeliec also regrets the parallel runs announced by Elia during a period of 3 months as these could have been organised much earlier and will now coincide with the winter months during which additional commercially available cross-border capacity would presumably be most valuable to limit price divergence in the coupled zone.
As for the discussion with Belgian market actors mentioned in paragraph (10) of the request by Elia, Febeliec wonders where and when these discussions took place, and which market actors were present. Febeliec can confirm at least industrial consumers were not invited for this presentation.
Febeliec therefore strongly invites the CREG and the other concerned regulators:

- to thoroughly analyse the arguments advanced by Elia, and to grant the derogation only if these are correct, sufficiently justified and not the consequence of a lack of early action by Elia and the other concerned TSOs;
- to limit the possible derogation to the minimum time necessary to take measures to guarantee the requirements of the regulation, and only for those specific moments and specific situations where the threshold cannot be achieved in a secure way for the system;
- to make clear that the derogation can not be extended for another period after its end date;
- to make sure all concerned TSOs take the necessary measures to continuously improve the availability of interconnector capacities towards the 70% goal as soon as possible, in line with the Regulation and Recommendation 01/2019 of ACER.

Peter Claes*
on behalf of Febeliec
Federation of Belgian Industrial Energy Consumers
Febeliec represents the industrial consumers of electricity and natural gas in Belgium.

BluePoint Brussels
Bld A. Reyers, 80
B-1030 BRUSSELS
☎ +32 496 59 36 20
febeliec@febeliec.be
www.febeliec.be
* acting as Manager of Econergy VOF, General Manager of Febeliec

From: CREG Newsletter <newsletter@creg.be>
Sent: Monday, 28 October 2019 14:47
Subject: Consultation publique / Openbare raadpleging

Commissie voor de Regulering van de Elektriciteit en het Gas

Commission de Régulation de l'Electricité et du Gaz

Openbare raadpleging

Elia diende, op 15 oktober 2019, een goedkeuringsaanvraag in voor een derogatie van artikel 16, achtste lid van Verordening (EU) 2019/943 met betrekking tot de verplichting om minimaal 70% van de transmissiecapaciteit ter beschikking van de marktdeelnemers te stellen. Alvorens een eventuele derogatie te verlenen, organiseert de CREG een openbare raadpleging over het verzoek van Elia.

Consultation publique

Le 15 octobre 2019, Elia a soumis une demande d'approbation relative à une dérogation à l'article 16, huitième alinéa du règlement (UE) 2019/943, portant sur l'obligation de mettre à disposition des acteurs du marché au moins 70 % de la capacité de transport. Avant d'accorder une éventuelle dérogation, la CREG organise une consultation publique sur cette demande d'Elia.

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POSITION

Subject: Comments on the public consultation on ELIA's request for a derogation on minimal exchange zone capacity to 70%

Date: 18 November 2019

Contact: Jean-François Waignier
Phone: +32 485 779 202
Mail: Jean-francois.waignier@febeg.be

Please find hereafter the comments of FEBEG on CREG's public consultation on the request from Elia for a derogation from the obligation to make available, in accordance with Article 16, eighth paragraph of the Electricity Regulation, at least 70% of the RAM on a network critical element of the network for exchanges between zones.

Comments

Clarification about the terms used

- D1: derogation which is applied when the level of calculated Loop Flow is above the Loop Flow acceptance ratio;
- D2: derogation which is applied when, in the case of unavailability in the BE grid, there is not enough RD resource to cope with Internal Flows;
- D3: derogation which is applied during the first three months of 2020 for gaining experience on new tools and processes.

CREG part

- 5. The reason not to choose for an Action Plan in Belgium is relevant.
- 6.d. The assertion is only correct if the starting point is not lower than the current RAM (depending on the calculation methodology). This must not be taken as granted as not officially disclosed yet.
- 6.e.i. What transparency is foreseen for the initial configuration of the individual non costly & costly RA by each TSO? We recall here the request of Market Parties to have more transparency on the PST tap setting given their influence on the RAM and hence on the prices across BZ.
- 7. It seems that D2 is only applicable when the grid is in situation of unavailability.
    - What unavailabilities are considered?
    - Moreover, unavailabilities not only increase Internal Flows on remaining branches but also Loop Flows, however only Internal Flows seem to be considered here. Could you bring clarification?
    - How is it translated into a RAM decrease as it is done for D1?
- 7.d. It is restrictive to only consider internal RD in all the processes as there are agreements between Elia and neighboring TSOs to implement RDCT, at least bilaterally.
- 7.e. FEBEG understands that XB RD actions "ne permettent pas une utilisation efficace" because it is still a manual process. Nevertheless, from a grid perspective (and their impact on congestion) they are efficient, it just requires time from TSO to implement those actions. Moreover, the availability of RD resources could be exchanged across borders as it is foreseen in the methodology developed according to SOGL 76. FEBEG understands that what refrains Elia to consider XB RD is the "requester-payer" principle which is currently under application.

- 9.a. FEBEG urges that the "motifs prévisibles" to decrease the 70% are effectively forecastable for market parties.
  - D1: Loop Flows are currently only published one day after the D-day which does not make them forecastable to market parties.
  - D2: relevant unavailabilities are forecastable if they are planned and disclosed on Elia website and the ENTSOE transparency platform sufficiently in advance.
  - D3: gaining experience in tools and processes will only be applicable for 3 months (during the external parallel run). This is forecastable because it will be constantly applied during the parallel run, and then not applied anymore, so that only D1 and D2 remain applicable as from the 1st of April.
- 9.c.i. The formulation of the paragraph is not clear.
  - What does "flux internes trop élevés » mean ? Is there any kind of acceptance ratio considered? Is there a link to be made with (30-RM)/2?
  - According to the proposed formula linked to D1, whatever the level of Internal Flows, if the Loop Flows are above the accepted threshold, the RAM gets decreased. This is in contradiction with 9.c.i. which states that only a lack of internal RD would lead to decreased minRAM (which implies that whatever the level of Loop Flows, as long as there is enough RD, the RAM will not be decreased)

Elia Proposal

- Article 1.3. Transparency towards NRA seems to be covered, however the transparency towards the market is not. Not being able to understand the reason why a derogation is applied, would be a step-back compared to todays' situation (at least) where some of the FB parameters are disclosed.
- Article 1.4. What will be the content of the mentioned report as D1 will be solved by the CORE CCM, D2 (unavailabilities) is inherent to TSOs activities and is hoped to be a transparent process, and D3 (processes and tools) is supposed to not be constraining anymore as from the 1st of April?
- Article 3.c. Could we have more information on the flow decomposition methodology. Considering the article 4.2.b and the split between Internal Flows and Loop Flows, it is important to understand how they are derived from $F_{0,all}$. An example would be more than welcome.
- Article 4.2.b. It is true that a choice has to be made on how to split the (30-RM) between IF and LF in order to determine the LF_{accept} on internal CNEC. The 50/50 key has the merit to be easy and replicable. However, from a theoretical point of view, FEBEG identifies two flaws in the current proposal which might lead to an underutilization of the RAM on one hand and to overutilization of the RAM on the other hand:
  - In the case where the Loop Flows are above the acceptance ratio but the sum of Loop Flows and Internal Flows is below (30%-RM), there will be a underutilization of the RAM.

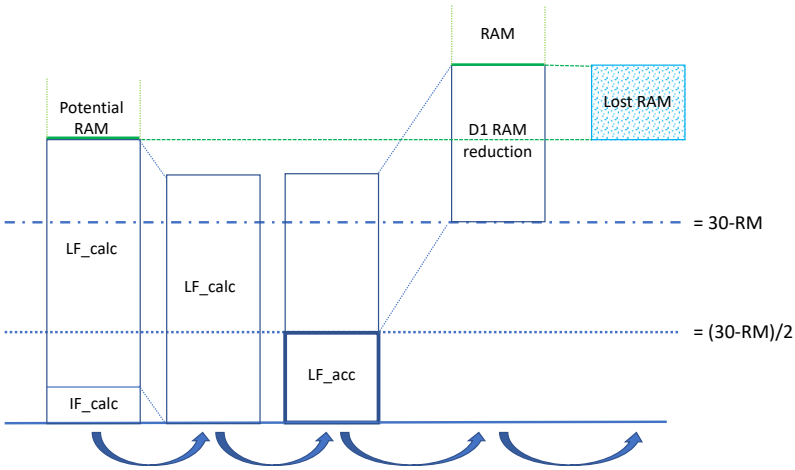
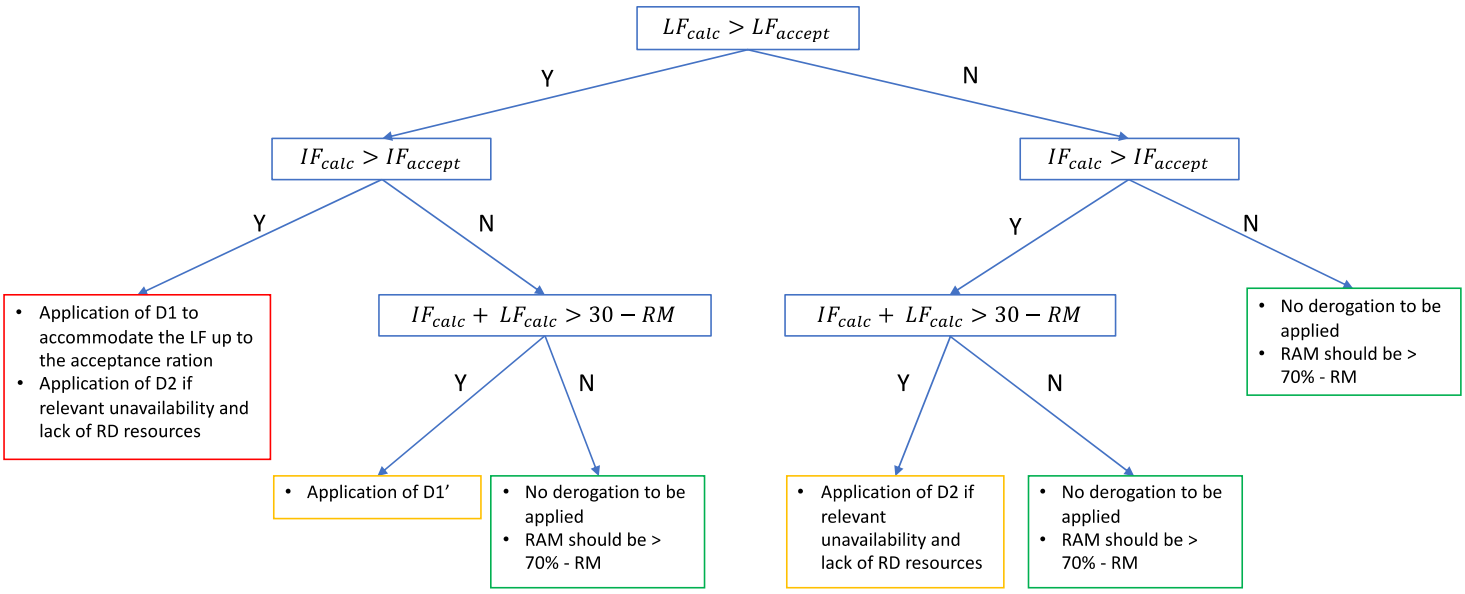


FIGURE 1: THE RAM CAN BE UNDERTUTILIZED IN SPECIFIC CASES

- In the case where the Internal Flows are above the defined 50/50 split and the LF below it, the operational security seems not to be safeguarded in that case, especially when there is no relevant unavailability is impacting the Elia Grid so that D2 cannot be applied, as per its definition.

- Article 5.2. FEBEG would have welcomed an equation-like description of when the RAM could be decreased under D2. This equation should take into account the available redispatching resources that would be activated (taking into account their impact on the considered CNEC).
- FEBEG would like to propose an alternative way of considering D1 and D2 which would tackle the above-mentioned issues. The idea behind this proposal is to be able to apply a robust decision-making process that is as much transparent as possible for market parties and that provide a clear process for Elia.
- For that purpose, FEBEG proposes to add an equation to D1 which is denominated as D1' and tackle the issue presented under Figure 1.



$$D1 \Longrightarrow minRAM = 70\% - max(0; LF_{calc} + LF_{accept})$$

$$D1' \Longrightarrow minRAM = 70\% - (LF_{calc} + IF_{calc} - 30\% - RM)$$

- FEBEG would welcome more information on the output of the parallel run. We would request at least:
  - The same data that are currently published in the context the CWE FB Market Coupling.
  - Full transparency on the RA used in this context (cf. art 8.a.i).