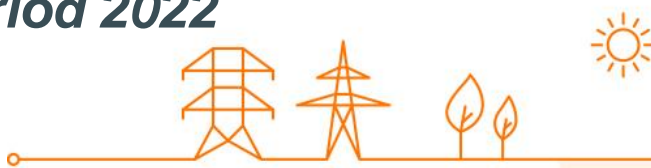


CONSULTATION REPORT

**Report on the public consultation
regarding *the proposal to extend the
validity of the Terms and Conditions
applicable to providers of voltage and
reactive power control service
including the standard contract for the
delivery of the voltage and reactive
power control service (T&C VSP) for
the contractual period 2022***

18th of March 2021



Contents

1. Introduction 3

2. Feedback received 3

3. Instructions for reading this document 3

4. Comments received during the public consultation 4

4.1 General comments received during the public consultation 4

5. Next steps 9

1.Introduction

Elia organized a public consultation from *the 2nd of February 2021 to the 22th of February 2021* regarding the proposal to extend the validity of the Terms and Conditions applicable to providers of voltage and reactive power control service including the standard contract for the delivery of the voltage and reactive power control service (T&C VSP) for the contractual period 2022.

The purpose of this report is to consolidate the feedback received from the public consultation, while at the same time reflecting Elia's position on these reactions.

2. Feedback received

In response to the public consultation, Elia received the following non-confidential replies from the following parties:

- *Belgian Offshore Platform (BOP)*
- *Distribution System Operators (Fluvius, ORES, RESA and Sibelga)*
- *FEBEG*
- *Febeliec*

These reactions, together with this consultation report, will be made available on Elia's website.

3.Instructions for reading this document

This consultation report is structured as follows:

- Section 1 contains the introductory context,
- Section 2 gives a brief overview of the responses received,
- Section 3 contains instructions for reading this document,
- Section 4 discusses the various comments received during the public consultation and Elia's position on them,
- Section 5 discusses the next steps.

Section 4 of the document is structured as follows with additional information on the content per column below.

Subject/Article/Title	Stakeholder	Comment	Justification
A	B	C	D

A. Subject matter covered by the various responses received.

B. Stakeholder providing the comment.

C. Description of the comment received.

D. Elia's arguments as to why a comment was or was not included in the final proposal

4. Comments received during the public consultation

4.1 General comments received during the public consultation

This section provides an overview of the general reactions and concerns of market players that Elia received to the proposal submitted for consultation.

SUBJECT	STAKEHOLDER	FEEDBACK RECEIVED	ELIA'S VIEW
General	BOP	<p>Extension for the contractual period 2022</p> <p>The current version of the T&C VSP is valid for the contractual period 2021. Elia proposes to extend the validity with a period of one year, i.e. the contractual period 2022.</p> <p>BOP understood the target design of the voltage and reactive power control service implies an elimination of the current tender procedure and a change to a regulated contract with regulated tariffs for the voltage and reactive power services.</p> <p>BOP accepts that the validity of the T&C VSP would be extended for another year and also sees reasons for extending the T&C VSP for a period of 2 years, covering the contractual periods 2022 and 2023.</p>	<p>Elia thanks BOP for supporting the approach of extending the validity of the T&C VSP for the contractual period 2022.</p> <p>Concerning an extension of the validity of the T&C VSP for the contractual period 2023, Elia takes due note of BOP's suggestion. As mentioned during the public consultation, Elia intends to assess at the end of 2021 the elements that might trigger a need for evolution of the T&C VSP. Those are at least the return of experience of 2021 and the situation of the regulatory and legal framework. .</p> <p>Regarding the benchmarks and analyses, Elia refers to the design note¹ of the service for voltage and reactive power control of 2018 as well as the presentation in the different working</p>

¹ The design note is available [on the Elia website](#)

		<ul style="list-style-type: none"> As the current regulatory period will end in 2023, the discussion and public consultation on the regulated tariffs and related methodology to set the tariffs for the voltage and reactive power services can be introduced in the framework of the revision of all the tariffs for the period 2024-2027. The VSP services are only mandatory for the offshore wind parks since the beginning of 2021. So there is not yet any historical data available for a proper determination of the related tariffs and it would be good to be able to integrate the lessons learned and data analysis with regard to one entire service period. In order to properly analyse the impact of the Voltage Services, a technical analysis is required based on at least a full year of operational data, which makes it quasi impossible to design and discuss the methodological framework for the related tariffs in 2022. Ahead of the tariff setting in the new regulatory regime, BOP would like to request Elia for reasons of transparency to provide a copy of the related DNV GL Study and the Consentec Benchmarking Study. It would also be good to understand the relationship between the cost per MVARh in the current Elia tariffs and the tariffs (that would be) applicable for the VSP services. Considering the work load involved for discussing and implementing all the changes related to the Elia services, one extra year 	<p>groups² that describe the results of the different studies and benchmarking.</p> <p>Concerning the link with the tariffs: Elia also refers to the presentations made in working group Belgian Grid³ concerning the link between the tariff and the VSP service and invites market parties to contact their respective key account managers in case of specific questions.</p>
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² The presentations are available on Elia website: [WG Balancing 21/09/2017](#)

³ The presentations are available on Elia website: [WG Belgian Grid 14/11/2019](#), [WG Belgian Grid 04/02/2020](#), [WG Belgian Grid 24/06/2020](#)

		will be most welcome for all parties involved. In our opinion, this contractual change is not the most urgent topic.	
General	Distribution System Operators (Fluvius, ORES, RESA and Si-belga)	<p>DNB's wensen Elia te danken voor het constructieve overleg m.b.t. het voor de netbeheerders belangrijke aspect van spanningsbeheer en meer specifiek het beheer van het reactief vermogen in hun netten. De DNB's appreciëren het feit dat Elia onderschrijft dat de aard van deze ondersteunende dienst, gelet op de specificiteiten inzake lokalisatie en de impact van de actuele nettopologie, fundamenteel verschillend zijn t.o.v. de gehanteerde aanpak bij het leveren van balanceringsdiensten door distributienetgebruikers, gefaciliteerd door de DNB in zijn rollen als netbeheerder en als databeheerder.</p> <p>De DNB's herhalen dan ook graag hun positie uit het verleden, behoudens wijziging in het wettelijk kader. De DNB's onderschrijven uiteraard dat de dienst van regeling van het reactief vermogen en handhaving van de spanning als niet-frequentiegerelateerde ondersteunende dienst door de DNB's zal worden ontwikkeld volgens transparante, niet-discriminerende en marktgebaseerde procedures. Deze procedures worden opgesteld in transparant en participatief overleg met alle marktpartijen, onder goedkeuring van de gewestelijke reguleratoren.</p> <p>In tegenstelling tot balanceringsdiensten, is de ondersteunende dienst van het spanningsbeheer via regeling van het reactief vermogen sterk afhankelijk van de locatie van het dienstverleningspunt, van de topologische configuratie van het netwerk, van de wijze waarop dit reactief vermogen zich voortbeweegt op het net, en de wijze waarop de dienst wordt gemeten en gevalideerd (nl. op het koppelpunt met het Elia-net). Bijgevolg zijn wij van mening dat het technisch noodzakelijk is dat de DNB als netbeheerder de partij is die eventueel beschik-</p>	<p>Elia thanks the Belgian DSO's for supporting the proposal to extend the validity of the current T&C VSP for the contractual period 2022.</p> <p>Elia also thanks the DSO's for confirming their position concerning the delivery of the voltage and reactive power control service at the DSO – TSO interconnection point as well as the role of the DSO acting as VSP for Elia. Elia takes note that DSO's do not request a review of this mechanism at this moment.</p> <p>Elia finally agrees with the DSOs that eventual modifications of the regional legal framework should be carefully considered when assessing the future possible modifications of the T&C VSP.</p>

		<p>bare potentiële reactiebronnen die de DNB niet zelf aanwendt voor de spanningshuishouding (dieperliggend in zijn net of op het koppelpunt met Elia) ter beschikking stelt aan Elia. Het is aan de DNB om na te gaan of dit beschikbaar potentieel kan worden ingezet binnen de grenzen van operationele veiligheid en rekening houdend met de actuele nettoestand.</p> <p>De DNB's steunen bijgevolg het voorstel van Elia tot verlenging van de huidige T&C VSP. We zijn ons bewust van paragraaf 3.1.5 van de beslissing van de CREG dd. 28/05/2020 over het voorstel van Elia m.b.t. de modaliteiten en voorwaarden van toepassing op de aanbieders van de regeling van het reactief vermogen en van de handhaving van de spanning. We menen evenwel dat een herevaluatie vandaag nog niet aan de orde is (onder meer door het ontbreken van een regionaal wettelijk kader).</p> <p>We verduidelijken dat de DNB niet noodzakelijk zelf als VSP tussen DNB en DNG, doch wel als enige partij als tussenpersoon richting Elia kan fungeren. De DNB zal voor het contracteren van de dienst richting de DNG een beroep kunnen doen op een of meerdere FSP's (dienstverlener van flexibiliteit), hier meer specifiek op één of meerdere VSP's (voltage service provider). De DNB's dienen er met het totaal potentieel eerst voor te zorgen dat ze voldoen aan de voorwaarden voor reactieve energie (art. 15 DCC) en, indien nodig, zorgen voor een goed beheer van de reactieve energiefactuur die door de TSO wordt opgesteld. Pas wanneer aan deze voorwaarden is voldaan, levert de distributienetgebruiker de ondersteunende dienst via de VSP aan de DNB, die zijn ongebruikt potentieel op het koppelpunt aan Elia ter beschikking stelt.</p> <p>De DNB's denken na over een graduele opening van het distributienet voor deze dienst, waarbij distributienetgebruikers rechtstreeks aangesloten op het</p>	
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		koppelpunt DNB-TNB als eerste, via de DNB, deze dienst zouden kunnen leveren, en dit naar analogie met de graduele openstelling van de distributienetten voor balanceringsdiensten, waar sinds 2014 aan gewerkt wordt.	
General	FEBEG	<p>Following the discussion regarding the balancing roadmap for 2021 which is extremely dense (if not overloaded) we welcome Elia's initiative to move the consultation on a revised T&C VSP backwards and to extend with one year the current Terms and Conditions (T&C).</p> <p>Obviously our past comments on the ELIA's public consultation on the last version of the Terms and Conditions Voltage Service Provider (T&C VSP) of 24/02/2020 are still applicable insofar these would not yet have been considered.</p> <p>We look forward at the upcoming future consultation and ELIA's commitment to duly consider the feedbacks on the new design and the concerns from the market players. In this context, we insist on the market procedure (tendering) to be kept also beyond 2022.</p>	<p>Elia thanks FEBEG for the supportive comment on its proposal. Elia also confirms that previous FEBEG comments have already been considered during the last public consultation of the T&C VSP.</p> <p>Elia would like to remind that the target design for the voltage and reactive power control service has been described in a design note in 2018. In this document, Elia described the future vision concerning the procurement of the service evolving from a tendering procedure with free prices to a general obligation to provide (for some technical units) – or voluntary participation for other technical units – with regulated price(s). Elia's intention is still to implement the target design, yet depending on the necessary related modifications of the legal framework.</p>
General	Febeliec	At this point, Febeliec has no concrete points regarding this consultation on the one year extension of the current approach regarding the T&C VSP. Febeliec however insists that the discussion regarding potential modifications for the delivery period 2023 is started in due time, in order to allow the stakeholders to have an in-depth discussion.	Elia takes note of Febeliec's position. Elia confirms that potential needed modifications of the T&C VSP for the delivery period 2023 resulting from return of experience and/or change of legal framework will be assessed at the end of 2021 and discussed with market parties in due time.

5. Next steps

On the basis of the reactions received from market players and its views, as set out in this consultation report, Elia will submit her proposal and this consultation report to the CREG. A non-confidential version of the consultation report will be published on Elia's website after the submission to the CREG.

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