

*REstore response  
to ELIA's consulted Transfer of Energy Rules*

### Summary

- 1) **In the interest of a non-discriminatory market access, Transfer of Energy shall be extended to intraday & day-ahead markets as of 2019;**
- 2) **REstore welcomes the proposed Baseline methodologies, and asks for clarification with regard to an extension of the Baseline “High X of Y” to the Bidladder;**
- 3) **REstore requests a review of the technical requirements for sub-metering, applying proportionate accuracy requirements comparable to the existing solution in R1;**
- 4) **REstore renews its call to prioritize reserved bids over non-reserved bids for settlement of combo activations;**
- 5) **REstore asks for clarification in the Transfer of Energy Rules with regards to a specific case of “opt-out”.**

### Introduction

REstore very much welcomes the consultation by ELIA, which is of highest importance. REstore is a European-wide demand response aggregator, which has gathered solid experience with its patented technology enabling a portfolio-based approach in the Belgian, German, UK and French markets.

In principle, REstore welcomes ELIA's proposals to introduce Transfer of Energy (ToE) for the tertiary reserve as well as the strategic reserve. However, REstore challenges some implementation aspects and provides constructive proposals regarding the timeline for intraday and day-ahead, baseline methodologies, sub-meter requirements, allocation of settlement energy and specific “opt-out” cases.

### Remarks on ELIA's proposed Transfer of Energy Rules

- 1) In the interest of a non-discriminatory market access, ToE shall be extended to intraday & day-ahead markets as of 2019

REstore opposes the phased approach proposed in Chapter 5, as already indicated in previous consultations with regard to the Transfer of Energy during 2017 and 2018. Indeed, implementing ToE for intraday and day-ahead markets at the earliest in 2020 is a too distant time horizon.

While REstore recognizes that the extension to these markets requires adaptations and therefore additional work, this does not justify such significant delays. A more ambitious approach for an early implementation as of 2019 seems feasible and necessary, in order to guarantee a non-discriminatory market access for independent aggregators as well as sites outside of supply contracts. In particular, the preliminary study proposed in CREG's decision project (PRD)658E/52<sup>1</sup> shall not unnecessarily delay the implementation by 9 months or more.

<sup>1</sup> Projet de décision sur les objectifs à atteindre par Elia en 2019 dans le cadre de l'incitant laissé à la discrétion de la CREG visé à l'article 27 de la Méthodologie Tarifaire (Chapter 4.1): Dans le but de favoriser l'adéquation entre l'offre et la demande, et après consultation d'Elia, la CREG décide de conditionner l'octroi de l'incitant financier de 2.000.000,00 € à la réalisation, au cours de l'année 2019, des cinq objectifs suivants dans les délais impartis. Bien entendu, et tout comme cela fut le cas pour un incitant relatif à l'année 2016 et à l'année 2018, la CREG se réserve le droit de modifier, après consultation d'Elia, l'objectif lié à un incitant si des événements non-anticipés nécessitent une modification de celui-ci. [...] Mise en place du ToE sur les marchés DA et ID : Réalisation d'une étude relative aux conditions requises pour permettre le transfert d'énergie sur les marchés day

A timely introduction of ToE for intraday and day-ahead markets shall ensure compliance with Articles 3(1)(e)<sup>2</sup> and 3(1)(f)<sup>3</sup> of EU Regulation 2017/2195 establishing a guideline on electricity balancing (EBGL), stating the objective of a level playing field for all balancing services, including aggregation facilities and energy storage, and aiming at avoiding undue barriers to entry for new entrants.

To avoid the regulatory risk of maintaining competitive distortions, and to increase overall welfare for end consumers, REstore urges ELIA to question the proposed phased approach. Instead, ToE shall be extended to intraday and day-ahead markets as of 2019.

2) REstore welcomes the proposed Baseline methodologies, and asks for clarification with regard to an extension of the Baseline “High X of Y” to the Bidladder

In general, REstore welcomes the two options proposed for the Baseline methodology for non-CIPU R3 Flex in Chapter 9.2.1, i.e. the option based on the last 15min preceding the activation and the option “High X of Y”. As presented during the Task Force “Implementation Strategic Reserve” meeting from July 9<sup>th</sup> 2018, the description of the Baseline methodology “High X of Y” for R3 Flex has been transferred from the Functioning Rules to the ToE Rules.

However, REstore’s understanding of the current proposal is that the methodology “High X of Y” does not apply to the Bidladder. As such, the methodology based on the last 15min preceding the activation will become the only viable option in case of a combination of reserved and non-reserved bids.

REstore asks ELIA to clarify if it is planned to extend the Baseline “High X of Y” to the Bidladder, in order to allow a combination of reserved and non-reserved bids.

3) REstore requests a review of the technical requirements for sub-metering, applying proportionate accuracy requirements comparable to the existing solution in R1

As stated on previous occasions, REstore requests ELIA to review the general technical requirements for sub-metering solutions referred to in Chapter 10.3<sup>4</sup>, which date back to February 2015.

Indeed, the accuracy levels described over three years ago in the technical specifications are not adapted to the current market environment, where aggregated portfolios are typically dimensioned for a limited number of activation, e.g. less than 10 hours per year.

Furthermore, the document clearly states that common technical requirements only apply to metering installations installed after 15/3/2015<sup>5</sup>. For existing meters dated pre 15/03/2015, lower accuracies should continue to be applied, as was the case until now.

---

ahead et intraday ainsi qu’aux dispositions à mettre en oeuvre pour permettre le transfert d’énergie sur plusieurs marchés à partir d’un même point de livraison. L’étude envisagera également les cas de plusieurs fournisseurs et/ou plusieurs ARP et/ou plusieurs FSP par point de fourniture pour les marchés où le transfert d’énergie est prévu dans la loi. Avant sa remise à la CREG, cette étude aura été soumise à la consultation des acteurs du marché. (Date de réalisation : 30 septembre 2019)

<sup>2</sup> 2017/2195, Article 3(1)(e): This Regulation aims at [...] ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue distortions within the internal market in electricity

<sup>3</sup> 2017/2195, Article 3(1)(f): This Regulation aims at [...] facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility

<sup>4</sup> [http://www.elia.be/~media/files/Elia/users-group/Taskforce%20Strat%20Reserve/Winter\\_2015-2016/General\\_technical\\_requirements\\_submetering.pdf](http://www.elia.be/~media/files/Elia/users-group/Taskforce%20Strat%20Reserve/Winter_2015-2016/General_technical_requirements_submetering.pdf)

<sup>5</sup> General technical requirements of the submetering solution (page 1): Common technical requirements applying to new (installed after 15/3/2015) metering installations

Finally, looking at Closed Distribution System (CDS) cases, the General Framework for Tertiary Control by Non-CIPU Technical Units<sup>6</sup>, the General Modalities C8-02<sup>7</sup> and the Technisch reglement distributie elektriciteit<sup>8</sup> refer to the usage of existing meters as long as there is no change of supplier or as long as no new meters have been installed. ELIA allows settlement with existing sub-meters for CDS, and should do so for TSO connected Delivery Points, in order to avoid discriminatory treatment.

REstore therefore requests a review of the technical requirements for sub-meters, using proportionate accuracy requirements comparable to the solution in R1<sup>9</sup>.

#### 4) REstore renews its call to prioritize reserved bids over non-reserved bids for settlement of combo activations

As underlined by BDRA in its response to the R3 design note consultation, REstore challenges the proposal from ELIA in Chapter 11.3, providing priority to non-reserved bids over reserved R3 Standard and R3 Flex for the settlement of the activated energy.

The priority given during the settlement to volumes offered on the Bidladder before allocating the remaining to the reserved bids will create risks of higher penalties that will not incentivize BSPs to offer all the remaining MWs on the Bidladder. If not inverted, offering additional non-reserved volumes to the Bidladder will come with too much risk to also see the reserved volumes penalized in case of partial under-delivery. Since the reserved R3 is the one with a specific penalty linked to the obligation to be available (risk to get lower MWs certified if 2 activations are missed), the volumes of these offers should be prioritized. Bidladder volumes should only be penalized for the missing MWs at the imbalance price.

In case of simultaneous activation of R3, REstore therefore asks to prioritize reserved bids over non-reserved bids for settlement of combo activations.

#### 5) REstore asks for clarification in the ToE Rules with regards to a specific case of "opt-out"

REstore faces a specific case which does not seem to be addressed in the currently proposed ToE rules.

In case of a portfolio consisting of several delivery points with a net offtake positive, and one (or more) delivery points with a negative offtake (i.e. net injection point(s)), it remains to be clarified how the so-called "opt-out" arrangement will be applied.

REstore's understanding is that the ToE will automatically apply to all delivery points with a positive offtake as negotiated between FSP and supplier, and that delivery point(s) with a negative offtake will be maintained in R3 according to a specific "opt-out" arrangement for these injection point(s).

REstore therefore asks ELIA to clarify this specific case of the "opt-out" arrangement in the ToE rules.

---

<sup>6</sup> General Framework for Tertiary Control by Non-CIPU Technical Units (Annex 6.B): The CDS Operator must use the metering facilities (already) associated with Delivery Points within a Closed Distribution System in relation to their invoicing obligations regarding their CDS access points

<sup>7</sup> C8-02 – Modalités générales pour le placement et la gestion de compteurs dédiés dans le cadre des produits R3 et SDR d'ELIA (Chapitre 2): Si, à la date de publication du présent document, l'URD dispose déjà d'un compteur dédié et souhaite utiliser celui-ci dans le cadre d'un des produits d'Elia faisant appel à la flexibilité des URD (à l'exception des réserves primaires), le GRD s'engage à évaluer la conformité de ce compteur dédié avec le règlement technique et avec ses propres exigences techniques et à rechercher, si possible, la solution optimale d'un point de vue technico-économique permettant d'utiliser ce compteur dédié existant, de l'intégrer dans les systèmes end-to-end du GRD, tout en offrant à celui-ci toutes les garanties nécessaires pour qu'il puisse assumer l'ensemble de ses responsabilités. Chaque situation étant différente, le GRD effectuera cette analyse au cas par cas.

<sup>8</sup> Technisch reglement distributie elektriciteit (Article V.4.1.4): De meetinrichting op een achterliggend toegangspunt voldoet aan de minimale nauwkeurigheidsvereisten opgelegd aan de elektriciteitsdistributienetbeheerders overeenkomstig Afdeling V.2.3 zodra er een leverancierswissel plaatsvindt op dit achterliggend toegangspunt en in elk geval bij een vervanging van de meetinstallatie of de plaatsing van een nieuwe meetinstallatie voor het achterliggend toegangspunt, voor zover geen andere regelgeving ter zake geldt.

<sup>9</sup> General Framework for Frequency Containment Reserve Service by Non-CIPU resources (Annex 16. Rules and specifications for measurements and frequency data)