Fluvius reaction to public consultation on CRM (part 2 – 02/10/2019)

Main remarks

Detailed remarks for each individual design note are given below. In this first section we summarize what we feel to be the main remarks on the current design.

Grid constraints

The proposed mechanism does not solve the issue that we have presented in the taskforce. Grid constraints are only applied to new capacity whereas the problem is caused by existing grid users with demand response. The constraints are only applied to CRM participants whereas most of the DSO-connected production will most likely not be eligible. A similar issue occurs when obligations are transferred in the secondary market. Since there is currently no alternative solution that can be guaranteed, it is important to maintain the option to apply grid constraints in the auction algorithm and in the secondary market.

DSO responsibilities

The design documents are somewhat vague on the DSO responsibilities. They state that DSOs will do all technical verifications for DSO-connected capacities, which we think is suboptimal (e.g. ability to connect to auction platform). On the other hand, they state that the reference power for DSO-connected capacities will be computed by Elia, which we believe is also suboptimal (as it requires to transfer large amounts of historical 15' values to the datahub for CMU that will eventually not be qualified for or selected in CRM). It would help to make the DSO responsibilities more explicit in the design notes.

Evolution of eligible volume

There is no reference to the fact that the (nominal) reference power and therefore the eligible volume may change as a result of an NFS study. We propose to clarify that a change consecutive to an NFS study, will lead to an updated CRM Candidate – DSO agreement and consecutively an adaptation of eligible volume by Elia.

Remarks on Prequalification and predelivery monitoring

- The design note refers to further detailing of DSO related requirements. Do these need to be included in the design notes?
- We suggest to add that the "written confirmation of feasibility of the capacity connection" is provided through the DSO-CRM candidate agreement
- Page 28 states that "the CRM Candidate will deliver the required technical information to the concerned DSO(s) so the specific verifications detailed in this contract can be performed." We propose to clarify that the DSOs will perform some of the verifications (those related to the DSO grid, e.g. metering requirements), but not all (e.g. not the ability to connect to the auction platform)
- We propose that the reference power determination using method 1 & 3 for DSO-connected capacity be performed by the DSO. This avoids the need to duplicate historical 15' data on the mFRR platform as well as data from CMU's that are not selected in the CRM auction
- With reference to page 37, we request that the Eligible Volumes of DSO-connected capacities be shared with the DSO as well

- With reference to chapter 5 (page 40) we point out that the (nominal) reference power of a CMU – and hence the eligible volume – may change as a result of an NFS study. This update possibility should also be foreseen in the design.

Remarks on Auction process

- We suggest to consider adding contract duration as a tie-breaker in the selection process as a longer agreement means a longer commitment and a barrier to phase out the CRM mechanism
- We point out that the current proposal to only apply grid constraints on CRM participants and for additional capacity does not ensure grid feasibility for the distribution grid in all circumstances, at least not within the context of the current grid code. We therefore repeat our request to foresee, as a last resort, the means to apply a limit on the amount of DSR-based capacity that is selected in the auction clearing, should this capacity lead to potential congestion that cannot be otherwise resolved
- We propose to add a reference to the DSO-CRM candidate agreement as a precondition for prequalification and participation in the CRM auction
- We ask to clarify what is meant by “external constraints could be facilitated” on page 30

Remarks on Derating factors

- We propose that the maximum capacity and contribution during near scarcity for RES and non-RES (page 25) would be calculated by the DSOs

Remarks on Secondary market

- A transfer of obligation from one capacity holder to another may cause the same grid feasibility issue as in the primary auction (e.g. when the obligation is transferred from a production facility to a demand response provider in a grid area with a congestion risk caused by injection). We therefore propose to include a means to apply grid constraints in the secondary market.

Remarks on Payback Obligation

No remarks