Consultation report on “Rules for Coordination and Congestion Management”

Public Consultation held between 16/09/2019 – 16/10/2019

25/10/2019

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INTRODUCTION

The aim of the consultation of the Rules for Coordination and Congestion Management was to receive feedback of the stakeholders on these documents. The consultation was launched on 16 September 2019 and ended on 16 October 2019. The consulted document can be found on the website of Elia.

This documents reflect the current "as-is" situation and describe the operational rules for Elia on coordinating technical units subject to outage planning and scheduling obligations as well as rules regarding the management of congestion risks.

Elia has presented this document to stakeholders during a workshop 25th of September 2019.

Elia has received feedback during this workshop. The minutes of this workshop are added in point 5.

Elia has received individual feedback on the documents from the following stakeholders:

- Febeliec
- FEBEG
- Belgian Offshore Platform (BOP)
- Statkraft

This consultation report reflect the received feedback of the stakeholders. Most of the received inputs are requests for clarification.

1. General remarks

In this section, the general remarks received on the consultation note are grouped together.

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019 **& Febeliec**	Regarding the need to have some clarification regading the methodology used to identify the number of Electrical Zones as well as where to find information regarding the actual number of electrical zones.
Answer ELIA	
Some clarification has been added regarding the methodology in the Rules in a footnote linked to the definition of Electrical Zone(pg 10), more specific "If the need for an Operational Security Analysis is detected Elia will present its analysis to the impacted market parties before adapting the number of electrical zones. Before implementing the update of the number of electrical zones the impacted market parties will be informed of the moment from which the update will apply." Furthermore at the moment of submitting the Rules the actual number of electrical zones is available in the B2B application. This information is not added in the Rules to avoid to trigger the amendment procedure if this changed in the future.	

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019	Regarding the need for clarification of the link between must run and may not run used in the rules and the terminology used in the T&C OPA and T&C SA.
Answer of ELIA	
Elia agrees to add a clarification in the definition of must run and may not run in the Rules. • For May-Not-Run Active Power Schedule : Depending on the procedure engaged, May-Not-Run Active Power Schedule (MNR) has different names in T&C OPA and T&C SA, namely May Not Run (in Stand by procedure) and May Not Ready-to-Run (in Ready to run procedure). • For Must-Run Active Power Schedule : Depending on the procedure engaged, Must-Run Active Power Schedule (MR) has different names in T&C OPA and T&C SA, namely Stand by Reserved (in Stand by procedure) and Ready to Run Reserved (in Ready to run procedure).	

Stakeholder	Feedback of Stakeholder
Febeliec	Febeliec takes note that the scope for these rules are those technical unites that are subject to the terms and conditions for outage planning agent and scheduling agent. Febeliec can support this approach in the framework of the terms and conditions for outage planning agent and scheduling agent that are consulted in parallel with this consultation on rules for coordination and congestion management. Febeliec however wants to point out that it will be essential to consult again on these rules for coordination and congestion management in the future, when those terms and conditions will be modified, in order to make sure that all aspects are aligned
Answer of ELIA	
Elia appreciates Febeliec's support on this approach and share Febeliec's point of view regarding the future consultations.	

Stakeholder	Feedback of Stakeholder
Febeliec	On the definitions, […] on definition 4 (conditional outage) where the numbering of the second bullet has disappeared and where "consequence towards the terrain" should be reformulated as the scope is presumably not geographical
Answer of ELIA	
Elia added a clarification on the definition: *There are 2 types of conditions:* 1. *Conditions with an unpredictable character, e.g. wind, solar, international flux … There can be more favourable periods to plan the outage, however, there will always be a validation to be done in Day Ahead. For this type of outage, there is a consequence towards the* ***organization of the maintenance work****, since back-up works have to be prepared*. .	

Stakeholder	Feedback of Stakeholder
FEBEG	The objective of this proposal of 'rules for coordination and congestion management' is to bundle all rules with regard to coordination and congestion management into a new regulated document to be approved by CREG. In principle this first version of the document describes the existing situation, i.e. 'as is'. Nevertheless, the proposal raises several concerns: -

	• Market parties are not by definition supporting the existing rules for coordination and congestion management, i.e. remuneration, mechanism of 'red zones', … - • Market parties have at this moment no clear view – nor any guarantees – on the future evolution of the congestion management rules, e.g. abolishment of 'red zones': to what extent will all elements of the iCAROS design note be effectively implemented? • Although the proposal in principle only describes the existing situation, market parties have the impression that this description is not neutral but already paving the way for the evolution of the congestion management rules in a certain direction, e.g. excluding market based compensation although favored by the Clean Energy Package; • Market parties are also of the opinion that the proposal fully cover the rights of Elia, but to a lesser extent describes the rights and/or guarantees for market parties, e.g. market parties welcomed the proposals of Elia to shift to an hourly granularity and to implement intraday updates of the red zones but don't see this reflected in the document. For the above reasons, FEBEG would like put forward a clear disclaimer preserving the right to later on oppose and question the proposed 'rules for coordination and congestion management'.
Answer of ELIA	
Elia wants to clarify that these rules cover the "as-is" situation. In this version of the rules no new design elements as proposed by Elia in the framework of the iCAROS project were introduced as agreed with significant grid users and DSO's. As such these rules should be seen as a first step of a transitionary period that ends with the introduction of the new design elements as proposed by Elia in the framework of the iCAROS project. The future evolution of these rules in the framework of the implementation of ICAROS project will always be coordinated with DSOs and SGU before the launch of any public consultation. During the public consultation following the coordination with DSOs and SGUs, FEBEG will have the opportunity as will any other stakeholder to oppose and question the new proposed version of the rules.	

2. Remarks regarding the Rules for the Coordination of Technical Units

In this chapter, the feedback on the Rules for the Coordination of Technical Units are grouped

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019	Regarding to use of the term “request” instead of “demand” in the rules given the later suggest that the OPA cannot refuse the requested amendment requested by Elia.
Answer of ELIA	
Elia has deleted the word “demand” in Article 6(3) given the OPA can refuse the request of Elia.	

Stakeholder	Feedback of Stakeholder
Febeliec	On article 5, Febeliec would like to stress that this should be linked to the coordinability of these units, as some might be only limited or not at all coordinable (e.g. process-driven generators, cogenerators, …). This comment also applies to article 7, where requests can only be honoured if technically feasible (and does not create a safety concern for the concerned installations). In any case, Febeliec appreciates that in article 5, but also throughout the document, the criterion of execution at lowest cost is applied by Elia in the selection process
Answer of ELIA	
These technical feasibilities to honor the request are part of T&C OPA Art.II.12.1 and as defined in Annex 1 of T&C OPA and T&C SA and as such are taking into account when Elia requests an amendment of an availability plan or a Must-Run or (Partial) May-Not-Run Active Power Schedule.	

3. Remarks regarding the Rules for the Congestion Management

In this chapter, the feedback on the Rules for Congestion Management are grouped

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019 **& Febeliec**	Regarding to use of the term asynchronous "activation" of compensation bid is replaced by the term asynchronous "selection" of compensation bid, given that although selected at different timeframe the activation will take place for the same time period
Answer of ELIA	
Elia has replaced the word "activated" in Article 14(4) by the word "selected".	

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019	Regarding how market parties can be aware that a zone is red.
Answer ELIA	
At the moment of submitting the Rules**,** Elia informs through the B2B channel and from the end of Q1 2020 also a non-binding publication through the Elia website is foreseen. This information is not added in the Rules to avoid to trigger the amendment procedure if this changed in the future.	

Stakeholder	Feedback of Stakeholder
Febeliec	On article 10, point 2.a.ii, Febeliec would like Elia to clarify where the information on the possibilities for topological modifications and/or tap changes of PSTs can be found, as it is currently unclear which means elia has in its arsenal in this context
Answer of ELIA	
After additional clarification with Febeliec, it became clear that they are looking for which remedial action at which cost is used for which congestion. The publication of this information is currently under discussion with CREG in the context of the incentive on *"Improvement of transparency as regards the detection and management of Congestion"* defined in the CREG decision (B)658E/52 of 28 June 2018.	

Stakeholder	Feedback of Stakeholder
FEBEG	Art 13.6 We wound consider that the TSO requesting has to set the capacity to 0 in order not to aggravate the congestion risk
Answer of ELIA	
Elia confirms that the TSO requesting can eliminate the intraday available transfer capacity on the affected border in the direction of the Congestion by decreasing the capacity.	

Stakeholder	Feedback of Stakeholder on …
FEBEG	Art 13.9 If Elia is the requesting TSO, we presume the compensation is done by the assisting TSO?
Answer of ELIA	
In case of a Cross-Border Redispatching or Countertrading activation, both TSOs need to compensate locally for the updated cross-border exchanges. Compensation is needed at both sides to make the solution balanced in each control area.	

Stakeholder	Feedback of Stakeholder
FEBEG	Article 14 and Article 17.6.ii : We would like to emphasize that the TSO (Elia) needs to neutralize and not only minimize the system imbalance within its congestion management. Within this respect we refer to EBGL Art 30.1.b,d and e which clearly indicates that internal congestion management shall not set the marginal price of balancing energy We understand that no (in)direct effect on the balancing price should be accepted by the market participant and a fair market based remuneration needs to be respected for any balancing bid. If there is an indirect effect on the balancing price because balancing bids (free or reserved) have been applied for congestion management, the balancing price no longer gives the correct price signal or incentives to the market participants. Additionally, we would like to point out that in art 13.3 of the electricity regulation it is also stated that non-market based redispatching is to be applied in case all available market based resources have been used.

Answer of ELIA
Elia confirms that the objective of the compensation is to reduce as much as possible (and if possible neutralize) the effect of the congestion management on the system imbalance of the Elia Control Area. However, a complete neutralization of this impact is not possible to achieve in all situations (e.g. in case of limited availability of the compensation means). The impact of compensation bids on the marginal price of balancing is not in the scope of the Rules for Coordination and Congestion Management as it is related to balancing principles. These principles are detailed in the Balancing Rules document. Regarding the question related to the article 13.3 of the Electricity Regulation, Elia refers to the answer here below on the question regarding the article 16.1.

Stakeholder	Feedback of Stakeholder
FEBEG	Article 15.2: Could you please clarify how the significantly disproportionate costs are defined
Answer of ELIA	
Elia reminds that the main principle of Article 15.2 consists in prioritizing the electricity produced from renewable energy sources or high-efficiency cogeneration. Nevertheless, the article 13(6) of the Electricity Regulation foresees situation that the TSO can deviate from that rule in some situations. Elia has integrated in the Article 15.2 this possibility of deviation at the condition stated by the Electricity Regulation. In practice, in most of the situations, if Elia uses the above-mentioned means to solve congestions, it is because there are no other technical solutions that solve that congestion. The situation where another solution exists but with significant disproportionate cost is still theoretical but could happen in the future.	

Stakeholder	Feedback of Stakeholder
FEBEG	Article 16.1: We welcome a sound justification for appealing to the exemption from market based mechanisms (whilst defining that mFRR bids can be used for congestion management).
Answer of ELIA	
Elia wants first to clarify that, in this version of the rules, the exemption from market based mechanism only applies for the congestion bid activated in Day-Ahead (and for instance not for the compensation mechanism). Elia wants to remind and refer to the future design (discussed and agreed between Elia and stakeholders in the framework of the Icaros project) that foresees a “cost-based mechanism for congestion bids” together with the principle of “freedom of dispatch”. This freedom of dispatch has to be combined with cost based bids in order to keep congestion costs at a reasonable level and to avoid situations as listed in article 13.6. For example, market party that triggers a congestion via a schedule amendment can take advantage of the fact that he is the only one aware of the congestion in that area and adapt its congestion bid accordingly. This difference in	

knowledge would lead to discrimination disturbing the principles that drive competitive market-based pricing, especially in case of limited production units located in the zone.

Nevertheless, in the current situation, as it was commonly agreed with stakeholders and DSOs to describe the current "as is" design in this first version of the documents, the above mentioned principles are not yet applied for the ID timeframe. This is acceptable in a first phase as there is not yet freedom of dispatch in ID.

In this proposal, the bids used for congestion and balancing in ID still follow a market-based mechanism. In addition, contracted mFRR energy bids that can be used for congestion management also follow a market-based mechanism (as described in the T&C BSP mFRR).

Stakeholder	Feedback of Stakeholder
FEBEG	Art 16.3 To our understanding the current framework only allows to apply this specific non-market-based mechanism in the Day ahead framework between 15h00 and 18h00. After 18h00 the intraday market based pricing is applicable. Please refer to comment on Art 16.1 in order to detail the justification for the exemption from market based mechanisms. We additionally do not have the option of free dispatching (an no compensation in case of congestion limitations). We duly noted based on the responses to the Icaros Workshop that the proposed T&C SA and OPA are a reflection of the current remuneration mechanism and remain applicable. Nevertheless we wish to indicate that a sound justification for the shift to a non market based mechanism is desirable.
Answer of ELIA	
Elia confirms that the intraday market price is linked to the ID nomination procedure describe in Terms & Conditions Scheduling Agent. Currently the ID nomination procedure start as 18:00 in D-1. Elia confirms that this version of the Rules reflect the current "as-is" situation. The shift to a non-market based mechanism is part of the iCAROS design and therefore out of scope of this document.	

Stakeholder	Feedback of Stakeholder
FEBEG	Art 17.2 We would welcome a clarification in case of IDPCR updates of the schedules which can be considered different as deviations to the daily schedules.
Answer of ELIA	
In Art 17.2, deviations are related to a hypothetical impact of a Technical Unit not following its last confirmed schedules. These hypothetical deviations can be confirmed later via an IDPCR or a balancing activation by Elia.	

4. Remarks regarding of publication and reporting regarding Congestion Management

In this chapter, the feedback on of publication and reporting regarding Congestion Management are grouped

Stakeholder	Feedback of Stakeholder
Workshop 25/09/2019	Regarding need for clarification regarding which information will be publicly available be included in the Rules.
Answer ELIA	
Elia added the following information : Article 19 (1) information published via the ENTSO-E transparency platform : a. Congestion Management measures b. Unavailability of generation and production units Article 19 (3) information about the activation of Costly Remedial Actions by Elia. More specific the following information will be published : a. KPI on the quality of forecasts used as operational input data for the creation of the Individual Grid Models (IGM) b. KPI on the quality of output data c. Information about the timing, power, location, and purpose for activations of Costly Remedial Actions by Elia (including activations for downward Redispatching using Technical Units subject to the Priority Dispatch) d. Historical values of a selection of relevant KPIs.	

Stakeholder	Feedback of Stakeholder on …
FEBEG	Art 19.2 Could you please indicate as from when this will be implemented and therefor publicly available?
Answer of ELIA	
This information is currently under discussion with CREG in the context of the discretive incentive *on "Improvement of transparency as regards the detection and management of Congestion"* **defined in the CREG decision (B)658E/52 of 28 June 2018**. At the moment of submitting the Rules, the objective is to publish this information in from Q2 2020.	

5. Minutes of the meeting of the 4th Fine Tuning workshop iCAROS – focus on the public consultation regarding the T&C OPA and T&C SA and the Rules for Coordination and Congestion Management

In this chapter, the minutes of the meeting of the 4th Fine Tuning workshop iCAROS – focus on the public consultation regarding the T&C OPA and T&C SA and the Rules for Coordination and Congestion Management that took place 25th of September 2019 are added.

MEETING 4th Fine Tuning workshop iCAROS – focus on the public consultation regarding the T&C OPA and T&C SA - that will replace the current CIPU contract and will also be signed by the BRP -, and the Rules for Coordination and Congestion Management.	
Date	**25/9/2019**
Organiser	**Elia implementation project iCAROS**

PARTICIPANTS
1. Michaël Van Bossuyt – Febeliec
2. Margot Van Nuffel – Otary
3. Hugo Canière – Belgian Offshore Platform
4. Michel Ceusters - VYNOVA-GROUP
5. Pauline Ottoy – VREG
6. Lieven Van De Keer – T-Power
7. Wouter Van Melkebeek – Engie
8. Jolien Bruninx – BASF
9. Johannes Schulz - RWE Supply & Trading GmbH
10. Laila Chafaqi – Luminus
11. Halid Sen – Eneco Groep
12. Ludovic Platbrood – Eneco
13. Brutus Artois – Eneco
14. Thibault Lecrompe - Lampiris SA/NV
15. Steven Harlem – Luminus
16. Wim Luyckx - Statkraft Markets GmbH
17. Walter Aertsens - Infrabel
18. Luc Decoster - Fluvius
PARTICIPANTS – ELIA
1. Manuel Aparicio
2. Raphaël Dufour
3. Amandine Leroux
4. Martin Funck
5. Viviane Illegems

1. AGENDA

- PART 1 : Introduction
- PART 2 : Presentation of the T&C OPA and the T&C SA
- PART 3 : Presentation of the Rules for Coordination and Congestion Management.

2. REPORT

PART 1 : introduction:

The agenda of the workshop is presented.

It is clarified that the general conditions that are part of the OPA contract and SA contract are publicly consulted in a separate public consultation during the same time period because these general conditions will apply for all ancillary services.

It is also recalled that these documents reflect the current "as-is" situation and should be viewed as a first step of a transitionary period that ends with the introduction of the new design elements as proposed by Elia in the framework of the iCAROS project. These documents does not introduce any of the new design elements of iCAROS. A process based on fine-tuning workshops vis-à-vis the design of iCAROS is currently on-going with all the relevant stakeholders.

PART2 : Elia presents the T&C OPA and the T&C SA that are currently consulted.

The following responses were collected:

- Participants request to have clarifications on the obligations for PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO. Elia confirms for those units that the objective was that PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO for which already information is provided in the framework of the current CIPU contract could continue doing so but the PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO for which this is not the case would not be obliged to do investments which are not in line with the long term vision of implementing the iCAROS design. The main body of the T&C OPA and T&C SA contains this information. If the T&C OPA and T&C SA are approved by the CREG, only PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO that want on a voluntary basis provide information as specified in OPA contract and SA contract shall sign these contracts. PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO that agree with usage of the default rules will not need to sign the OPA contract or SA contract given that the approval of the T&C OPA and T&C SA by the CREG implies if no further action is taken by these units that they agree with the default rules.
- Participants request clarification on possible impact of PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO that would voluntary opt for providing MW schedules and the requirements this will trigger for these units regarding balancing products. Elia replies that these T&C OPA and T&C SA does not introduce any new requirements and that PGMs and ESDs

type B connected to the Elia Grid directly or through a CDSO should indeed carefully assess the impact set by balancing products before voluntary opting to provide MW schedule information because this is indeed used as a criterion in balancing products to set requirements. However Elia does not expect that besides PGMs and ESDs type B connected to the Elia Grid directly or through a CDSO already doing it today would voluntary opt to sign the OPA contract and SA contract and as such provide the required MW schedules(only option in the as is situation).

- Participants request to have clarification on the obligations for demand facilities. Elia confirms for demand facilities that in these T&Cs in line with the AS IS situation no additional information beside the one already collected in existing processes is requested from demand facilities. This to avoid that demand facilities connected to the Elia Grid directly or through a CDSO would be obliged to do investments which are not in line with the long term vision of implementing the iCAROS design. The main body of the T&C OPA and T&C SA contains this information. If the T&C OPA and T&C SA are approved by the CREG, demand facilities connected to the Elia Grid directly or through a CDSO will not need to sign the OPA contract or SA contract given that the approval of the T&C OPA and T&C SA by the CREG implies that no signature of the OPA contract and SA contract is needed by demand facilities.
- Participants request to have clarification whatever the type of PGM or ESD if these are technical units used in the framework of emergency power supply ("noodvoeding") as defined in article 2 §2 of the Federal Grid Code that these units are exempted for the requirements specified in T&C OPA and T&C SA. Elia agrees to include this clarification in the versions of the T&C OPA and SA that will be submitted for approval to the CREG.
- Participants request clarification what the process would be if the requested amendments consist in amendments of the principles defining the current T&C OPA and T&C SA. Elia replies that every review of the principles shall first be discussed with all relevant stakeholders, only after this discussion a public consultation will take place.
- Participants request clarification regarding the remunerations of amendments in the framework of OPA contract and SA contract. Elia confirms that the existing principles are maintained in this version of the T&C OPA and T&C SA given that these reflect the current as is situation.

PART 3 : Elia presents the Rules for Coordination and Congestion Management.

that are currently consulted.

The following responses were collected

- Participants request clarification on how and when XB relevant assets are identified. Elia replies that these were identified 2 weeks ago in the framework of an ENTSO-E process and SOGL articles 85 and 87 and that the necessary communications will take place in line with the timings specified in the ENTSO-e methodology. However the most recent assessment has not identified any demand facility as cross-border relevant asset. The official communication will take place before 1st of December 2019.
- Participants request to have the following footnote also added in the rules to clarify the link between must run and may not run used in the rules and the terminology used in the T&C OPA and T&C SA.

"Depending on the procedure engaged, Must-Run (MR) and May-Not-Run (MNR) have different names in T&C OPA and T&C SA, namely

MR: Stand by Reserved (in Stand by procedure) and Ready to Run Reserved (in Ready to run procedure)

MNR: May Not Run (in Stand by procedure) and May Not Ready-to-Run (in Ready to run procedure)"

- Participants request to use the term "request" instead of "demand" in the rules given the later suggest that the SA cannot refuse the requested amendment requested by Elia.
- Participants request that current wording regarding the asynchronous "activation" of compensation bid is replaced by the asynchronous "selection" of compensation bid, given that although selected at different timeframe the activation will take place for the same time period.
- Participants request clarification that every congestion bid selection is compensated by a compensation bid also if it is a "Curtailment of an electricity generating Technical Unit" so that there are no consequences for the BRP having the curtailed electricity generating technical unit in its portfolio. Elia clarifies after the meeting that a "Curtailment of an electricity generating Technical Unit" does not result in the activation of a compensation bid and it is up to the BRP to make the necessary adjustments in its portfolio.
- Participants request to have a clarification that the current remuneration practices are maintained. Elia confirms that the current principles in de Day-ahead and intra-day timeframe are maintained in this version of T&C SA and rules. No changes as announced in the framework of the iCAROS design are introduced yet. Remuneration of congestion bids in DA is cost-based and in ID is market-based.
- Participants request to have the given clarification regarding which information will be publicly available be included in the Rules. Elia indicates that a minor amendment in this case would require a new public consultation.

  ENTSO-e Transparency Platform: publication of information regarding

  - Congestion management measures
  - Unavailability of generation and production units

  Elia website (Elia confirms the following information will become available from May 2020 (target date).

  - Quarterly report on Congestion Management including:
  - KPI on the quality of forecasts used as operational input data for the creation of the Individual Grid Models (IGM)
  - KPI on the quality of output data
  - Information about the timing, power, location, and purpose for activations of costly remedial actions by Elia (including activations for downward Redispatching using Technical Units subject to the priority of dispatch)
  - Historical values of a selection of relevant KPIs.

  Elia will assess whether they can add more information in the Rules without jeopardizing possible future evolutions.

- Participants request to add in the Rules info regarding the methodology used to identify the number of Electrical Zones. What is the trigger to assess the number of zones, how are market participants involved and how is the final decision communicated to the market. They also request clarifications on how market parties can be aware that a zone is red. How can they detect this? Elia respond that it will assess how to introduce some minor clarifications in the Rules to accommodate this need.
- Participants request clarification were the application of red zone on balancing bids is explained. Elia explains that today this is described in the T&Cs related to these products.
- Participants request clarification regarding the review process of the coordination rules if T&C OPA and T&C SA are amended. Elia replies that each time an assessment will be done whether

the coordination rules need to be amended are not. If the answer is no then this shall be explained in the accompanying explanatory note.

3. DATE FOR NEXT MEETING

23 October 2019 (exact timing will be confirmed later on)