

Subject: FEBEG comments on ELIA's public consultation on the possibility to combine balancing products on a same delivery point DPpg

Date: 18 November 2022

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FEBEG thanks ELIA for having the opportunity to react ELIA's Public consultation on an analysis of the possibility to offer different types of balancing products and/or to combine the offer of balancing products (FCR/aFRR/mFRR) with the supply of energy in the DA/ID market through ToE on a same delivery point DPpg¹.

The inputs and suggestions of FEBEG are not confidential.

General comments

FEBEG supports the efforts made by Elia to investigate the potential improvements to facilitate the participation to and delivery of the balancing products. We also appreciate the pragmatic approach to assess the market potential, the appetite of market participants and in which extent some products available to market parties were effectively used in the past².

On the other hand, we regret that this analysis focuses to a large extent on what could be improved for DPpg while some elements of the current balancing market design could also be improved to the benefits of DPsu and consequently, increase the social welfare. The concepts of DPsu and DPpg should evolve and converge when it comes to the rights and obligations imposed to the delivery points.

FEBEG wishes to remind the importance of an effective level-playing field. Each technology should have the same rights and obligations at all times, irrespective of their (artificial) label DPsu or DPpg.

¹ https://www.elia.be/en/public-consultation/20221020_Public-consultation-on-an-analysis-of-the-possibility-to-offer-different

² This study indicates that TOE DA/ID was not used by market parties so far. mFRR non-contracted energy bids was not used neither. FEBEG stresses that projects should be prioritized in accordance with the benefits they are expected to bring.

Specific feedback

The study indicates that DPpg do not always have the same possibilities than DPsu. FEBEG wishes to remind that DPsu do not always have the same possibilities as DPpg neither.

For instance, a combo activation aFRR – mFRR can only be performed by DPsu but not DPpg. Similarly, the current market design only allows the aggregation of DPpg but not DPsu on mFRR contracted energy bids. For instance, two DPpg of 25 MW can be aggregated within a pool to deliver contracted mFRR energy bids, while two DPsu of similar size do not have such a possibility.

When it comes to the level playing field, FEBEG wants to make the following remarks.

First, FEBEG wants to challenge the relevance of having a DPsu – DPpg differentiation. We regret that the current market design defines a “cut” between DPpg and DPsu, each of them living in its own world. To the contrary, we see advantages of a convergence of those two artificial concepts and hope it will happen very soon. Some benefits would be a simplification of the T&C’s, of the IT systems, a guaranteed level–playing field, an enhanced grid security (through daily schedules of smaller or demand facilities DP’s³), etc.

Second, if a cut DPsu – DPpg is absolutely necessary, FEBEG believes that iCAROS projects could be a better fit to solve the non–level playing field between DPsu – DPpg. In fact, the market design proposed in the phase 2 of iCAROS will impose obligations to send daily schedules on DP with capacities up to 1 MW as well as demand facilities. In this context of convergence between DPsu & DPpg where many delivery points currently labelled as DPpg will become DPsu, FEBEG believes that iCAROS phase 2 should happen close to phase 1. Next to the large simplification it will bring, it will also be fair as the rights and obligations would be the same for all delivery points irrespective of the technology.

Finally, regarding the potential to move to SOGL concepts of RPU – RPG, we acknowledge that such a move would lead to significant changes of the current T&C’s. This being said, the concept of RPG would bring benefits to the current design as it allows to aggregate Technical units of different connection points. Currently, there are some pure Belgian restrictions associated to the concept of DPsu where no aggregation of Technical units on different connection points is allowed to deliver mFRR contracted energy bids. FEBEG welcomes the possibility to make such an aggregation in accordance with SOGL guidelines.

³ This weakness was raised in the consultation regarding the improvement of the quality of input data for the congestion management.