
Proposal for amendment to Elia's LFC block operational agreement

August 18, 2023 - Version for public consultation

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THE BELGIAN TRANSMISSION SYSTEM OPERATOR, TAKING INTO ACCOUNT THE FOLLOWING,

Whereas

1. Pursuant to Article 6(3)e and Article 119(1) of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (hereinafter "SOGL"), Elia Transmission Belgium (hereafter referred to as "Elia") submitted a proposal regarding the Elia LFC block operational agreement (hereinafter "LFCBOA") to the relevant regulatory authority, the Commission for the Regulation of Electricity and Gas (hereinafter "CREG") for approval. The CREG approved this initial proposal on 27 May 2019. The latest proposal for amendment has been approved by the CREG on July 19, 2023.
2. This document is a proposal for amendment developed by Elia regarding the methodologies and conditions included in the LFCBOA for the Elia LFC block, in accordance with Article 7(4) of the SOGL.
3. Elia consults the stakeholders on the draft proposal in accordance with Article 11 of the SOGL from August 18, 2023 until September 15, 2023.

SUBMITS THE FOLLOWING PROPOSAL FOR APPROVAL TO THE CREG:

Article 1. Timing for implementation

Article 2 is adapted to specify the timing of implementation of this proposal, i.e. the fallback procedure for aFRR dimensioning and the bidding obligation as part of the escalation procedure, as well as update the implementation planning of the paragraphs approved in the previous version of the LFCBOA and still subject to implementation. The article is replaced by:

“

1. *The implementation of the fallback procedure for aFRR dimensioning specified in Article 9(10) will enter into force on October 1, 2024 (delivery date) after approval of the CREG, together with the entry into force of the dynamic aFRR dimensioning methodology approved in the previous version of the LFCBOA, on July 19, 2023 (Decision B2538).*
2. *The implementation of the bidding obligation in Article 13(9) and 13(10) will enter into force on November 1, 2023 (delivery date), after approval of the CREG.*
3. *The modifications in Article 4, Article 7, Article 12 and Article 13 approved by CREG on July 19, 2023 (Decision B2538) will enter into force together with the modifications approved by CREG on February 10, 2022 (Decision B2344) including the reduction of the full activation time of mFRR to 12.5 minutes specified in Article 14 of the LFCBOA. The modifications in Article 4, Article 7, Article 12, Article 13 and Article 14 will enter into force together with the entry into force of explicit bidding for mFRR balancing energy and the modification of the full activation time of mFRR in the version of the Terms and Conditions for Balancing Service Providers for Frequency Restoration Reserve with manual activation (mFRR), hereafter referred to as T&C BSP mFRR facilitating the accession of Elia to the mFRR platform.*
4. *The reduction of the full activation time of aFRR to 5 minutes specified in Article 14, approved by CREG on July 19, 2023 (Decision B2538) of the LFCBOA will enter into force together with the entry into force of the revision of the full activation time of aFRR in a next version of the Terms and Conditions for balancing service providers for Frequency Restoration Reserve with automatic activation (aFRR), hereafter referred to as T&C BSP aFRR.”*

Article 2. Determination of the ratio of automatic FRR and manual FRR

Article 9 is complemented with a paragraph 10 to include a fallback procedure for cases where the dynamic aFRR dimensioning calculation could not be conducted due to technical problems with the calculations tools (e.g. data quality or IT issues).

“10. If a technical problem occurs with the calculation, Elia will fall back to fixed values calculated the month before the day for which the reserve capacity is calculated:

- a. *for upward aFRR needs calculated as the 99% percentile of the probability distribution of the positive simulated aFRR activations based on historical observations of system imbalances and imbalance netting for a period of two years, ending one month before the month of the day for which the reserve*

capacity is calculated, as specified in paragraph 5 and 6 after which the correction factors are applied determined as specified in paragraph 8;

- b. for downward aFRR needs calculated as the 1% percentile of the probability distribution of the negative simulated aFRR activations based on historical observations of system imbalances and imbalance netting for a period of two years, ending one month before the month of the day for which the reserve capacity is calculated, as specified in paragraph 5 and 6 after which the correction factors are applied as specified in paragraph 8.”*

Article 3. Escalation Procedures in accordance with Article 157(4) of the SOGL

Article 13 is complemented with two paragraphs 9 and 10 to implement a bidding obligation during the first auction gate for mFRR balancing capacity during periods of tight market conditions in Belgium and/or France. It is important to note that these paragraphs are foreseen to enter into force, after approval of the CREG as from November 1, 2023 (delivery date).

The other paragraphs of this article, as specified in Article 1 of this document will only enter into force later in time, together with the entry into force of the next version of the T&C BSP mFRR facilitating the accession of Elia to the mFRR platform.

“9. BSPs are obliged to offer mFRR balancing capacity once Elia confirms the risk of an adequacy issue in Belgium and/or France. Such confirmation will be published by Elia after having received a communication on a “Critical Grid Situation” from the relevant Regional Coordination Center.

- a. From D-3 (day D being the delivery date), and until the publication of the positive balancing capacity to be procured following Article 6(5) of the LFC Means,
 - i. Elia will inform the market (via its Inside Information Platform, Elia Group IIP) about the bidding obligation as soon as reasonably possible after receiving the communication on the Critical Grid Situation.*
 - ii. Elia can update the information to apply the bidding obligation based on new information received from the relevant Regional Coordination Center.**
- b. The bidding obligation will be applied to all CCTUs of day D for which the Critical Grid Situation identifies an adequacy issue during at least one quarter hour.*
- c. In case a Critical Grid Situation is identified, Elia will provide all communications received from the Regional Coordination Center to the CREG as soon as reasonably possible.*

10. When the bidding obligation is applied in line with the previous paragraph, BSPs are obliged to submit their mFRR capacity in the relevant auction organised by Elia at 10:00 D-1 of the CCTU(s) to which the bidding obligations applies and this:

- a. for all available positive mFRR balancing capacity available through coordinated generation units,*

- b. *for each individual BSP within the limits of the balancing capacity notified to the BSPs following Article 6(5) of the LFC Means.”*