

Public consultation on the prequalification, control, and penalties for aFRR & mFRR

23 October 2023

Executive summary

Centrica thanks Elia for the opportunity to provide comments to the consultation on the prequalification, control, and penalties for the aFRR and mFRR services.

The proposed changes aim to revise the control and penalty system, as well as the prequalification conditions and processes. Centrica would like to offer the following comments to support Elia in achieving those objectives:

- We support the calculation of the average compliance and welcome the clarifications on the factor and compliance threshold values.
- We maintain the stance that addressing Forced Outages must be an integral part of the penalty rules and request more transparency from Elia.
- We urge Elia to accelerate the implementation and present an ambitious roadmap.

Centrica supports the calculation of the average compliance and welcomes the clarifications on the factor and compliance threshold values

We endorse Elia's latest suggestion regarding the calculation of average compliance, as detailed in chapter 3.2.3 of the report:

$$\text{average compliance}_{\text{up}}(D) = \frac{\sum_{Qhs \text{ in last } 15D}^{Qhs \text{ in future } 15D} \min(\text{Nominated volume}_{Qh_{\text{up}}}, \text{Obligation}_{Qh_{\text{up}}})}{\sum_{Qhs \text{ in last } 15D}^{Qhs \text{ in future } 15D} \text{Obligation}_{Qh_{\text{up}}}}$$

We agree that assigning greater weight to larger obligations and making sure that smaller unavailabilities don't bear equal weight will improve the precision and effectiveness of MW Made Available penalty. This will promote fair competition between intermittent and non-intermittent technologies. Moreover, summing data over quarter hours clarifies the calculation within a CCTU.

Centrica maintains the stance that addressing Forced Outages must be an integral part of the penalty rules, and requests more transparency from Elia

As previously emphasized in our feedback during the workshops on 8 May and 22 June 2023, we firmly assert that the treatment of Forced Outages holds significant importance in the discussion on penalties. We have put forward a method to incorporate these aspects transparently, aiming to create a level playing field for all BSPs¹:

¹ Centrica feedback to Elia workshop on 22 June 2023



“One possible approach to address Forced Outages is the introduction of an additional compliance threshold, with an associated penalty factor (factor0). This factor0 could be set at 0.0, and the compliance threshold could be defined at 99.5%. This level approximately represents a full renomination during one CCTU block per month. By setting this threshold, Elia can openly communicate the acceptable level of Forced Outages to BSPs, ensuring transparency and fostering clear expectations.”

It is disappointing to note that Elia’s report entirely overlooks addressing this topic. While we acknowledge Elia’s potential concern regarding the impact on penalties, we would have appreciated a thorough explanation as to why this proposal was not explored further. Alternative solutions, such as setting factor0 to 1.0, could also be considered, ensuring that no penalty or remuneration is applicable for unavailability levels deemed acceptable by Elia.

In the absence of the suggested approach for handling Forced Outage, we strongly recommend that penalties not be waived for Forced Outage cases, except in situations where Elia bears the responsibility.

To promote transparency and establish clear expectations from BSPs, we urge Elia to clarify the definition of Forced Outage, openly communicate the acceptable level of Forced Outages, and establish a well-defined connection with the penalty rules.

Centrica urges Elia to accelerate the implementation and present an ambitious roadmap

To unlock additional volumes in aFRR and mFRR, we emphasize the urgent need to clearly commit on the implementation of necessary adjustments to prequalification, penalty and activation control rules prior to the end of 2024. This aligns with our earlier feedback from May and June 2023, as well as numerous instances in previous years². We anticipate that Elia’s final report will contain an ambitious implementation plan, prioritizing these design changes for early 2024.

² E.g. Working Group Balancing in [September 2022](#), Workshop on mFRR design review 2022 in [March 2021](#), consultation on mFRR design note in February 2021, consultation on [T&C BSP aFRR in April 2020](#), Working Group Balancing in [November 2019](#), consultation on T&C mFRR in [November 2019](#), workshop on T&C mFRR 2020 in [September 2019](#), etc.