

Public consultation on the T&C BSP mFRR and Balancing Rules

30 August 2023

Executive summary

Centrica thanks Elia for the opportunity to provide comments on the consultation on the T&C BSP mFRR and Balancing Rules.

The proposed changes aim to harmonize and align the mFRR service design for connection to the MARI platform in two steps. This also involves updating the Balancing Rules to accommodate connections to MARI and PICASSO and transfer provisions related to the imbalance tariff into the T&C BRP.

Centrica would first like to offer the following comments to support Elia in achieving those objectives:

- We welcome the inclusion of various positive changes in the consulted T&C mFRR.
- We call for the removal of communication process restrictions during activations.
- We urge Elia to clarify the availability control rules, allowing the use of backup Delivery Points for availability tests.
- We kindly invite Elia to improve the consultation process.

The second part of our response suggests operational improvements related to REMIT obligations, the Grid User Declaration, communication tests, Transfer of Obligation timing, BSP facilitations, forced outages, linked bids and renomination penalties, the adaptation of mFRR_{max.}, as well as the block approach for balancing perimeter correction.

Finally, we want to highlight some editorial comments.

PART I – Main comments on the T&C mFRR

Centrica welcomes the inclusion of various positive changes in the consulted T&C mFRR

We are pleased to see that the consulted T&C mFRR aligns with most of the proposals from the 2022 mFRR design note and the outcomes of stakeholder workshops. Notably, the changes to activation profiles, activation timing, and the option to activate all Delivery Points for normal activations have been acknowledged, which is a positive step forward. We appreciate the efforts made to incorporate stakeholders' inputs into the document and believe that these changes will enhance the mFRR service.

Centrica calls for the removal of communication process restrictions during activations

We want to draw attention to a concerning new requirement introduced by Elia regarding the communication process for an activation in Annex 10 of the consulted T&C mFRR.

Under this new requirement, all Delivery Points included in the second acknowledgement message ('confirmation message') must already be included in the first acknowledgement message ('acceptation message'), which needs to be sent at the latest 5 minutes after the activation request.

We strongly disagree with this addition, as it restricts the BSPs ability to request additional Delivery Points during later stages of an activation, especially for prolonged activations. This limitation poses significant challenges and could hinder operational flexibility.

We see no valid reason for this new requirement, especially considering that it was not part of the existing T&Cs. Therefore, we urgently request Elia to reconsider and remove this restriction, allowing BSPs the freedom to include Delivery Points in subsequent acknowledgement messages if required. Otherwise, BSPs will be compelled to include all Delivery Points in the first acknowledgement message for any activation.

Centrica urges Elia to clarify the availability control rules, allowing the use of backup Delivery Points for availability tests

Centrica is actively engaged in a significant implementation project focused on backup delivery points, including their use for availability tests. This project was initiated following Elia's

announcement in January 2021¹ and further confirmed in the amended mFRR design note² published in January 2022.

The need for backup delivery points has become critical due to the existing 100 MW bid cap mentioned in Annex 9.B of the T&C mFRR. While this cap was introduced by Elia in 2018 to address certain operational challenges, it has had notable drawbacks for market parties. Indeed, it hinders portfolio effects and exposes BSPs to the risk of unwarranted penalties.

Elia acknowledges these issues and has shown a commitment to improving the situation progressively. Significant progress has already been made, and Elia has introduced the concept of alternative (or ‘backup’) delivery points as facilitation for BSPs.

However, we urge for further clarification in Section II.13.4 of the consulted T&C mFRR, which currently restricts BSPs to use only the Delivery Points included in the activated contracted mFRR Energy Bid(s) for the availability test. Similarly, Annex 11B should be revised to provide clear guidance.

Centrica kindly invites Elia to improve the consultation process

We would like to raise serious concerns regarding the timeline of the consultation process. In January 2022, Elia informed stakeholders that the consultation of the T&C mFRR was expected in September 2022³. However, despite the additional time provided due to delays with the European platforms, we are disappointed by the approach taken by Elia in handling this important consultation:

- Elia chose to initiate the consultation at a very late stage, nearly one year after the initial planning, which limits stakeholder’s time to react and adapt their implementation projects in case of last-minute changes to the T&Cs.
- The consultation is conducted simultaneously with *nine* other ongoing consultations launched by Elia and CREG, adding unnecessary complexity, and making it challenging for market participants to focus adequately on each one of them.

¹ Cf. Elia’s mFRR design workshops from [15 January 2021](#) and [31 March 2021](#).

² On 26 January 2022, Elia shared a stable version of the 2022 mFRR design note with the Usersgroup. One noteworthy change relates to the amendment of section 9.3.1.3 (cf. below), which explicitly allows the use of alternative (or ‘backup’) delivery points during the activation of the mFRR Energy Bid for an availability test. When reaching out to Elia, it was confirmed that this allowance will be clearly stated in the currently consulted mFRR T&C.

Rules for the use of back-up delivery points are as follows:

- Only delivery points from mFRR Energy Bids offered for the same quarter-hour with the status “available” can be used. Therefore, delivery points that are blocked due to congestions in the grid of Elia (CRI filtering) may not be used.
- The use of alternative delivery points is only permitted for activations for balancing purpose. It is not permitted in case of activation of the mFRR Energy Bid for ~~an availability test or~~ an activation for purpose of other than balancing (redispatching).

³ Cf. Elia Working Group Balancing on [27 January 2022](#).

- All ten consultations are scheduled during July-August, commonly known as the summer break, further impeding participation from stakeholders who might have limited availability during this period.

While we understand the challenges Elia may have faced, including resource constraints and project delays, we strongly believe that such an essential consultation should have been handled more carefully, allowing for sufficient time and attention from stakeholders.

Therefore, we respectfully request Elia to reconsider the consultation process and take measures to ensure more effective and inclusive stakeholder engagement in future consultations.

PART II – Operational improvements

REMIT obligations

We acknowledge the importance of introducing provisions regarding REMIT in sections II.2.6 and II.2.7. Surveillance for suspicious market behavior is essential, and we recognize the value of including these measures in the T&Cs.

However, we are concerned about the current response time outlined in the document, which could lead to operational challenges, particularly in cases where market suspension is at risk. Therefore, we kindly ask Elia to reconsider the response time, proposing a more reasonable delay of 14 Working Days to provide sound justifications. This adjustment is in line with similar provisions for electricity wholesale markets⁴ and would strike a better balance between the need for market monitoring and the practicalities faced by market participants.

Grid User Declaration

We advocate for enhancements in operational processes outlined in section II.4.5 of the T&C mFRR. Specifically, we propose the establishment of an online Grid User Declaration (GUD) database maintained by Elia. Such a database would enable providers to independently sign their GUD for various TSO services, including balancing reserves and the CRM.

Communication test

Section II.6 and Annex 5 of the T&C mFRR outline the communication test modalities, allowing Elia and the BSP to request the test at any time to check communication channels' functionality.

However, we find the 20 Working Days timeframe for conducting the test to be unnecessarily lengthy. To promote responsiveness, we strongly recommend aligning the timing with the prequalification test, which takes 10 Working Days after the request's reception, as described in Annex 6.

In Annex 5, Elia moreover retains the unilateral right to modify message contents. In such instances,

⁴ [EPEX SPOT Exchange Rules](#), §49

Elia informs the BSP with a minimum notice period of 20 Working Days. We find this timeframe to be insufficient, particularly if there are no limitations on the types of modifications that Elia can introduce in the message contents. We therefore kindly request Elia to reconsider the notice period to offer more preparation time for market parties, especially in cases where modifications would result in longer implementation times.

Transfer of Obligation

Section II.9 and specifically Annex 8.A addresses the rules for the Transfer of Obligation which specify that a Transfer of Obligation can be initiated by a BSP until 1 hour before the beginning of the first quarter hour for which the Transfer of Obligation applies.

To improve operational efficiency, we request Elia to consider allowing a BSP to initiate a Transfer of Obligation closer to the start of the quarter hours of concern. For instance, initiating a Transfer of Obligation 30 minutes before the beginning of the concerned quarter hour would still allow the Counterpart BSP to update its energy bids if necessary.

BSP facilitation

We appreciate the additional possibilities offered by the ‘BSP facilitations’ i.e., the Maximum Activation Time (MAT) and Neutralization Time (NT) described in Section II.10.6. However, we believe the validation process warrants revision and suggest the following improvements:

- Clear criteria should be defined to assess whether a BSP request is considered satisfying or not.
- Elia should involve CREG by notifying them if a BSP’s justification is deemed unsatisfactory before dismissing the request.

Additionally, we find that the impact of the MAT and NT on contracted mFRR Energy Bids remains unclear. Footnote 14 refers to ‘relevant technical documentation’ without providing further specifics. Although delegating technical provisions to documents outside of the T&C mFRR offers flexibility to amend or add new functionalities to the BSP facilitations, we recommend making references to external documentation more explicit.

Finally, we noticed that the Maximum Energy Level (MEL) is not included in the T&C mFRR. While we understand that the MEL is expected to be introduced at a later stage, we seek further confirmation from Elia regarding the exact timeline. MEL is a critical aspect of BSP facilitations, as it specifies the maximum energy an mFRR Energy Bid can deliver. While we understand that further details can be addressed in separate technical documentation, we strongly believe that the consulted T&C mFRR should, at the very least, mention the concept and key features of MEL.

Forced Outages

Sections II.10.12 and II.10.17 introduce new provisions regarding the declaration of Forced Outage. We note that these changes introduce significant alterations to existing operational processes.

The removal of the option for BSPs to inform Elia via email as soon as they notice a Forced Outage raises concerns about the efficiency of communication. Instead, BSPs are expected to submit updated mFRR Energy Bids with decreased volumes or, if the gate closure time has passed, submit a request to decrease the volume of their mFRR Energy Bid. These changes have direct repercussions on operational procedures, potentially leading to challenges in responding promptly to Forced Outages.

Furthermore, we strongly believe that considerations on Forced Outages should be included in discussions on the incentive on penalties for the mFRR service, which began in May 2023⁵ and are expected to conclude with a final report in December 2023.

Given the direct operational impact of the proposed changes and the unresolved link between Forced Outages and the ongoing penalty discussion, we urge Elia to put the new provisions on hold until the mFRR penalty scheme is finalized.

Linked bids and renomination penalties

Section II.10.19 outlines that the following sum of mFRR Energy Bid volumes must be equal to the BSP's mFRR Obligation at the latest 7.5 minutes before the start of the concerned quarter-hour:

- All contracted bids which are neither conditionally linked nor included in an exclusive group.
- All contracted bids which are conditionally linked and considered available for activation.
- The largest offered volume among all contracted bids in each exclusive group.

We recommend revisiting this definition and accounting for exceptional situations which are beyond the control of market participants. For instance, it is important to consider legitimate cases of conditionally linked bids, where one bid might be categorized as 'available for activation' but remains practically unavailable due to a high Congestion Risk Indicator (High CRI). In such scenarios, it would be unfair to subject market participants to renomination penalties.

Adaptation of $mFRR_{max}$

Section II.16.4 and Annex 14.C address the modification of $mFRR_{max}$ following two consecutive failed availability tests. Our understanding is that the new $mFRR_{max}$ value is calculated by subtracting the minimum 'Missing MW' value between the two missed availability tests from the old $mFRR_{max}$ value.

However, we find the rules concerning the restoration of $mFRR_{max}$ to its original value unclear. The section mentions that a new prequalification test is required, but it does not specify which Delivery Points should be included in this test. We kindly ask Elia to clarify this point.

Block approach for balancing perimeter correction

⁵ Cf. Elia workshops from [8 May 2023](#) and [22 June 2023](#), which are expected to be followed by a public consultation in September 2023.

We want to emphasize our strong recommendation to Elia to consider a perimeter adjustment during all quarter hours based on the assumed activation profile. This suggestion is in line with comments we will submit on 31 August 2023 regarding Elia’s ongoing consultation on the BRP perimeter adjustment study⁶.

While we understand the complexities involved in implementing such a solution, we firmly believe that adopting this alternative approach, as opposed to the ‘block approach’ in the presently consulted T&C mFRR, will effectively mitigate significant and undue financial impacts on the BRP_{FSP}.

PART III – Editorial comments

| Section | Current text | Editorial comments |
|------------------|--|---|
| II.5.1 | A Delivery Point part of an BSP contract mFRR can be included in a BSP contract FCR [...] | Should read ‘part of a BSP contract’? |
| II.5.2 | A Delivery Point DP _{PG} included in an mFRR Energy Bid cannot be included in an aFRR Energy Bid for the same quarter-hour and/or participate in an activation in the context of a FSP Contract DA/ID with ToE. | The wording in this sentence is unclear, and it might be better to reformulate it as two separate sentences. |
| II.7.8 | All Delivery Points participating to the provision of the mFRR Capacity Product must complete a prequalification test at least every 5 years. | It might be worthwhile keeping the reference to the relevant European legislation i.e., Art. 159(6) of the SOGL. |
| II.14.2 | ELIA considers the activation control of a quarter-hour as non-compliant if the mFRR Energy Missing is greater than 0 (zero). | In section II.13.9, the phrasing slightly differs: ‘mFRR Missing MW [...] is greater than zero’. It might be useful to align the nomenclature. |
| II.15.4, II.15.7 | The price, in €/MW/h [...] the mFRR energy requested [...] | Bullet point lists throughout the document tend to differ regarding capitalization and punctuation (semicolon, period, no punctuation). |
| Annex 10.B | Figure 7: Scheduled Activation of an mFRR Energy Bid | Shouldn’t <i>mFRR to be supplied = 80% * mFRR Requested</i> ? It seems that the block ‘mFRR to be supplied’ displayed on the chart is greater than 80%. |
| | Figure 8: Direct Activation of an mFRR Energy Bid | During QH ₊₁ , shouldn’t the width of the block <i>mFRR to be supplied = 90% * mFRR Requested</i> ? And during QH ₀ , <i>mFRR to be supplied = 90% * mFRR Requested = 90% * (15 - Δt)/15 * ¼ * mFRR Requested = 90% * (15 - 3)/15 * ¼ * mFRR Requested = 72% * mFRR Requested</i> . However, the width of the ‘mFRR to be supplied’ displayed on the chart is greater than 72% of mFRR Requested. |
| Annex 12.C | Figure 11: Example of consecutive activation of mFRR Energy Bids part of a same bid group | Shouldn’t the blue dashed ramp up phase of the Direct Activation start after a 2.5 minute long flat period i.e., from $t = QH_2 (12.5min)$, which would mean that the ramp up phase only starts in QH ₃ ? Table 16 refers to the same example, with the correct calculation of ‘mFRR Energy Requested’. |
| Annex 12.D | Formula | Couldn’t the formula be simplified as <i>mFRR</i> |

⁶ https://www.elia.be/en/public-consultation/20230707_public-consultation-of-the-study-on-the-brp-perimeter-adjustments

| | | |
|---------------------------|---|---|
| | | <i>energy supplied_{QH} = sum (mFRR Energy Supplied_{DP}) limited to [0, mFRR energy to be supplied_{QH}]?</i> |
| Annex 12.F | In case ELIA activates an mFRR Energy Bid of which one (or more) of the Delivery Point DPSU listed in the acknowledgement message (as per Annex 10.A) is (are) also used to provide [...] | Wording could be simplified by removing the brackets: ‘In case ELIA activates an mFRR Energy Bid of which one or more of the Delivery Point DPSU listed in the acknowledgement message (as per Annex 10.A) is also used to provide [...]’ |
| Annex 13.A, Annex 13.B | DETERMINTATION OF REMUNERATION | DETERMINATION |