

ELIA PUBLIC CONSULTATION REGARDING CONNECTIONS WITH FLEXIBLE ACCESS TO THE FEDERAL TRANSMISSION NETWORK: A CONCEPT NOTE.

Bnewable, **as young dynamic Belgian energy company** specializing in (behind-the-meter) hybrid production and **storage systems**, extends its sincere appreciation to Elia for providing the opportunity to engage in the consultation process regarding their concept note on flexible access connections to the federal transmission network.

The contribution of Bnewable is intended to be transparent and as such **non-confidential**, consequently Elia may incorporate it into their forthcoming consultation report.

As an emerging player in the Belgian energy market, Bnewable firmly believes that Elia must take resolute action and decisive measures in removing as many obstacles and hurdles as possible, that impede the smooth integration of all flexibility options. By doing so, together we can harness the full potential of flexibility resources, including those behind-the-meter, stimulate energy efficiency, and simultaneously reduce system costs.

In relation to the current concept note, we earnestly wish to **raise several critical concerns** that predominantly revolve around the precarious balance between the uncertainties confronting grid users/market participants and the obligations and responsibilities they are required to shoulder:

1. **Critical uncertainty regarding flexible access:**

It is imperative that Elia provides unambiguous assurances concerning the number of power limitations associated with a connection with flexible access. Presently, the concept note alludes to an indication of these power limitations, but it offers **no guarantee** of their exact quantity in operational practice. This opacity renders it exceedingly **challenging** for market participants like Bnewable, which are fundamentally focused on delivering flexibility services, to construct a precise and **viable business case under such circumstances**.

Furthermore, the concept note intimates that Elia will consistently activate the **most technically efficient connections**, potentially increasing the **risk of multiple power limitations on one or more specific connections**, which again will have a negative effect on the possible business case. Regrettably, there is also a **lack of clarity regarding the evolution over time on the connection with flexible access** (changes of becoming a firm capacity, what will be actual number of activations, affected hours, etc.), especially if new grid users with such a flexible access connections are integrated into the system, along with the analysis of the resultant impact thereof.

We therefore implore Elia, **when proposing a connection with flexible access** to the grid user, to make an unequivocal commitment to that grid user regarding the number of power limitations associated with this type of connection (for that/his specific case), and possibly (where needed) to be enforced with relevant penalties. Not addressing this issue may create a significant obstacle, potentially raising doubts about investing in batteries, which are an innovative technology crucial for supporting and strengthening the overall electricity system.

2. Proposed procedure and timely decisions without any financial support framework:

Elia has alluded in the concept note to conducting the necessary analyses during the operational planning, yet it omits to specify the precise timing of when these crucial decisions will be made. It is of utmost significance that Elia provides absolute clarity to the market regarding the timing at which decisions are made.

Furthermore, the compatibility of these decisions (and their timing) with existing market functioning and operations, including their implications for grid users and market players that provide ancillary and flexibility services to Elia, are crucial and as such must be taken into account when defining the (decision) process. A poorly chosen timing can lead to penalties and imbalances for market players and should be avoided at all times. In the cases where it's practically impossible to consider market gate closure timings and negative consequences occur, Elia should foresee a financial compensation equal to the incurred damages.

We therefore regret to read that in the event of Elia activating a power limitation on a connection with flexible access, the responsibility for penalties is put on the grid users and/or market participants that wish to provide ancillary and/or flexibility services.

We firmly contend that this scenario could, and indeed should, be avoided if Elia optimizes its decision-making process, as proposed in section 2.2.2 (network management business processes) of the concept note, in alignment with market procedures and associated "gate-closure times."

Additionally, we have noted with concern that Elia does not propose any compensation mechanism in case of power limitations, based on the sole argument of the absence of the relevant regulatory provisions. We respectfully disagree with this stance. There is undoubtedly an opportunity cost associated with these limitations, particularly considering the high level of uncertainty surrounding their quantity (as proposed by Elia in this concept note).

Consequently, we firmly believe that, in the event of Elia activating power limitations, grid users should receive due compensation, especially if such compensation mechanisms already exists in the framework of CIPU described in the "may-not-run" scenario.

3. Clarity on additional aspects:

In addition to the above, we kindly request Elia to provide further clarification on the following points:

- (i) The responsibility for bearing the costs of communication set-up and RTU (Remote Terminal Unit) for flexible access connections is not included in the document.
- (ii) The concept note's scope is limited to the federal transmission network. We contend that, for the sake of transparency and clarity, it is imperative that Elia offers a comprehensive overview of how this concept will apply across all voltage levels and regions.
- (iii) We understand that the proposal is applicable to new connections and reinforcements of existing connections, however we are interested to know what Elia believes should be the options for existing connections, for example in case of over dimensioning of existing connections.

In conclusion, Bnewable asserts that the aforementioned considerations are indispensable for establishing a level playing field between all market parties, ensuring fairness, and fostering cost-effectiveness within the energy market. As such, we earnestly beseech Elia to sustain its ongoing dialogues and consultations with market participants, including smaller, innovative players such as Bnewable, on a consistent and regular basis.

Bnewable off course remains committed to collaborating with Elia to clarify, where needed, the positions articulated above. Our aim is to collectively build a future energy landscape that is robust and resilient, equitable, and fosters innovation.