

Subject: FEBEG comments on ELIA's public consultation on the aFRR Balancing Rules  
Date: 29 April 2024

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FEBEG thanks ELIA for having the opportunity to react to the *Public consultation on the Proposal for Amendment to the Balancing Rules in the context of the connection to the aFRR Platform*<sup>1</sup>.

The inputs and suggestions of FEBEG are not confidential.

## General comments

FEBEG welcomes the recent proposals made by Elia to amend the aFRR balancing rules and introduce an elastic demand for aFRR balancing energy. FEBEG recognizes and appreciates the efforts of Elia and CREG in relation to the electricity balancing market. FEBEG wants to emphasize that it remains committed to connect to PICASSO. FEBEG is convinced that connection to PICASSO will contribute to creating a more integrated and efficient European electricity balancing market. This being said, FEBEG invites ELIA and the CREG to continue to engage with all market participants (who made big implementation efforts) in order to successfully connect to the EU market.

It should also be pointed out that **market participants are committed to connect to PICASSO provided they are not exposed to excessive risks. In this perspective, it is important to have sufficient liquidity and to have the necessary accompanying mitigating measures in place:**

## Liquidity

Sufficient liquidity on the PICASSO platform would reduce the risk of price spikes: therefore, FEBEG finds it important to monitor the evolution of flexibility on the platform. RTE will bring significant additional liquidity to the platform: FEBEG is, hence, of the opinion that the best way forward for Belgium would be to couple to PICASSO keeping a close eye on the RTE connection date, not connecting too much before or too much after.

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<sup>1</sup> [https://www.elia.be/en/public-consultation/20240329\\_public-consultation-on-the-proposal-for-amendment-to-the-balancing-rules](https://www.elia.be/en/public-consultation/20240329_public-consultation-on-the-proposal-for-amendment-to-the-balancing-rules)

### Accompanying mitigating measures:

FEBEG supports the proposed introduction of temporary bid price limits for contracted aFRR energy bids and the application of an elastic demand for aFRR balancing energy. FEBEG believes that this is necessary to mitigate the risk of high prices.

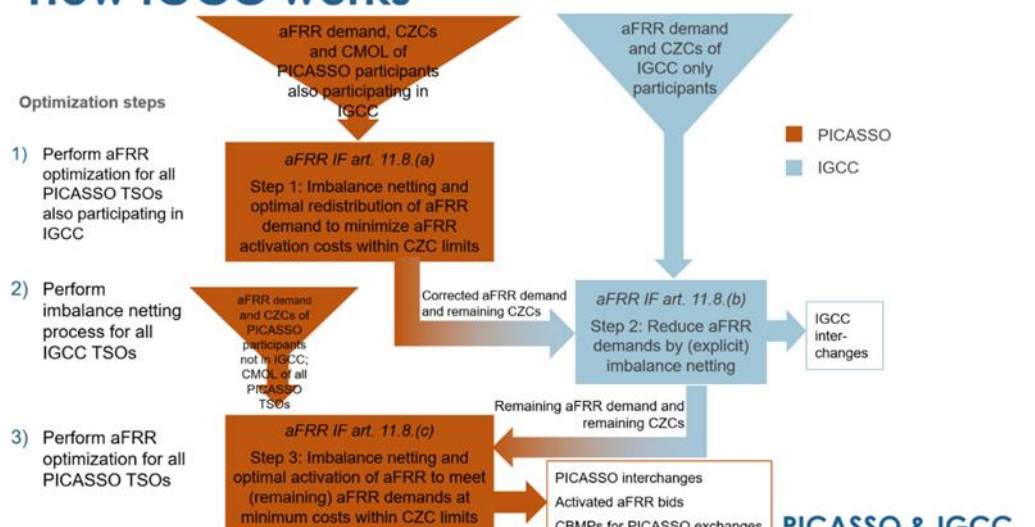
Another concern of FEBEG is related to the situation, post the Go Live, where Elia would (in some cases) not be connected to the aFRR platform. FEBEG asks Elia to seriously consider the following suggestion. The article 10.c.i deals with the situation where Elia would not be connected to the aFRR platform. In such a case, the balancing rules indicate that the LMOL will be limited to the aFRR dimensioning. FEBEG disagrees with this limit because (i) such a limitation did not exist before the connection to PICASSO and (ii) it could lead to a situation where (competitive) aFRR energy bids offered by BSPs are filtered out. FEBEG does not think it is justified as long as the aFRR bid prices do not exceed the threshold price. Hence, LMOL should not be capped at aFRR dimensioned volumes but rather on the Max of (aFRR dimensioned volumes; aFRR energy bids below threshold price).

### Specific comments on the changes

FEBEG reads in the balancing rules that the threshold price is a fixed value equal to - 1000 EUR/MWh or + 1000 EUR/MWh. However, nothing is written regarding the possibility of reviewing that value or simply deviating from this entire process of elastic demand in case of critical events. This is an important missing element because - while we acknowledge the need of this temporary measure - there is no guarantee that such a calibration is future-proof. We are definitely missing the possibility to deviate in case of critical events in which the network could be at risk and in which Elia would like to deviate from the threshold price and declare a higher inelastic demand. We therefore ask for more clarity on this.

FEBEG is missing details on how Elia will make use of aFRR & IN (Imbalance Netting) platforms. Which one will prevail over the other one and how will these platforms coexist? According to an ENTSOE presentation the following steps are used to optimize aFRR means and needs. However, we do not find a description within the balancing rules. This is important because the process will lead to potentially cheap bids not being activated and there could be a lack of transparency. While we acknowledge that describing the process might not be easy to include in the balancing rules, we believe that they should at least refer to the relevant paragraphs of EU regulations.

## How IGCC works



FEBEG agrees with the definition of aFRR elastic / inelastic / aFRR total demand such as:

- $\text{aFRR elastic demand} = \text{aFRR total demand} - \text{aFRR inelastic demand}$
- IF  $\text{aFRR total demand} < \text{dimensioning}$  THEN  $\text{aFRR inelastic demand} = \text{aFRR total demand}$
- IF  $\text{aFRR total demand} \geq \text{dimensioning}$  THEN  $\text{aFRR inelastic demand} = \text{dimensioning}$

However, the concept of elastic demand and the above definitions should be rediscussed in case of major changes in the aFRR dimensioning leading to even lower procured volumes than today. For instance, a situation in which Elia would consider a partial procurement, where only 80MW out of 117MW would be procured should not lead to only 80MW of inelastic demand.

FEBEG notes that technical issues experienced on the Elia controller could lead to aFRR energy bids being activated in a pro-rata selection (instead of merit order selection). We wish to highlight that this should be extremely exceptional and welcome Elia to report on such measures.