|  |  |
| --- | --- |
| Subject: | FEBEG’s position regarding the public consultation on the design note regarding the evolution of flexible access framework  |
| Date: | 29 June 2024 |
|  |  |
| Contact: | Jean-François Waignier // Luc Huysmans |
| Telephone: | +32 485 77 92 02 // 0496/595415 |
| Mail: | jean-francois.waignier@FEBEG.be // luc.huysmans@FEBEG.be |

# Introduction

FEBEG wishes to thank ELIA for the opportunity to react upon *the design note related to the evolution of the framework at federal level for connections with flexible access*[[1]](#footnote-2).

We also wish to thank ELIA for the different workshops organized by ELIA over the past months to discuss the various elements of the new design with the market participants. FEBEG and its members highly appreciated the workshops and presentations provided by ELIA to the stakeholders.

Our comments and suggestions are not confidential.

# General comments

Overall, FEBEG is very supportive of the efforts made by ELIA and CREG to tackle the current concerns in respect to the attribution of flexible connections. Indeed, the current approach is not sustainable and improvements are urgently needed.

FEBEG has indeed already clearly outlined the issues at hand: lack of visibility for the grid users, no transparency in the attribution of the flexible connection nor in the (operational) activation of the flexibility, the ‘blank check’ as the flexible access is unlimited in volume and time and the resulting overall increased risk for the project developer.

We therefore very much welcome the design note and the extensive description of the different elements playing a role in the determination and activation of flexible access made by ELIA next to the vision note of the CREG on flexible access[[2]](#footnote-3) which is widely supported by FEBEG. **Having analysed both the CREG vision note and the ELIA design note, FEBEG comes to the conclusion that the CREG vision note is much more balanced and provides a better basis for discussion than the proposal from ELIA.**

The main idea ELIA puts forward is that it is the grid user’s choice to connect earlier (at a given location) and hence the costs should be borne by the grid user. There is nothing wrong with this principle, as it is indeed beneficial to society for projects to be connected at an appropriate location, yet we have two very important issues with how the principle is used:

1. This principle is not consistently applied by ELIA in its proposal:
	1. ELIA aims to place its own risks (permitting risk, construction risk, supplier credit risk,…) at the grid user, e.g. by extending the temporary period if ELIA is too late with the necessary grid reinforcements or by the multi-annual cap or carrying over unused flexibility to subsequent years
	2. The cap is defined on a worst case basis (unrealistic profiles for storage units, all existing grid users at full PPAD, all potential realized,… ) so that ELIA has the option to flexibilize the grid user at zero cost beyond the congestion it actually caused
	3. ELIA wishes to use G-flex activations beyond the flexible band, outside the cap, for CNEs not identified during the detailed study and for “other operational security issues”. This goes clearly beyond the congestion caused by the grid user’s early connection. According to FEBEG there is no legal basis for this type of “free flex” outside of the scope of the initial connection study. This is therefore a very dangerous precedent.
2. There would be more merit to this principle if it were at all possible to find locations on the grid where firm access is still feasible. These locations are practically non-existent today. When taking an investment decision a company thinks its new asset can be competitive on the market, but practically all new assets will have this flexibilization disadvantage and have to compete with an existing asset base with firm connections. This will decrease the amount of positive investment decisions and hamper the energy transition and electrification of industry and society at large. ELIA seems to underestimate the impact of its proposals on the risk profile and bankability of projects. If all risks are put at new projects, society will bear the cost of not having these new projects actually being built.

For FEBEG, **transparency** is also very important:

1. Regarding the grid connection studies, CREG (and the Grid User at his request) need to be informed of the assumptions and details behind the study (on which basis the permanent connection was refused). A third party appointed by the CREG should be allowed to audit the study at the request of the Grid User.

2. For each activation of G-Flex, there should be a strict and rigorous monitoring and reporting of the activations by ELIA, which should be auditable by CREG (or a third party appointed by the CREG) in order to verify a posteriori the utilisation by ELIA of the mechanism according to the Code of Conduct.

Given the high ambitions on renewable energy and flexibility for Belgium and Europe in the coming years and decades, it is vital that the regulatory framework for Flex Connections is sufficiently robust and attractive for project developers and (candidate) Grid Users to prevent a complete standstill in the energy transition towards a carbon neutral electricity mix.

We like to remind ELIA that renewables, storage, and many of the new and ongoing projects are highly capital intensive, where the financing cost and financing structure is a substantial part of the overall energy or service cost. Transferring TSO risks to the grid users (unilateral extension of the flexible contract period, multi-year cap, utilisation of G-Flex instead of redispatching,…) add an important burden on the market actors, potentially denying the possibility to secure funding and increasing financing costs. This ultimately will increase either the electricity price, either the price of the flexibility required to ensure the energy transition. The proposal currently on the table poses therefore a threat to a quick, efficient and affordable energy transition and ultimately is detrimental to the societal welfare.

We hereafter provide our comments and reaction on the different chapters of the design note put under consultation by ELIA.

# Regulatory framework

FEBEG notes that some of the elements which are important for FEBEG are in fact already part of the EU and/or BE framework:

* No delay of network reinforcements
* Information on firm and flex capacity with time differentiation throughout the year
* Information on the duration of the flexible connection
* Flexible access is limited in time

## Harmonisation

FEBEG fully supports the assertion made by ELIA that the differences in regimes between the different regions in Belgium lead to several sub-optimal or conflicting situations, which results in a complex environment for the Grid Users resulting in an increased time-to-market of designed solutions, delaying benefits for the Grid Users and generating additional costs for society. We therefore support harmonisation in principle.

Article 42.1 of EU directive 2019/944 on common rules for internal markets for electricity reads:

*‘The transmission system operator shall establish and publish transparent and efficient procedures for non-discriminatory connection of new generating installations and energy storage facilities to the transmission system…’*

In the proposed design note in case of G-Flex activation, new connected renewables or grey production have priority over storage. In our view this accounts for discrimination. In case of rules harmonization across Belgium advocated by ELIA, FEBEG is in principle a proponent of this rule harmonization, so long that it is done in a non-discriminatory manner. The proposal of ELIA of harmonizing the rules in line with current legislation in the Walloon region is not acceptable, as it clearly goes against the principle of non-discrimination in the first place. Indeed, the overall costs of activation should be minimal, therefore, a merit-order approach is needed.

Taking into account the above comment, we invite the different responsible actors (regulators & system operators) to align the applicable regulatory frameworks as much as possible.

## To whom will the new framework apply?

FEBEG supports the vision of the CREG that a revision of the connection contract as a result of the new framework should apply for the future) and only to the benefit of more firm access for the (prospective) transmission grid user:

1. Those who already have a connection contract, should have the option to request an update and fall under the new rules (optional)
2. Those who are currently in the phase of the EOS or EDS, they should automatically fall under the new framework

## Early Connections

FEBEG would like to remind ELIA of the fact that massive investments in renewable energy and flexible capacity are needed to in light of the energy transition. Therefore, **early connections are** not to be considered as “nice to have” for grid users, but should be considered as a **must** in light of the European (Green Deal, Fit-for-55) and Belgian (NEKPs) ambitions to increase the share of renewable energy and to drastically reduce GHG-emissions. Indeed, without a sufficiently robust and balanced framework, and without the option of early connections, reaching more than 40% of renewables (in all sectors) in EU and more than 30% in Belgium by 2030 will be extremely challenging, or even impossible.

# Clarifications on connection process

## Orientation/Detailed Studies (EOD/EDS)

FEBEG appreciates the proposal of ELIA to develop the possibility for existing Grid Users to ask a connection request through its client portal, this would indeed save time on both sides.

While the adaptation of the connection process is not foreseen in the scope of the incentive on flexible access, FEBEG very much appreciates the provided explanations given the strong synergy and link with flexible access.

FEBEG therefore welcomes ELIA’s proposal to include clarifications on the connection process in the scope of the present design note and in the proposition of Code of Conduct that will follow. However, FEBEG believes that further discussion will be needed before these elements can be adapted in the Code of Conduct.

In particular, FEBEG is worried about the following in ELIA’s proposal:

* **EOS/ EDS timing:**

ELIA proposes to keep in the Code of Conduct a requirement to deliver the EOS/EDS as soon as possible, complemented with an indicative target for the maximum number of WD instead of a fixed amount of days. While we understand ELIA is struggling with the amount of EOS and EDS requests, this should not however be a reason to propose the scrapping of the deadlines in its entirety and thus pulling the brakes on the energy transition. ELIA should instead dedicate sufficient resources to be able to respect the deadlines, and be incentivized to deliver them on time. In the current proposal grid users could wait years for their grid studies which is completely unacceptable.

The timing of the EOS/EDS studies depends on the delivery and signature of the corresponding offer. ELIA also needs to respect the time frame to send the offer to the grid user as the grid user must duly command the study .

* **Serial approach for studies:**

For orientation studies it makes little sense to wait a long time for a study, as its goal for a grid user is to have an indicative view on the feasibility of its project. A worst and best case scenario for flexibilization resulting from the orientation study is a better approach than freezing assumptions and linking studies (and thus long waiting times). For detailed studies we consider that while the advantage is that there is a guarantee that the results are valid at the time of sending the study report, the consequence of this approach - in case of linked studies the defined timing will be depending on the number of linked studies - should be further discussed and assessed before adoption. For FEBEG, a reasonable timing is essential to ensure that market participants are still capable and motivated to start new projects. For example, FEBEG considers that “benefits of scale” could be found when 2 or 3 projects are in an EOS phase for the same area in the grid, where, for example, the 2nd and 3rd study could take (much) less than 40 WD.

It would be advisory to have a clear view of the amount of applications for studies that are placed and also to have an update if the delivered studies have become obsolete due to termination of time validity .

## Capacity reservation

For the moment there is no payment for the reservation or allocation of the relevant capacity before the related access point comes effectively in service and the allocated capacity is invoiced based on the tariff for Power Put At Disposal (PPAD). This makes that large capacities can be allocated for a potentially unlimited period having a large impact on network development and other studies without any consequence if, ultimately, the project is not realized by the (candidate) Grid User. ELIA proposes to request a bank deposit that has to be paid by the (candidate) Grid User as from the ordering of the realization.

We agree that some kind of bank guarantee can be useful to prevent unnecessary blocking of capacity. However, the amounts proposed by ELIA right now are far too high and easily reach millions of euros, especially for projects with longer lead times. FEBEG considers that 10% of the proposed amount of ELIA seems more reasonable. There should also be a cap on the total amount of the bank guarantee.

It should be noted that permitting issues on projects can take much longer than the two times 120WD proposed by ELIA, so many projects will sign connection agreements before reaching financial close. Grid users should remain flexible on when to request ELIA to order equipment once they reach FiD and can submit an NTP to ELIA. FEBEG requests that a more practical and ‘case by case’ approach is put in place, to consider particularities of the project. If the project developer can demonstrate that the project is still very much viable and that delays are due to reasons which cannot be controlled by the (candidate) Grid Users (legal issues, permitting) there should be an option to extend further the period (beyond the proposal of two times 120 WD).

ELIA mentions in its proposal that “If the project is realized but delayed, ELIA keeps the yearly bank deposit amount for each full year of delay and reimburses the rest.” It should be made explicit that if the delay is caused by ELIA itself (e.g. delays on cable works or at the connection bay in the substation), the amount will still be reimbursed fully.

# Procedures and criteria for client-connection studies

We thank ELIA for the provided details on the procedures and criteria for client-connection studies.

FEBEG considers that the “first come first served” approach should be the standard practice. FEBEG is not convinced that alternative approaches offer significant advantages. Using scenarios is in our view very risky, since it is very hard to predict the future developments and new projects (where will onshore wind or battery installations be connected?). FEBEG requests that the approach in any case should be very transparent, avoid that ELIA can allocate capacity where there is a risk that projects will not materialise, and ultimately, allow for the market to decide which projects are needed and where the best locations are for such projects.

In addition, as mentioned already above, FEBEG considers that the modelling of ELIA is extremely conservative (for example for storage where a constant Pmin and Pmax is assumed). This very conservative and risk averse approach is unfair, as it increases the risk for the market participants (and no risk at all on ELIA side). FEBEG requests that more realistic modelling is used to avoid that projects with a guaranteed connection would no longer be possible in the near future. The improved modelling should be applied in a technology neutral way.

# Guarantees provided to connections with flexible access

As mentioned in the introduction, FEBEG does not 100% agree with the statement of ELIA “This approach is in the interest of the Grid User – as he can connect earlier – and in the interest of society – as these costs are not socialized.” The overall benefit of a flexible connection (socialisation or no connection) depends on a case-by-case approach. In some cases, the need to accept the flexible connections, can have a significant cost impact for the Grid User, while the overall societal costs of the alternative “fixed connection” could have been relatively low, especially when the % of flex is very low, and when the methodology used by ELIA is very conservative/pessimistic (for example, in case of batteries). In addition, regarding renewable energy, it is an overall ambition/ obligation as a society to facilitate the rise of renewable energy (and integration in the system). A lack of grid capacity or a high share of Flex Connections for renewable energy will also have other negative impacts on society, than only the grid costs.

FEBEG therefore considers that sufficient and robust guarantees are essential.

FEBEG very much welcomes ELIA’s proposal to have binding values on the period and on the amount of flexibility as well as the proposal to renumerate the flexibility activations exceeding the binding caps.

ELIA proposes to express the cap on volume either in *MWh* either in *% of time at nominal power* depending on the technologies. FEBEG thinks a technology neutral approach is required to guarantee a level playing field. FEBEG therefore proposes to have a cap on both volume in MWh and in % of time. It might be considered to start compensation as soon as the first of the two caps is hit.

Referring also to the CREG vision note, and the proportionality principle, we believe firm connections should be given to projects that induce only a limited congestion risk. Chances are high (especially given the calculation method of ELIA) that these small risks might not materialize. We believe that if the cap would be smaller than 5%, a firm connection should be given.

It is also important to distinguish between the “flexible” part of the connection and the guaranteed part. For new projects, it can make a big difference in bankability or feasibility to have a minimal amount of guaranteed capacity (minimal amount of permanent power) that will never be impacted by G-Flex (for example, for a 200 MW project, 150 MW can be permanent/guaranteed, while 50 MW can be offered a flexible connection). FEBEG requests that such “fixed” capacity is fixed at the start to offer more guarantees to the (candidate) Grid User, and therefore, that G-Flex is never activated below the firm/guaranteed part of the capacity.

## The definition of the temporary period

### For congestions planned to be resolved by an infrastructure project

For the connection contracts for which the infrastructure project has a sufficiently robust planning at the moment the connection contract is signed, ELIA proposes to use the planning mentioned in the study with a 1 year margin, with the possibility to extend the period based on solid justifications and for elements beyond its control.

 FEBEG is of the opinion that this proposal is **not acceptable**, as in the proposal ELIA is simply passing on its own risks to grid users. ELIA is the only one who can manage the risks of a timely grid reinforcement (it should be considered one of its core competencies), not its grid users. FEBEG is in favour of the CREG proposal where the temporary period runs for a standard period depending on the type of grid reinforcement and starting at the first development plan in which the grid reinforcement was approved. If the development plan included an end date of the grid reinforcement project, this date should be used instead of the standard period. FEBEG requests explicitly that the possibility to extend the temporary period should be removed as well, as this would again result in an overall increased risk for the project developer. This will properly incentivize ELIA to manage its construction projects in a timely manner and ensure **the timing is fixed** towards the grid user. This is a fair split of the costs and risks: ELIA takes the costs and risk linked to respecting the planning of the grid reinforcement while the grid user takes the costs and risk linked to the early connection. It is important to keep the risk profile of projects reasonable to ensure sufficiently new capacity is built.

The wish of ELIA for the grid user to be concerned by ELIA’s permitting process is nonsensical. Although it stands without question that grid users are in favour of ELIA’s grid reinforcement projects, ELIA should manage its own permitting procedures without grid users lobbying for this. Perhaps ELIA could identify stakeholders that it could concern with its permitting processes that have a more direct impact on permitting procedures such as its shareholders.

### For congestions without planned infrastructure projects

As a general principle FEBEG considers that a limit in time is vital to limit the risks for the Grid User and to make a project viable, this limit in time should be reasonable, for example, 5 years. If no infrastructure project is identified and pending the outcome of the reflections on the long term grid planning, the temporary period could be set in function of the ELIA proposals described in the note: i.e. maximum duration of 15 years for 380-220kV, 10 years for 150-70-36kV and 5 years for MV on the condition that the binding limit on volume is reasonable and the temporary period is fixed. In any case, the temporary period should stop upon completion of the infrastructure project.

FEBEG requests ELIA to confirm that Boucle du Hainaut is an “ongoing and planned” infrastructure project, where the Flex Connection will end as currently foreseen in the planning and that the impacted (candidate) Grid Users will get a fixed connection as per current planning.

## The use of flexibility during this temporary period

ELIA states that it wishes to send Gflex activations for CNEs not identified in the detailed study and to use Gflex outside the cap and outside the flexible band and within the permanent power. FEBEG does not agree with this as it imposes costs and risks not caused by the grid user on the grid user and breaches the principle of “*the grid user bears the cost of its earlier connection*”.

### Activations counted towards the cap

For FEBEG, only Gflex activations within the flexible band, up to the cap, and related to a congestion on the CNEs predetermined in the grid connection study could be allowed and are not to be compensated if within the cap. Therefore FEBEG does not agree with ELIA’ s proposal to not make the distinction between the reasons of the activation. The only acceptable option is the 2nd option mentioned in the design note, stating that both the cap and the CNEs identified in the contract are binding. Also the CREG mentioned in its vision note that only CNEs predetermined in the grid connection study are not to be compensated.

Gflex activations within the permanent power should in principle not be allowed and be impossible, FEBEG therefore agrees with ELIA that possible Gflex activations within the permanent power should not be included in the cap.

### Cap duration (annual/multiannual)

FEBEG believes that a 3-year multi-annual cap would not help the financial viability of projects as it significantly dampers the added value of the cap. The proposal of having an annual cap carrying unused flexibility over to subsequent years is not acceptable either as this transfers the unused flexibility and increases the un-renumerated flexibility potential to unacceptable levels in specific years. Transferring unused capacity will add complexity and risk reducing the advantage of having a cap.

In section 6.4.1.2 ELIA list a number of risks that could result in the cap being exceeded. All of these risks are risks that ELIA can manage and the grid user cannot. We therefore see no reason to transfer the cap in between years, instead ELIA should be incentivized to manage these risks, transferring them on grid users doesn’t make much sense as it removes ELIA’s incentives to actively manage these risks.

## Quantification of flexibility in operation

FEBEG does not have major comments or concerns regarding the below conclusion of ELIA.



## Compensation beyond the Cap

As mentioned previously, FEBEG proposes to avoid to set up additional remuneration schemes and is of the opinion that the iCAROS scheme should be used to compensate/remunerate activations beyond the additional guarantees or beyond the duration of the flexible access. This is however only acceptable if certain changes are made to the real-time character of Gflex activations (see below) as there is a very big difference in an activation with a lead-time (i.e. iCAROS) and real-time activations.

FEBEG therefore agrees with ELIA’s proposal to remunerate beyond the cap based on the rules for remuneration applicable in the iCAROS framework, including a correction of the perimeter.

FEBEG also agrees with the proposal of ELIA to correct the perimeter for activations beyond the cap only. With binding limits on time and volume we can accept that within the cap the cost is borne by the grid user.

## Links between Gflex activations and Ancillary services and CRM

FEBEG finds it unacceptable for ELIA to apply penalties related to unavailability caused by G-Flex activation, to participants in the Balancing Services (and CRM). While the logic in ELIA’s explanation is understood, such provision results in the wrong incentive for ELIA to perform its duties, as well as puts unmanageable risk on the BSPs.

Firstly, from the principle point of view, ELIA will have an incentive to disconnect the installations with G-Flex activations who do provide Balancing Services (and CRM), as such activation will not be a cost to ELIA (until the cap is reached) while it will be a revenue stream/cost saving (depending on the point of view) towards ELIA. In this case, ELIA is the judge, executioner and beneficiary in one, in fact giving ELIA gaming possibilities, especially considering the proposal of ELIA in point 6.4.1.1 of not making distinctions and not reporting on the reasons of activations.

Secondly, the risk is not manageable by the BSPs. ELIA points to gaming risk of assets with large activation costs. It must be noted that activations for Balancing Services are considered by most as an essential income stream necessary to recoup the investment costs (especially for assets like storage, where ‘sitting still’ is a huge opportunity cost). In a liquid capacity market, and after connection to the PICASSO platform, these costs should be mitigated. The current procurement of aFRR capacity (pay-as-bid) provides more gaming opportunity, as the providers do not bid their actual expected costs of reservation, rather bidding the price based on expected market clearing price.

**In FEBEG’s view, the BSPs (and CRM participants) should not bear the penalty costs in case of unavailability caused by ELIA G-Flex activations.**

# Clarification of operational principles

## Real-time activation – unjustified additional risk on the BRPs

FEBEG does not find it technically justified to use G-Flex activations for congestion remedy actions in real time, especially for preventive remedial actions.

From the BRP point of view, not knowing that a G-Flex activation will be executed by ELIA with reasonable lead time, leads to an open position which will be settled on imbalance. The BRP does not have control over what the imbalance price will be, and with no lead time to correct its position (i.e. by buying/selling position on intraday market) it leads to very high and unmanageable risk and costs.

FEBEG urges ELIA to revise this aspect of the G-Flex activation, as in principle it does not bring additional value from the point of view of ELIA (solving structural congestion) while at the same time it exposes BRPs to unjustified and unmanageable costs. The remedy to this can be achieved by (i) allowing for a perimeter correction in case of real time G-Flex activations or (ii) having a lead time of, for example, 3 hours (while the cross-border intraday market is still open) to give the BRP an opportunity to adjust its position.

This is especially relevant for BESS, as these projects create a lot of value very close to real-time, enabling grid users to hedge risk and close positions in near real-time.

## Order of activation

FEBEG does not agree with the order of activations of proposed by ELIA. We are aligned with the CREG’s proposal where G-flex activations should be ranked together with the corresponding redispatch bids.

FEBEG does not believe the proposal of ELIA follows the requirement from Regulation (EU) 2017/1485 to “*activate the most effective and economically efficient remedial actions*”. ELIA seems to confuse the economically most efficient solution from a societal point of view with the economically most efficient solution from its own point of view by using G-flex activations first which have zero cost for ELIA.

## Usage of G-flex by ELIA

ELIA wishes to use G-flex activations beyond the flexible band, outside the cap, for CNEs not identified during the detailed study and for “other operational security issues”. This clearly goes far beyond the congestion caused by the grid user’s early connection. As mentioned in the introduction, this large and extensive use of G-Flex by ELIA is totally unacceptable for FEBEG as it opens the door for ‘Free Flex” for the TSO and clearly can lead to situations of conflict of interest, incentivizing ELIA to be very conservative in attributing guaranteed connection capacity to (candidate) Grid Users.

FEBEG believes G-flex should only be used:

* Inside the cap
* Within the flexible band (PPADflex)
* For CNEs identified in the detailed study

ELIA wishes to go beyond these limitations in its proposal, yet FEBEG believes those usages go beyond the congestion caused by a grid user chosing to connect earlier.

ELIA states:

* “*manual Gflex activations can be requested to solve some specific and non-frequent operational security issues (e.g. voltage management issues or congestions on non-monitored grid elements*” (slide 34, 4th workshop)
* “Considering that the flexibility from connections with flexible access can be activated as a curative RA (contrary to redispatching), having this flexibility available even after the cap is reached represents a high added value for an efficient congestion management “ (page 95 design note)

FEBEG understands from these statements that ELIA sees value in having real-time options for congestion management and for other operational security issues that go beyond what the specific grid user (with a Flex Connection) is causing. As elaborated above we don’t agree with ELIA using G-flex for these use cases, in addition we don’t see any legal basis for them. If ELIA however sees value in a real-time congestion tool in addition to iCAROS, we invite ELIA to create an ancillary product for this, so that these services can be provided on a cost-effective basis to the grid. Using the flexible access framework under discussion now (that we do need to still be able to build new capacity) as a proxy for this handy real-time tool ELIA seemingly needs is illogical and should not be allowed.

## G-Flex activation as a consequence of deviations from the schedule of another Grid User.

FEBEG finds it unacceptable that, in case of a congestion caused by a grid user (and its SA) deviating from schedule communicated to ELIA as part of SA obligation, a grid user with a flexible connection will be imposed a limitation on injection/offtake in a first order to remedy the congestion situation.

FEBEG does not accept a solution where a grid user with a flexible grid connection contract will be bearing costs of congestions that are not solely and exclusively caused by that grid user, but by another party not fulfilling its responsibilities according to its contractual obligations. FEBEG does not accept that return-to-schedule process requires longer time than the 5 minutes G-Flex activation as justification of this clear imbalance between cause and effect of congestion. In such situations, return-to-schedule should be prioritized over G-Flex to remedy the congestion, not the other way around**.** In case the remedy action is preventive and not-curative, there is no technical or market process reason anyway to use G-Flex activation over return-to-schedule, if the congestion in such a scenario is caused by the grid user deviating from schedule and not the grid user with flexible grid connection contract.

This being said, FEBEG urges ELIA to not solve congestion issues with RTS on a regular basis, on the contrary, RTS should be considered as an exceptional measure. FEBEG does not want to get more frequent RTS requests related to increased number of flex connections.

# Reporting & Transparency

FEBEG thanks ELIA for the proposed reporting and transparency.

Referring to the introduction, we also repeat the 2 main points for FEBEG:

1. Regarding the grid connection studies, CREG (and the Grid User at his request) need to be informed of the assumptions and details behind the study (on which basis the permanent connection was refused). A third party appointed by the CREG should be allowed to audit the study at the request of the Grid User.

2. For each activation of G-Flex, there should be a strict and rigorous monitoring and reporting of the activations by ELIA, which should be auditable by CREG (or a third party appoint by the CREG) in order to verify a posteriori the utilisation by ELIA of the mechanism according to the Code of Conduct.

# Target Model for Grid User flexibility in grid planning & operations

Overall FEBEG supports the approach proposed by ELIA, as it is only logic to strive for the societal optimum.

 However FEBEG considers allocating flexible capacity in function of potential or future scenario’s per technology as not cost efficient. Flexible capacity – and the resulting risks – is imposed to grid users while the potential or future scenario might be wrongly estimated and not be realized. The required flexibility should be assessed based on the actual situation at the moment of the connection request, not future scenarios.

Regarding the tariffs, as FEBEG we have already stressed that, for FEBEG, grid users who need to accept a flexible connection should get a discount, since they don’t get the same service as other grid users

## Conclusion

**FEBEG sees a lot of progress and many proposals of ELIA going in the right direction, increasing transparency and additional guarantees for the grid users. This being said, FEBEG still sees the below issues that need to be tackled:**

1. **Overall, the potential conflict of interest of ELIA to be very conservative and to impose Flex Connections more than what is strictly needed. Therefore, a high degree of transparency towards the regulator and the market parties is essential.**
2. **Related to the 1st point above, a clear limit is needed to the reasons for the use of G-Flex, namely, the situations (critical network elements) identified during the grid study. Transparency, auditability and reporting on these activations is a “conditio sine qua non” for FEBEG.**
3. **The need for a sufficiently robust and reliable “annual cap” that is estimated in a robust and reliable manner, limiting costs for the Grid User.**
4. **Fixing a clear ”guaranteed” capacity on the one hand, and a flexible capacity on the other, to provide certainty for at least a part of the capacity to the grid user.**
5. **To use a technology-neutral approach as a basic principle in the overall design**
6. **To evaluate, improve, and make more realistic the current modelling approach especially regarding batteries, which are considered to be at Pmin/Pmax in the modelling approach of ELIA, resulting in a clear over-estimation of future grid congestions.**

**In addition, regarding the improvements in the EOS/EDS process, FEBEG requests ELIA to continue its alignment and coordination with the Grid Users, since many of the proposals are not yet mature and require additional discussions (how to avoid “capacity hoarding” without putting too much risk and burdens on the project developers in good faith which need sufficient time in order to realise a project).**

1. https://www.elia.be/en/public-consultation/20240531\_connection-with-flexible-access-design-note-on-the-evolution-of-the-framework [↑](#footnote-ref-2)
2. https://www.creg.be/fr/publications/note-z2779

https://www.creg.be/nl/publicaties/nota-z2779 [↑](#footnote-ref-3)