

WG Adequacy #30 – Minutes of the Meeting

Friday 31st of May 2024

Meeting

Date	31/05/2024
Organiser	Voet Jan

Participants		Attended
Boustani Zackaria	FOD Economie	<input checked="" type="checkbox"/>
Collins Klaas	Cabinet of the Minister of Energy	<input checked="" type="checkbox"/>
Coppin Xavier	Engie	<input checked="" type="checkbox"/>
De Taeye Bert	Infrabel	<input checked="" type="checkbox"/>
De Waele Bart	CREG	<input checked="" type="checkbox"/>
De Wispelaere Bram	VDS	<input checked="" type="checkbox"/>
Debrigode Patricia	CREG	<input checked="" type="checkbox"/>
Declerck Lucas	CREG	<input checked="" type="checkbox"/>
Delferiere Alan	SPF	<input checked="" type="checkbox"/>
Harlem Steven	Luminus	<input checked="" type="checkbox"/>
Lippens Pierre	Flexcity	<input checked="" type="checkbox"/>
Strosse Tom	Eneco	<input checked="" type="checkbox"/>
Schryvers Vincent	Virya-energy	<input checked="" type="checkbox"/>
Taverniers Hans	Tessengerlo	<input checked="" type="checkbox"/>
Van Der Bist Piet	Siemens Energy	<input checked="" type="checkbox"/>
Voet Jan	Elia	<input checked="" type="checkbox"/>
Vandersyppe Hans	COGEN Vlaanderen	<input checked="" type="checkbox"/>
Van den Bosch Sven	Fluvius	<input checked="" type="checkbox"/>
Vandenbrande Eric	Engie	<input checked="" type="checkbox"/>
Wagnier Jean-François	FEBEG	<input checked="" type="checkbox"/>
Gerken Benoit	CREG	<input checked="" type="checkbox"/>
Gérard Thibaut	ThermoVault	<input checked="" type="checkbox"/>
Noel Jones	RWE	<input checked="" type="checkbox"/>

Report

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Function	PMO Adequacy
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1. Agenda

- Welcome
- Minutes WG Adequacy #28
- Design changes
- Feedback Public consultation on Capacity Contract
- Update from Cabinet
- AOB
- Next meetings

2. Minutes of Meetings

Disclaimer: The slides used as a support of the presentation are available [online](#). The minutes of meetings only cover the discussions that took place during the Working Group.

Minutes WG Adequacy #28

No comments received.

Design Changes

With regards to the Functioning Rules V4, Luminus asks how flexible connection contracts affect the Capacity Remuneration Mechanism, and whether there are any specific considerations or challenges to consider. Elia answers that flexible connection contracts have an impact on the opt out consideration for the volume which is not bid into the auction, and that a refinement to the way flexible connections are considered in the CRM will be investigated.

Febeliec asks how this is applied to the load connected to a flexible connection, especially for accuracy calculations in the CRM, and wonders if there are any specific methods or techniques that are being used. Elia notes this is a good remark and that it's something they can further assess, but that they are already following up on this topic to see what the implications are for the CRM.

On the topic of low voltage participation, ThermoVault asks if this is something to be applied after the current pre-qualification process. Elia replies that the current rules are applicable for the next auction. ThermoVault requests some more clarification on this, and confirmation on whether the requirements for low voltage participation should be included in the pre-qualification files that are to be submitted by 15th of June. Elia confirms that indeed currently an opt-out is needed, but that this framework is still being discussed and improved seeing as this might not be required for every situation.

ThermoVault is surprised that this kind of design requirement is being pushed at this stage of the process without them being involved in the discussions. As for the content, they also wonder why activations are included under the CRM and whether this is worth it especially given the effort needed. The CREG answers that they have made a consultation on the notification they intended to make into the Functioning Rules, to which there was no feedback. The CREG adds that during the pre-qualification activation test, if the supplier is different from the BSP then there is a situation of Transfer of Energy (ToE). Thus, the only way to compensate the supplier is to have an opt-out or pass-through contract. ThermoVault asks if there will be more opportunities to discuss this point at a later stage. The CREG replies that the only existing design is the compensation of the supplier, there is no other design to correct the activation.

ThermoVault shares their concern about the short timeframe. Elia explains that they are looking into ways to facilitate this process and are discussing to see if some improvements or refinements can be brought. One of their possible suggestions is for example low voltage capacity interested by CRM participation to pre-qualify as virtual in order to avoid having to deliver the documents on short notice. The documents still need to be submitted before the Delivery period, but it's a way to provide more time. ThermoVault remarks that this solution is still not very efficient and to be discussed later.

Before continuing to the next topic, CREG quickly refers again to the low voltage participation and mentions that their request is to align with the DSOs to avoid the barrier of participation. Elia agrees to take this into account. Luminus asks if the purpose is to have pools across DSOs, as they didn't know this was possible. Elia confirms that currently for a low voltage delivery point group, points for the same DSOs within that group are allowed. However, it is still possible to pool different low voltage delivery point groups together into the same CMU from different DSO's.

About the baseline methodology, Luminus questions what the difference are between the High X of Y baseline and the Declared baseline. Elia further elaborates on the differences.

Febeliec asks what is meant by "commitment for entire delivery period" for the operational modalities of the declared baseline, for example whether Elia should be notified 4 years in advance if one participates in Y-4 and intends to use the declared baseline. Elia explains that they should be notified a few months before the delivery period, meaning in the example given there would be 2-3 years to notify Elia to evaluate if this declarative baseline is an option. Febeliec also mentions the point where no change is possible during delivery period and questions if it's necessary to maintain this, even assuming that one day multi-year capacity participation for load is possible. Elia says it's something that can be discussed later and that Elia is open for further improvements to the proposal.

Febeliec refers again to the "commitment for entire delivery period" and asks what happens when the baseline is not declared. Elia responds that they have evaluated the fallback situations and that there are multiple options, but that they have not yet decided which option to go with. ELIA underlines however that it would like to incentivize as much as possible the correct delivery of the declarative baseline. Febeliec mentions they don't have a preference but just wanted to point out that Elia would have to think about what happens if the other party has not provided the declarative baseline, and the rules that Elia will have to apply in such a case.

Febeliec finds that it is a strange principle to be penalized for not consuming as the best contribution of load to adequacy is not consuming. Elia understands the point and explains that it's not directly a penalty, just some eligibility criteria to be able to use the baseline methodology.

Feedback Public consultation on Capacity Contract

Febeliec requests a status on the impact of not signing a new contract. Elia answers that there should be an obligation to resign a new contract, so in this case it would be a breach of contract.

Febeliec remarks that since it's a regulated contract approved by the CREG Elia should not actually require a new signature because it's just a change of a running contract as allowed by the CREG. As such, this physical signature makes it more complicated for some companies as they have to go through this procedure for every change of contract. Febeliec asks Elia to reflect on this and the consequences if the contract is not signed.

Update from Cabinet

On the Royal Decree methodology and the pay-back exemption for capacity without daily schedule, it is questioned whether the modifications are limited to the ones previously presented. The Cabinet explains that it covers the activation ratio that was added for non-daily schedule capacity.

ENGIE asks when the Royal Decree Investment Threshold will be published. The Cabinet replies they are working on it and will do their best to have it ready by the 15th of June. ENGIE adds that this is very late to check the figures in the decree, especially since some important documents need to be filed by that date, and requests for it to be done a few days before the 15th of June. The Cabinet understands and will try to do so, but also expresses they want to share the most complete information.

Febeliec asks what is the Cabinet's recommendation for companies interested in offering capacity with demand response today knowing that there is no decision on the payback exemption and that pre-qualification ends the 15th of June. The Cabinet answers that it would be a pity if they get the approval and because of uncertainties the companies did not do a pre-qualification. Febeliec demands what happens if they are not approved, to which the Cabinet replies that there are different options such as a temporary approval and that they are prepared to do other scenarios. Febeliec comments that those scenarios probably won't be useful for the auctions in October, but the Cabinet explains that the

goal is to have them in place for this year. Febeliec expresses they would like more information on that. The Cabinet shares they are doing their best to clarify the framework and to bring this file to the EC and thus advise companies to pre-qualify. Febeliec asks if it's possible to receive the text that has been notified to the EC. The Cabinet explains that the text provided to the EC is the text of the Royal Decree. Febeliec questions if the Cabinet is confident that the changes will be accepted in time by the EC for the next auction bid submission. The Cabinet believes that it's possible but can't give full certainty.

Luminus asks clarification on the statement that an auction might not be needed based on the ERAA or AdeqFlex study. The Cabinet replies that it's a sentence for compliance with the European regulation.

AOB

With regards to the interviews planned in June to get information and feedback from stakeholders by the next WG, Febeliec requests to be notified in advance.