

WG Adequacy #36 – Minutes of the Meeting

Wednesday 18th of December 2024

Meeting

Date	18/12/2024
Organiser	Voet Jan

Participants

		Attended
Baugnet Christophe	Engie	☒
Baudhuin Serge	Eneco	☒
Boustani Zackaria	FOD Economie	☒
Callaerts Ben	Luminus	☒
Celis Chris	FEBEG	☒
Coppin Xavier	Engie	☒
Debrigode Patricia	CREG	☒
Declerck Lucas	CREG	☒
Dessard Noel	Engie	☒
Delferiere Alan	FOD Economie	☒
Gerkens Benoît	CREG	☒
Gitton-Rivière Romain	YUSO	☒
Harlem Steven	Luminus	☒
Lippens Pierre	Flexcity	☒
Mast Pauline	Luminus	☒
Résimont Thibaut	CREG	☒
Reyniers Stefaan	COGEN Vlaanderen	☒
Rkiouak Laylla	FOD Economie	☒
Siborgs Joeri	Giga storage	☒
Strosse Tom	Eneco	☒
Tirez Andreas	Febeliec	☒
Van den Bosch Sven	Fluvius	☒
Van der Biest Piet	Siemens Energy	☒
Van De Keer Lieven	BSTOR	☒
Van Doorslaer Guillaume	CREG	☒
Van Gijzeghem Francies	ABDE	☒
Vandenbrande Eric	Engie	☒
Vandersyppe Hans	COGEN Vlaanderen	☒
Verrydt Eric	Zandvliet Power	☒

Report

Author	Doan Nguyen
Function	PMO Adequacy
Date report	18/01/2025
Status	☐ Draft ☒ Final version

1. Agenda

- Welcome
- Approval of meeting minutes
- Calibration report
- Opt-out clarification
- Update of 25-26 Delivery Period Operational Readiness Plan
- 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.

Approval of meeting minutes

No comments were made.

Calibration report

Febeliec inquires on the expected consumption in neighbouring countries, like Germany, for which the level has not decreased compared to 2 years ago and wonders if Elia has updated this.

Elia answers that for the scenarios taken into account for the different CRM calibration, the scenario selected by the Minister was applied where the load for Germany was fixed in the Ministerial Decree based on the ERA23 data.

On the relationship between peak and total load, Febeliec asks if they understood correctly that the peak load will grow proportionally to the total load, meaning that there will be more or less the same demand during peak periods as normal periods.

Elia explains that for this parameter the average consumption is not linked to the peak load, it's a parameter that is considered for the CRM parameters. Average load increases in time due to the electrification that has to be considered in the scenario based on what has been selected by the Minister. Once this is done, a part of the flexibility that is in the system is moved. This part is removed from the load because it is assumed that this part of flexibility will not participate in the auction (yet will exist). This means that when the average consumption is taken during scarcity, the part of flexibility that is assumed to participate to the CRM auctions is not removed from this average consumption. As such, the average consumption during scarcity should not be compared to the peak load.

For the peak values that have been corrected by Elia in the erratum, Febeliec questions what the corrections are being compared to.

Elia answers that there was a change in values of point A due to the flexibility not being considered correctly at first. Febeliec requests to have access to the previous calibration reports, which Elia confirms should be published on its website.

As for the derating factor for thermal technologies, Febeliec asks why it is so low.

Elia explains that for thermal technologies they use profiles to model them based on historical data, making it possible to analyse the behaviours in case of high or low prices, high or low temperatures, amongst others. This historical data is updated regularly based on the climate database used by Elia to ensure matching information. Once this is done, Elia looks at the average contribution of the technologies during a scarcity situation simulated in the model.

About the non-eligible volume assumptions, ENGIE remarks that there's a big assumption on the increase of the cross-border contribution from Netherlands for next year's auction. Engie would like to know more about what lies behind the assumption and whether Elia is sure about it. Luminus additionally mentions that they don't fully understand the significant increase for the nuclear availability in France. Elia replies that there is a difference in modelisation between the Y-1 auction and the one after. For Y-1, data from the REMIT was used while the next auction applied the profiles in the ERAA study (aligned with the bilan provisionel) as the REMIT was not available. Luminus understands that scarcity events will be more simultaneous in the future but asks why it already has a significant impact over a time span of 4 years.

Elia explains that in the Y-4 auction we see much less margin than in other countries due to electrification but also more RES in the system. As such there are more scarcity situations that happen in all countries at the same time meaning that the margin to import electricity from those countries decreases over time.

Luminus remarks that such volatility in the calibration should be avoided.

Next to that, Febeliec mentions that the REMIT is the most accurate database that we can have, and that Elia's modeling has not been compared with what happened in reality to check if it is correct. Febeliec believes the model is too pessimistic on what the market can do to solve adequacy issues.

Elia answers that they followed the Ministerial Decree, took into account the REMIT numbers, and confirms the risk for Belgian dependency on the availability of French nuclear units.

Febeliec notes that there are important stress moments where unexpected things can happen and thinks Elia should correct the model based on what happened in reality.

Elia replies that other factors (e.g. realised temperature,...) also play a role when looking at historic events.

Luminus asks if this means that for Y-1 in the REMIT, it is planned unavailability while in the methodology it is also unplanned unavailability.

Elia confirms that in the REMIT data there are only the planned outages, and Elia then applies random forced outages on top of that. They also make sure that the total generation forecast in the model reaches the EDF forecast.

Luminus questions what the low value is based on.

Elia can't say based on what the EDF does its calculation.

FEPEG wonders if this means that when there's a high nuclear unavailability in France, that there is only 1 year to fix it. Elia explains that for this auction the Ministerial Decree imposes to use the REMIT data but that it will consider next year to align with the Bilan Prévisionnel of the RTE to ensure a more stable data in time.

CREG reverts back to why the derating factor for thermal technology is so low.

Elia replies that based on their historical analysis they observed that the maximum capacity factor for this technology on an aggregated level, taking into account the availability of the units, was not higher than 80%. Elia also mentions that the profiles used are explained in the appendix of the AdeqFlex study. CREG asks if this percentage should evolve more and more in the future. Elia explains that they keep updating the values and that in the auction process a better derating can be selected by the units meaning that the real contribution can be higher than what was initially calculated.

Febeliec follows up on this question and also thinks this value should be higher. Febeliec remarks that some other measures could be taken by Elia, the CREG, and the Minister to make the units available or at least make them aware that they can be needed when there is an adequacy issue.

Elia understands Febeliec's comment and replies that the derating factor can still be improved by the Capacity Provider when he participates to the Auction. In the calibration Elia has calculated the derating factor but the moment that a unit decides to enter the auction they can select a different derating factor for certain types of technologies or with an SLA. As such, if the unit intends to contribute to Adequacy they can express it in the auction. This impact will then be corrected in the demand curve.

Febeliec understands but notes that if Elia only knows a small percentage of who is actually participating in the auction out of those 2000 MW and that for the rest the derating factor is applied, then there might be room for improvement. Elia replies that unfortunately they can't comment on the participating numbers as it is confidential information.

Febeliec replies that it doesn't have to be on an individual basis but that some general numbers could be shared without giving any confidential commercially sensitive information.

Siemens Energy mentions in the chat of the meeting that as a technology and service provider, it has been observed that part of CHP installations will switch over time to electrification of process heat and may no longer stay in the system. Elia notes the remark.

Concerning the Intermediate Price Cap, Engie asks if Elia used the same methodology as for the Y-1 auction using the mid-cost and low revenue instead of the high-cost and low revenue.

ELIA answers that the methodology remains the same, but that the latest insights from the a.o. the Entras study allows for a more nuanced application to reach the Intermediate Price Cap. Engie refers to the comment made by Luminus earlier in this meeting, stating the need for more stability in the methodologies that are used in the different auctions. Engie finds it strange that it changes at this point of the process.

Elia reassures that it is still coherent with what was done last year, with Elia agreeing on the argumentation from the CREG and proposing the same things as previously.

Luminus asks if the fixed component is also published for each strike price.

Elia explains that in all the calibration reports they made an assessment of the strike price ever since the actualization mechanism, because in the first auction the fixed and variable components weren't yet present in the CRM design. However, ever since it was introduced, the fixed component was always added to the calibration report. Elia adds that this fixed component does not change over time.

Opt-out clarification

Elia mentions that there is an error on slide 64 for existing units, the sentence should state “derated capacity > 1 MW” instead of “nominal capacity > 1 MW”. This will be corrected for the version that will be published on Elia’s website.

Luminus is pleased that Elia installed the fast track for existing units and further makes a comment addressed to the Minister that it shouldn’t be a lot of burden to prequalify everything and then to fast track when you don’t want to participate in the auction. Luminus believes the administrative burden could be drastically reduced by lowering the obligation to prequalify. Elia agrees with the assessment and adds that the challenge is not the large powerplants since they are typically well known, but rather the smaller capacities.

Continuing on article 4 bis, Luminus remarks that if for example you don’t repair the power plant or the permit is lost, the power plant will then be closed without following the lead times described in article 4 bis. In such a case, Luminus wonders if one is also obligated to send a motivational letter. Elia replies that the SPF is more qualified to answer this question but explains that in general if you close down the power plant you indeed have the legal obligation to do an article 4 bis notification.

For the new build capacities in the fast track, Engie asks if other criteria are considered besides the date and time it is expected to come into service.

Elia confirms that there are other criteria, for example if the capacity provider indicates that the capacities are commissioned in time and the grid connection is not commissioned on time, then the capacity will be considered as out.

Luminus questions if it is explicitly written in the functioning rules that the motivational letter needs to be approved. ELIA answers that it is not explicitly written but that it is not necessary either. The process is that the candidate submits the motivational letter and then it is up to the different parties in the CdS to evaluate how the unit will be treated.

Luminus then remarks that it is not very clear what the criteria are to see what is opt out in or not. Additionally, since it’s a decision on for example volume and secondary market, it also impacts capacity providers.

Elia explains that the motivational letter is an individual approach for a single unit, making it impossible to describe in an exhaustive way the reasons for submitting a motivational letter. However, Elia assures that the market parties will be notified of the results.

Luminus requests clarification on the secondary market volumes calculation, specifically whether the derating factor of the initial asset is applied when taking over the obligation of another asset.

Elia confirms that it is the derating factor of the unit that will buy the capacity which will determine the derating factor of the contracted capacity.

Update of 25-26 Delivery Period Operational Readiness Plan

No comments were made on this topic.

AOB & Next meetings

The next meetings are currently foreseen on:

- Thursday 12/02/2025: General info session (from 13:00 to 15:00)
- Friday 21/02/2025: WG Adequacy (from 09:30 to 12:30)
- Monday 03/03/2025: General info session (from 13:00 to 15:00)
- Tuesday 25/03/2025: Detailed info session (from 13:00 to 17:00)
- Friday 28/03/2025: WG Adequacy (from 13:30 to 16:30)
- Thursday 10/04/2025: Detailed info session (from 13:00 to 17:00)
- Thursday 17/04/2025: WG Adequacy (from 13:30 to 16:30)