

Balancing Taskforce n°8

21/11/2013

Elia ENMAN

Agenda

1. Welcome

13h30

2. Validated Meeting minutes dd 23-09-2013

13h40

3. FEBEG/Belpex Develop Reserve Capacity Bulletin Board for Belgian Market

14h00

4. Balancing publications:
   - Status "Available regulation capacity + Infeed publications + B2B"
   - Quality monitoring 2013; some KPI's and statistics

14h45

5. Pauze

15h00

6. Feedback Expert Working Group "R3 Dynamic Profile"

15h45

7. Various
   - Status Short Term Tendering and related price publications
   - Status "Network Code Balancing + related pilot projects"

16h00

8. Wrap-up 2013: Evaluation of Balancing Taskforce;
9. Questions – Remarks - Next steps - next meeting date;

16h15

Validation of Meeting minutes
⇒ Balancing Taskforce 23/09/2013

Minutes of meeting
Balancing Taskforce 23/09/2013

Remarks on these minutes could be sent to filip.carton@elia.be

- **No comments receive**

=> Validated Minutes will be published on our web-site

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Reserve Capacity Bulletin Board

FEBEG & Belpex

Elia Balancing TF

Brussels, 21 November 2013

Nicolas Pierreux

Context

- With a view to make the reserve capacity market more flexible and to reduce associated costs, Elia decided to allow the transfer of reserve obligations (secondary market) as from January 2013 and to start procuring shorter term reserves as from 2014
- The more liquid the secondary market, the lowest the risk for Elia that reserve capacities would not be available when actually needed
- FEBEG asked Belpex to investigate the possibility to facilitate the secondary market
- A bulletin board has appeared to be the most appropriate solution as a first step, w.r.t. the potential number of participants, costs and flexibility of the solution

Febeg and Belpex agreed in September 2013 to cooperate to develop a Reserve Capacity Bulletin Board

Reserve Capacity Bulletin Board

What?

- Easy to use, Internet- based bulletin board operated by Belpex
- Listing intentions to buy or sell reserve capacity:
  - R1 down, R1 symmetrical 100 mHz, R1 symmetrical 200 mHz
  - R2 up, R2 down
  - R3 generation
  - Any combination thereof
  - Other products may be easily added in the future (e.g. R1 up, R3 dynamic profile, etc.)
- Increasing awareness and transparency (alert messages system)
- Facilitating the initiation of negotiation between counterparties
- Non-discriminatory access to all parties approved by Elia

belpex part of apx

Reserve Capacity Bulletin Board

Login

Email

Password

By logging in I agree with the terms and conditions

Login Forgot pasword?

belpex part of apx Reserve Capacity Bulletin Board

Hi, Test-Nanette Log out

Messages Authorized Users

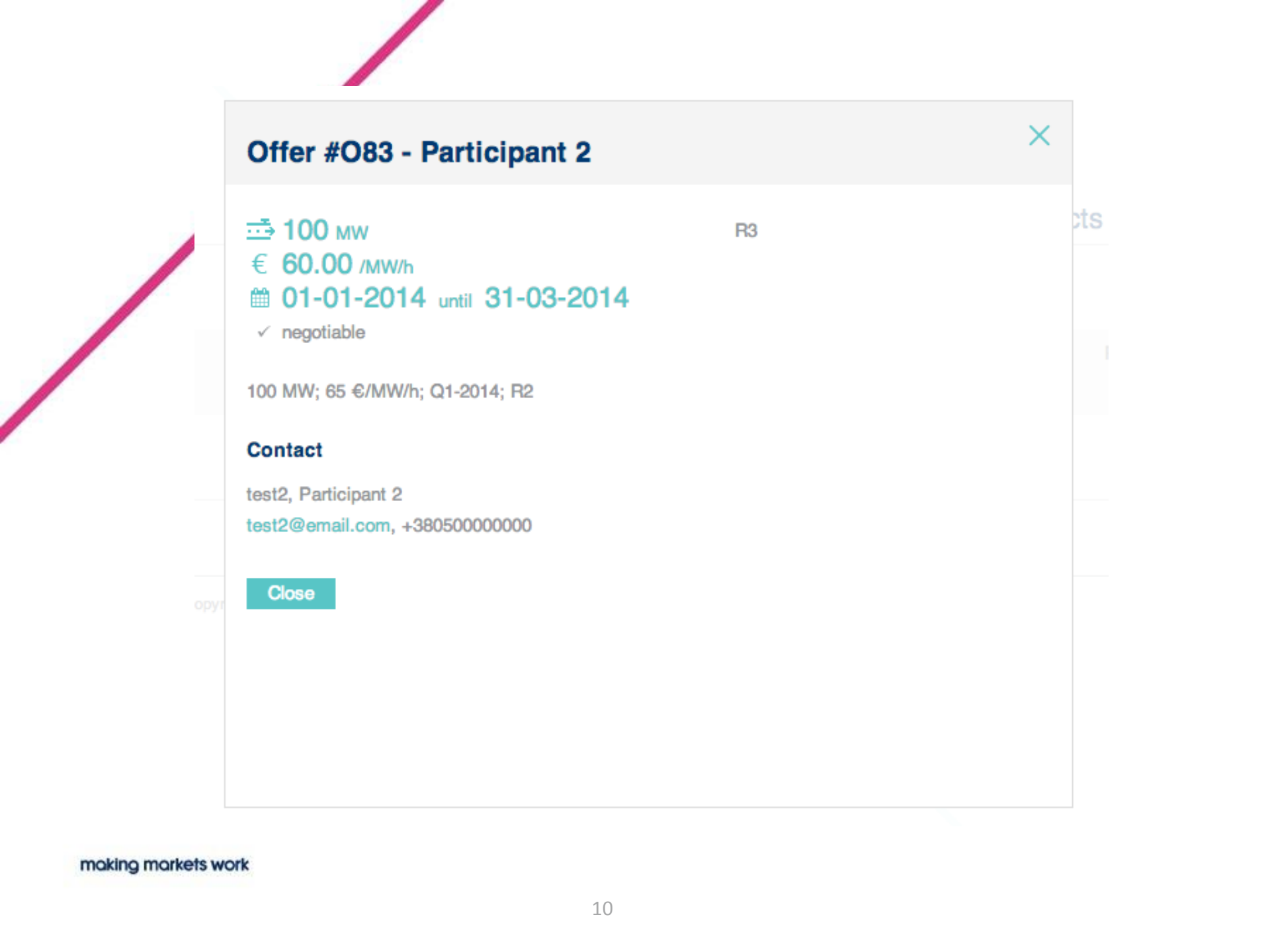
Messages

Add Message

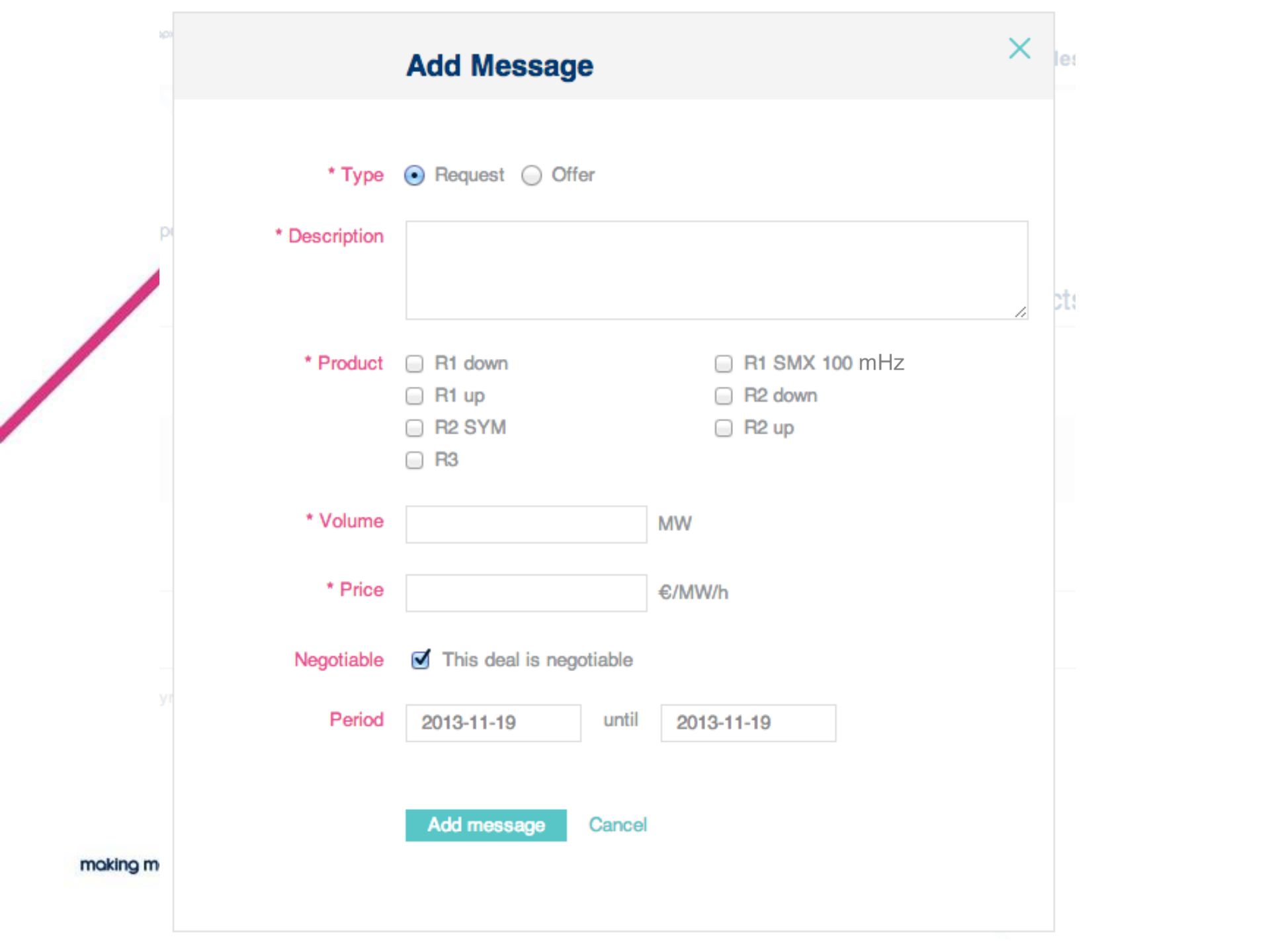
ID & Participant	Volume & Price	Delivery period	Products
#R106 Participant3	**50 MW** € 50.00 /MW/h	1 Jan 2014 - 31 Mar 2014	R3
#O98 Yours Edit	**100 MW** € 65.00 /MW/h ✓ Negotiable	1 Jan 2014 - 31 Mar 2014	R2 down R2 up
#O83 Participant 2	**100 MW** € 60.00 /MW/h ✓ Negotiable	1 Jan 2014 - 31 Mar 2014	R3

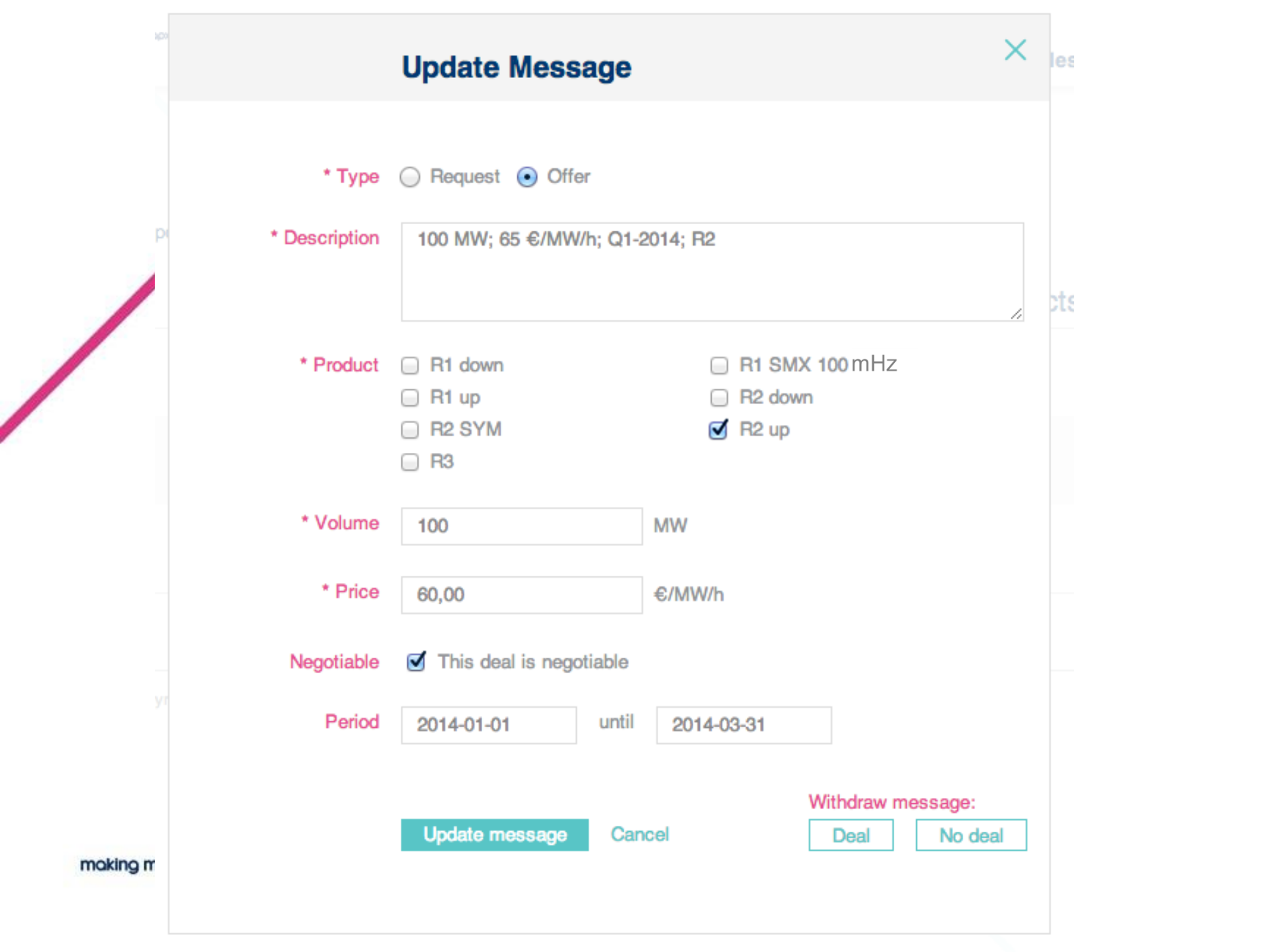
Reserve Capacity Bulletin Board Copyright – Disclaimer – Contact

making markets work



making markets work


Add Message
* Type
Request
Offer
* Description
* Product
R1 down
R1 up
R2 SYM
R3
R1 SMX 100 mHz
R2 down
R2 up
* Volume
MW
* Price
€/MW/h
Negotiable
This deal is negotiable
Period
2013-11-19
until
2013-11-19
Add message
Cancel


Update Message
* Type
Request
Offer
* Description
100 MW; 65 €/MW/h; Q1-2014; R2
* Product
R1 down
R1 up
R2 SYM
R3
R1 SMX 100 mHz
R2 down
R2 up
* Volume
100
MW
* Price
60,00
€/MW/h
Negotiable
This deal is negotiable
Period
2014-01-01
until
2014-03-31
Withdraw message:
Update message
Cancel
Deal
No deal

belpex part of apx Reserve Capacity Bulletin Board

Hi, Test-Dirk Log out

Messages Authorized Users

Messages

✓ Message *#O83* has been updated.

Add Message

ID & Participant	Volume & Price	Delivery period	Products
#R106 Participant3	**50** MW € 50.00 /MW/h	1 Jan 2014 - 31 Mar 2014	R3
#O98 Participant 1	**100** MW € 65.00 /MW/h ✓ Negotiable	1 Jan 2014 - 31 Mar 2014	R2 down R2 up
#O83 Yours Edit	**100** MW € 60.00 /MW/h ✓ Negotiable	1 Jan 2014 - 31 Mar 2014	R3

Reserve Capacity Bulletin Board Copyright – Disclaimer – Contact

Edit profile

Name

Email

Phone

Participant

Current password

New password

Confirm password

Inform me about

- [x] Offers
- [x] Requests

Save

List of Participants

Participant	Name	Contact	Phone
Participant 1	User 1A	user1a@part1.be	+32 2 000 01 01
Participant 2	User 2A	user2a@part2.be	+32 2 000 02 01
	User 2B	user2b@part2.be	+32 2 000 02 02
Participant 3	User 3A	user3a@part3.com	+32 2 000 03 01
Participant 4	User 4A	user4a@part4.be	+32 2 000 04 01
Participant 5	User 5A	user5a@part5.com	+32 2 000 05 01

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Ut vel tellus iaculis, vulputate risus eu, imperdiet lectus. In congue convallis dui, in consequat leo viverra in. Donec pulvinar sed nisl quis fermentum. Morbi ultrices imperdiet eros, sed cursus quam imperdiet et.

Way forward

Current status

- Belpex developing the Bulletin Board in cooperation with FEBEG
- Belpex drafting a 'Participation Agreement' to access the service
  - Transparent, non-discriminatory access rules
  - Annual fee to cover operational costs (development costs paid by Febeg)
- Febeg drafting a standard 'Obligation Transfer Agreement'
  - Agreement defining rights and obligations of assignor and assignee w.r.t. transfer of reserve capacity obligations
- Launch foreseen Q1-2014

Interested?

- **Contact Belpex**: Rob Loos, Product Development Manager (rob.loos@belpex.be or +32 2 403 46 59)
- **Contact FEBEG**: Steven Harlem, Sr. Advisor (steven.harlem@febeg.be or +32 2 500 85 89)

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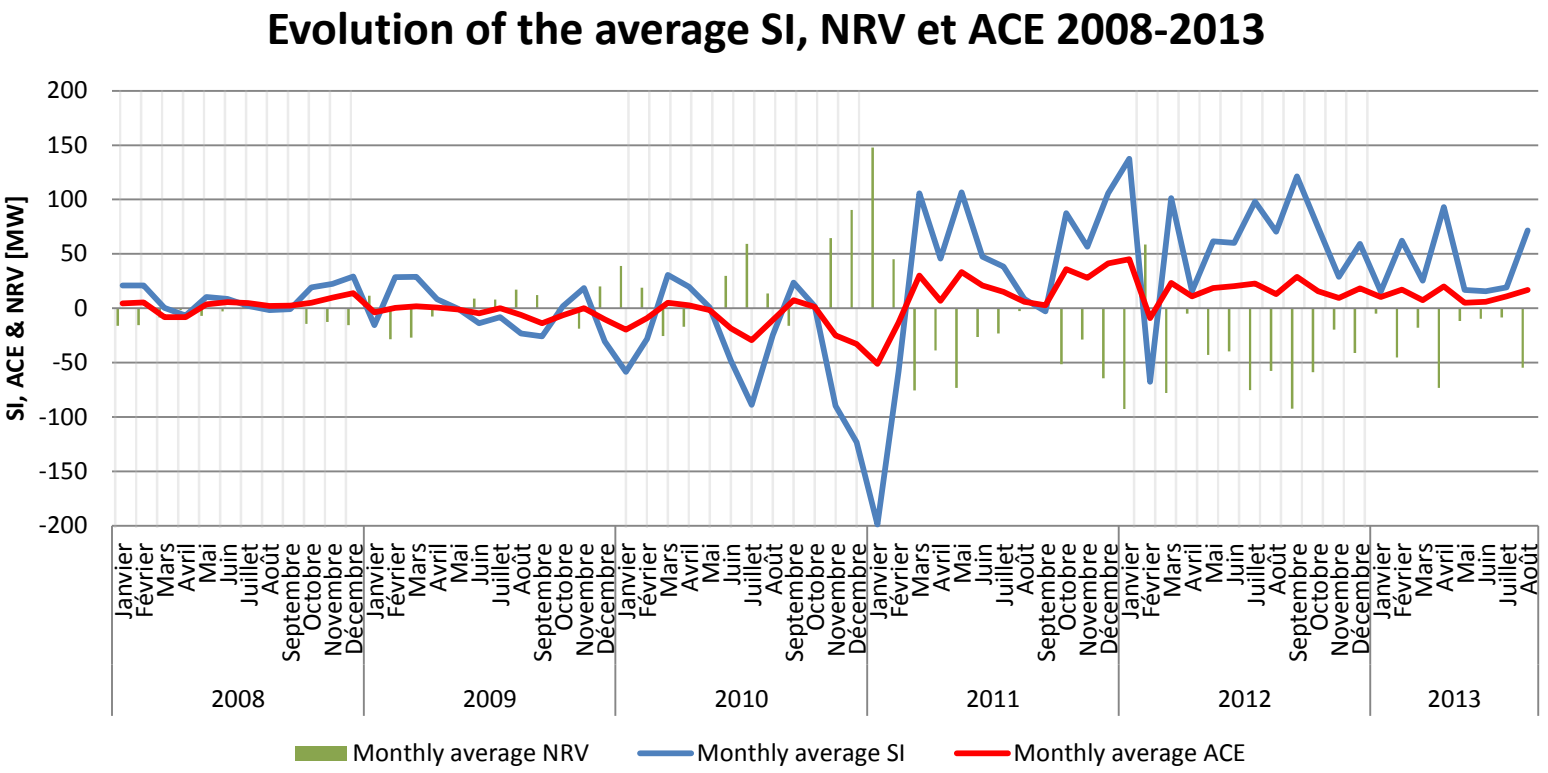
- **Infeed publication since 4/11/2013 online**
  - Infeed values update every 2-3 minutes
  - Historic information from september 2013
  - Realtime follow-up possible via B2B XML-link

- **B2B XML service since 4/11/2013 online**
  - New submenu GRID DATA> Extranet for customers > B2B XML
  - Information for balancing, infeed, wind and solar forecast publications
  - Documentation for utilisation of functionalities

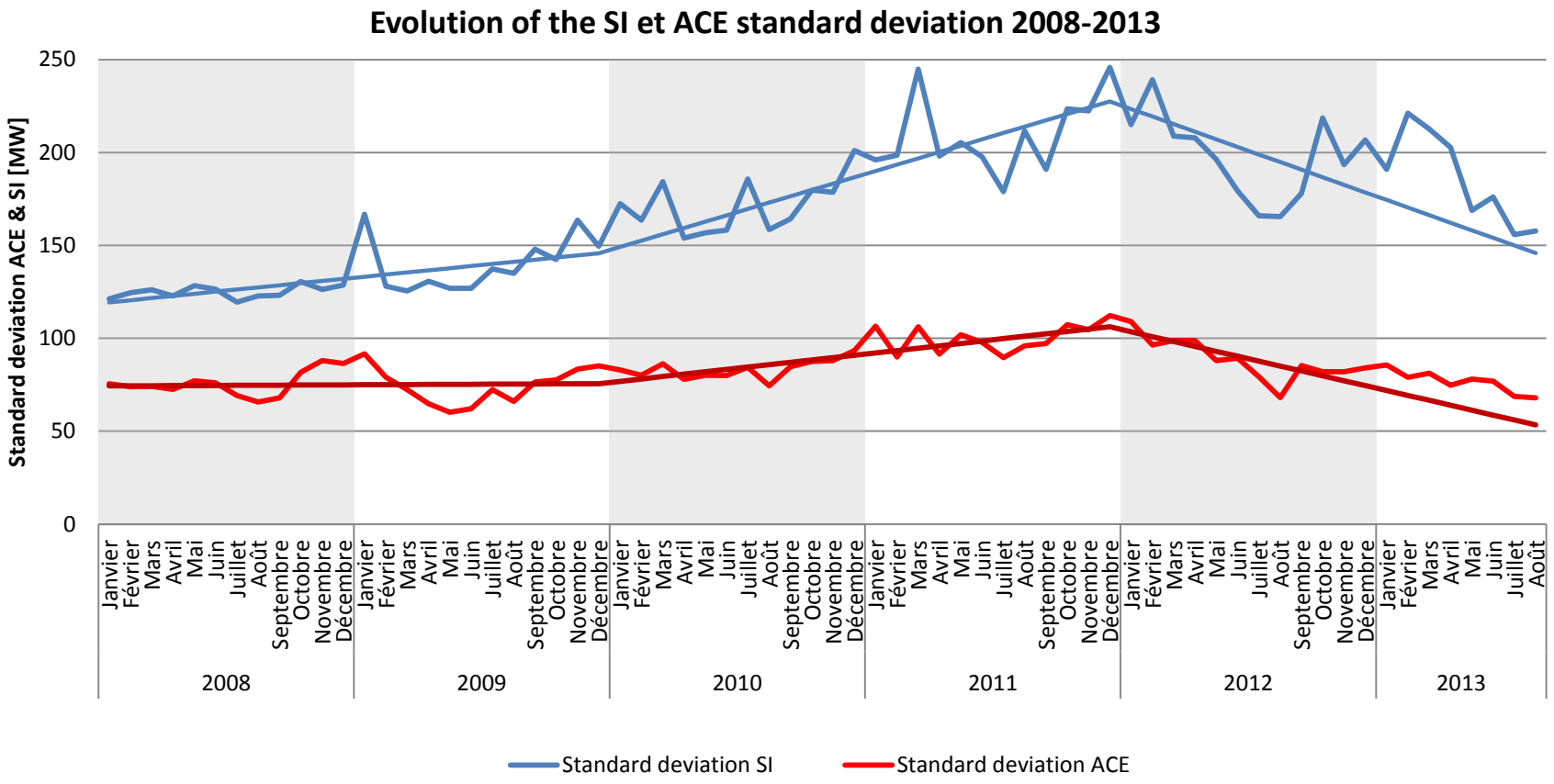
- **Available regulation capacity since 19/11/2013 online**
  - Intraday updated publication (price and volume)
  - More complete publication: added ICH, R3, R3DP, Inter-TSO

http://www.elia.be/en/grid-data/balancing/available-regulation-capacity

Quality 2013

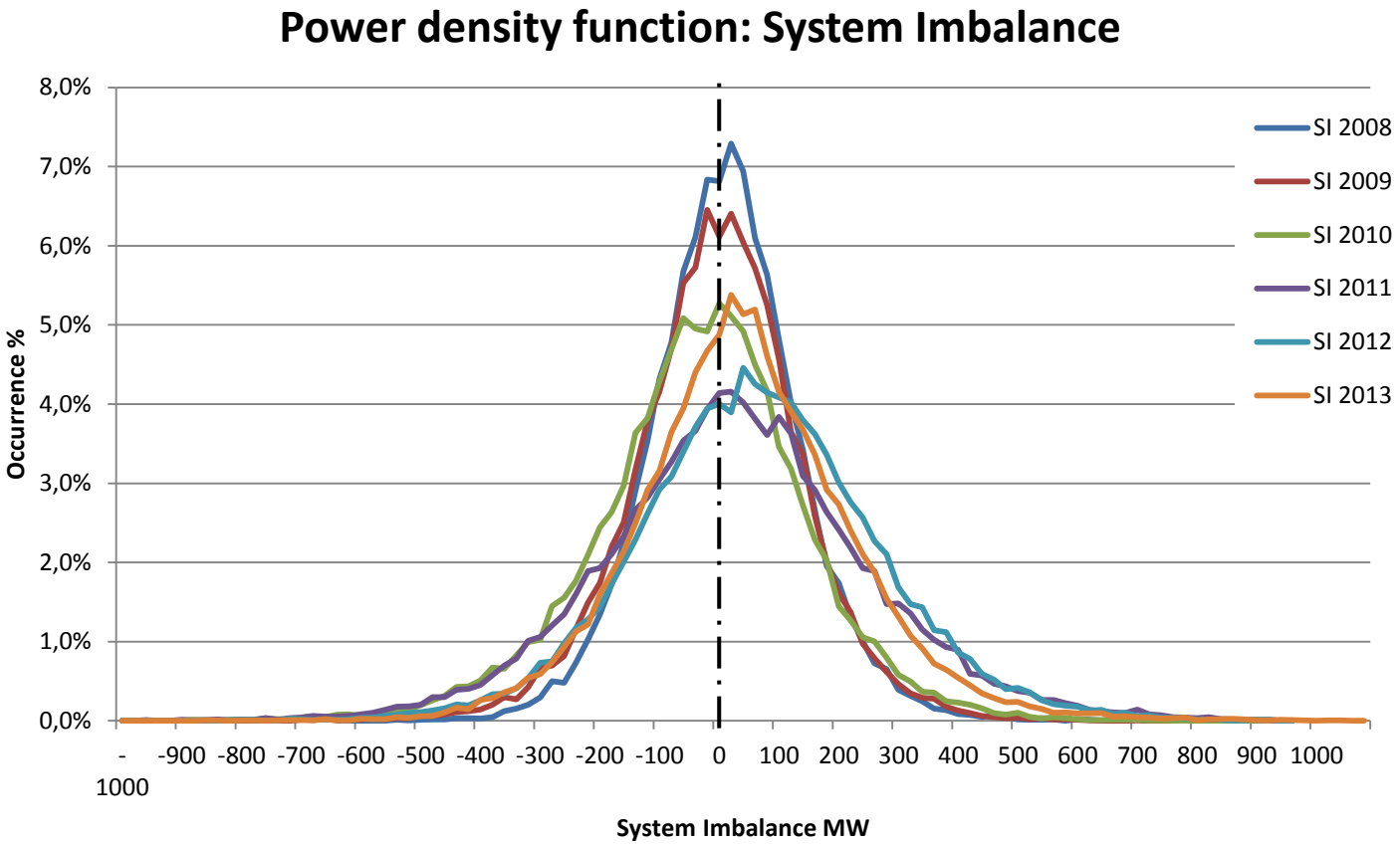


Quality 2013



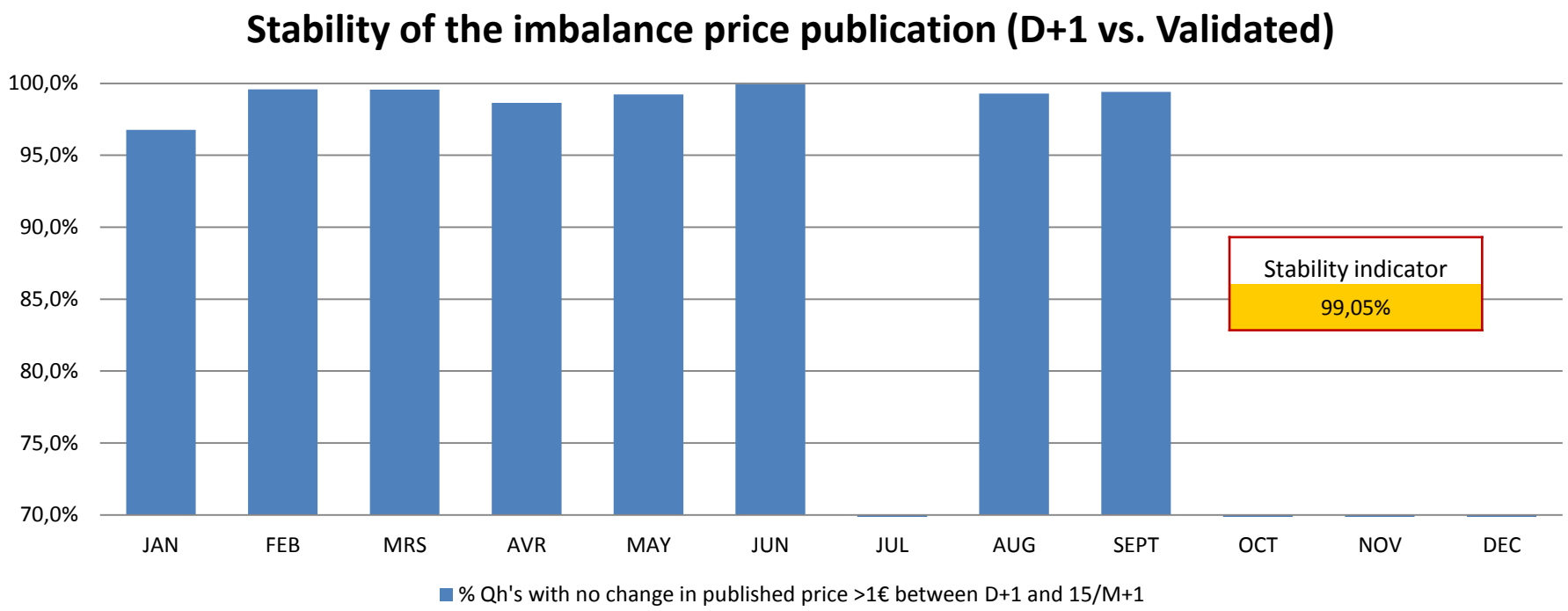
- Standard deviation of system imbalance shows a decreasing trend

Quality 2013



- System imbalance still tends to be more positive than negative

Quality 2013



- In 99% of the time the published imbalance price in D+1 do not change significantly (<1€) compared to the validated imbalance price in M+1.
- Technical availability of the publication has been assesed in 2013 and IT-architecture has been improved.

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Feedback Experts WG AS by DER
Oct 24th 2013

Agenda

- Lessons learned R3 DP - DSOs
- General insight about received offers for R3DP 2014 + lessons learned on operational procedure Elia
- Evaluation R3DP – BRPs
- Feedback R3DP - Aggregators

Results R3 DP selection 2014



- R3 DP is a success despite extreme short timings for all stakeholders !
- Elia received > 100MW submitted offers.
- 50 MW selected at price << P R3 Production
- 62% selected pool volume @ TSO-level
- 57% load in selected pool volume
- 78% selected AP @ DSO-level

Main discussions during Expert WG

- Suggestion to **split DSO-prequalification** in a technical compliancy check and a volume check in prequalification process
  - **Technical compliancy check** (at any instance) validating the technical connection of an access point
  - **Volume check** (at instance t in prequalification process) validating the submitted volumes for load shedding
  - Volume check outcome can result in a time based constrained approval for participation (**"conditional green"**) thereby limiting the activation of an EAN during specific time constraints (rather than rejecting completely the requested EAN due to a single event of trespassing the grid security conditions)
- ELIA proposes to approach next **prequalification process in a sequential modus** for what concerns the DSO access points:



→ will increase efficiency by avoiding redundant prequalification checks.

- Proposal to apply **harmonized & transparent criteria** during the prequalification process thereby reducing any confusion in the interpretation of the coloured status. Febeg also requested more transparency on congested zones. Aggregators request **publication of zones indicating acceptance level of prequalification.**

Main discussions during Expert WG

- Febeg advocates for more **transparent, interactive and closer-to-real-time communication / information** in order to limit the impact of (activation of) flexibility in their balancing portfolio management and avoiding counter-activation. This information may be aggregated at BRP-level.

- Management of the **rebound effect** is the responsibility of the supplier in his primary supply contract with his customer.

- BRPs explain that they perform **real-time monitoring of load pattern** (variations) of their large(r) customers.

- BRPs explain that their **forecasting tools** are recording all variations of a profile of their customers in order to improve their forecasting. Having a view on whether a decrease/increase in the profile is part of a natural load behaviour or induced by a exogenous activation as part of a flexibility contract is necessary. To that extent, BRPs advocate for **sufficient information on what type of flexibility products are contracted within their portfolio**.

→ Potential conflict of interest might arise and it is agreed that customer should inform his supplier accordingly.

- Aggregators propose to **delete the 50MW volume cap** on the R3 DP product and no predefined split cap between R3DP and R3Production to allow for full competition. Aggregators strive for a **settlement of activation of R3DP**.

Next steps in Expert WG…

- ELIA will reflect on the lessons learned by various stakeholders.
- ELIA proposes to organize the future work in 2014 in the form of "yards" for building further on the lessons learned. During next Expert WG these "yards" will be presented.

  Current proposal (suggestions are welcomed!)

  1. Model of interaction BSP-BRP-Supplier
  2. Impact of balancing on grid security (congestion) & link with prequalification
  3. Baseline (how to measure the activated energy?)
  4. Dataflow (who needs what information and when? How to provide?)
  5. Pure product design (activation price, penalties, settlement,…)

- ELIA will analyze the use (activation) of R3DP during Jan – Feb 2014 and prepare a report for the Expert WG by end of Feb 2014.

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Status of tendering Rx 2014
=> Recap

1. Cfr previous presentations, an agreement emerged between Minister's cabinet, CREG, producers and ELIA that for 2014 a share R1 & R2 should be covered by short term products (not longer than three months).
2. The range to be covered by short-term products (between 20% and 30%) was proposed by Elia and approved by CREG (via the Balancing Rules).
3. The final proportion of short term volumes will depend on the yearly tendering result.
4. 11-09-2013 Elia received CREG advise regarding their assessment on reasonability of selected offers for the yearly tendering of R1-R2-R3.
5. In the mean time the last remaining variable (entso-e confirmed R1 volumes = 82MW) was fixed, Short Term Volumes can thus be firmly confirmed:
   - **2014, Short Term, R1 Symmetrical 100mHz = 27MW**
   - **2014, Short Term, R2 Short Term = 20MW**

   This represents 28% of total $R1_{100mHz}$ and R2 volumes (within 20-30% range)

Short Term Sourcing
=> Status

❖ Internal status:

- ✓ **IT-development & IT-testing** completed;
- ✓ **Business testing** on-going;
- ✓ **Auction rules, bidding instructions and user manual are** under validation;

❖ Training sessions:

- ✓ Training session is organised the 27th of November by Elia to allow ST-bidders to learn how to **operate the platform (B2C-testing)** & how to **perform the bidding;**
- ✓ User manual (incl auction rules and bidding instructions) will be sent to the participants in advance (expected next Monday) of the training session;

❖ Short Term Price publications:

- ✓ Short Term tendering results will be published after each monthly auction;

Short Term Sourcing
=> Status

❖ LT (Year-Ahead) Price publications:

✓ Ranges of Long Term (year-ahead) tendering results will also be pulished;

Tendering & Contracting Period	Delivery Period	Reserve Type	Reserve Product	Total Contracted Volume [MW]	Average Price [€/MW/h]	Tariff Period [PEAK/L-OFFPEAK/BASE]	Symmetry Type	Generation Load type
June 2013	year 2014	R1	R1-200mHz	28,00	40 – 50 *	BASE	SYM	Generation
June 2013	year 2014		R1-down	27,00	2 – 3 *	BASE	ASYM-DOWN	Generation
June 2013	year 2014		R1-load	27,00	5 – 6 *	BASE	ASYM-UP	Load
June 2013	year 2014	R2	R2-up	120,00	20 – 25 *	BASE	ASYM-UP	Generation
June 2013	year 2014		R2-down	120,00	20 – 25 *	BASE	ASYM-DOWN	Generation
June 2013	year 2014	R3	R3-prod	350,00	5 – 6 *	BASE	ASYM-UP	Generation
October 2013	year 2014		R3-DP	50,00	3,38	BASE	ASYM-UP	Both
October 2013	year 2014	ICH	ICH	261,66	1,41	BASE	ASYM-UP	Load

For reasons of confidentiality, for certain products a price range is published

Short Term Sourcing
=> Next steps



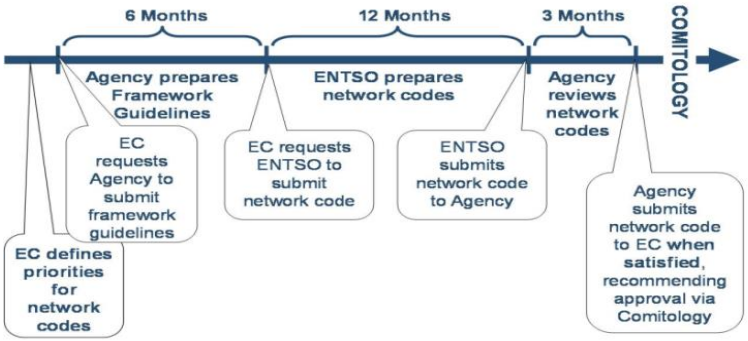
Attention : First operational use = 10/12/2013:

- First GCT1 = 14hrs, Tuesday 10 December;
- First Delivery Period = 0hrs 1st January until 0hrs 1st February

Delivery Period Name	Starts on	Ends on	GCT1
January '14	1/01/2014	31/01/2014	10/12/2013 14:00
February '14	1/02/2014	28/02/2014	14/01/2014 14:00
March '14	1/03/2014	31/03/2014	11/02/2014 14:00
April '14	1/04/2014	30/04/2014	11/03/2014 14:00
May '14	1/05/2014	31/05/2014	15/04/2014 14:00
June '14	1/06/2014	30/06/2014	13/05/2014 14:00
July '14	1/07/2014	31/07/2014	10/06/2014 14:00
August '14	1/08/2014	31/08/2014	15/07/2014 14:00
September '14	1/09/2014	30/09/2014	12/08/2014 14:00
October '14	1/10/2014	31/10/2014	16/09/2014 14:00
November '14	1/11/2014	30/11/2014	14/10/2014 14:00
December '14	1/12/2014	31/12/2014	10/11/2014 14:00

NC on balancing - status

- Europe aims at providing harmonized rules for balancing markets stipulated by a binding European Network Code on Electricity balancing
- The process for the adoption of the framework guidelines and the network codes is the following:



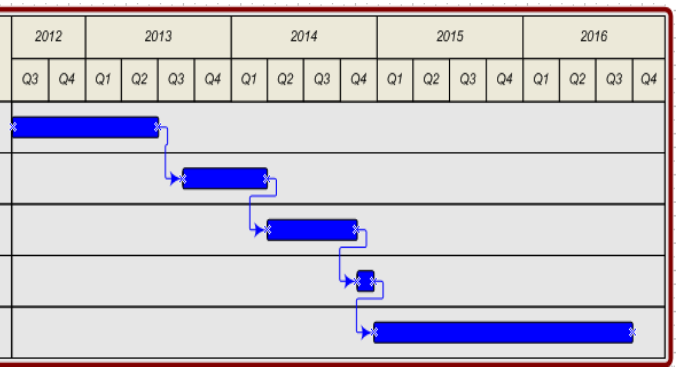
- 23th of october ENTSOe organised a follow-up public workshop to present and discuss the feedback received during the public consultation in the summer.
- Currently the final draft on the NC is ready and ENTSOe started his internal approval process: Market Committee & Assembly approval
- Probably the final version of the NC shall be sent to ACER for review before 01/01/2014

https://www.entsoe.eu/major-projects/network-code-development/electricity-balancing/

Pilot Project XB Balancing BE-NL; Context

- Pilot project consist of 3 steps:
  - Step 1 comparison of processes and functionalities
  - Step 2 Market design scenarios
  - Step 3 cost benefit analysis a Go/No Go decision for implementation

ID	Task Name	Start	Finish	Duration
1	Step 1; Current processess & functionalities	2/07/2012	2/07/2013	262d
2	Step 2: Market Design	2/09/2013	31/03/2014	151d
3	Step 3: Cost benefit analysis	1/04/2014	11/11/2014	161d
4	Decision GO/No GO	12/11/2014	23/12/2014	30d
5	Implementation	24/12/2014	30/09/2016	463d



- Step 1 of the pilot project is finished. Results were presented in a common workshop to stakeholders and published on the websites of both TSOs

  http://www.elia.be/en/about-elia/Users-group/ad-hoc-taskforce-balancing/Cross-border-Balancing-Belgium-Netherlands

  http://www.tennet.eu/nl/about-tennet/news-press-publications/publications/technical-publications/cross-border-balancing-netherlands-belgium.html

- After Step 1 it was decided that the scope for step 2 is the exchange of balancing energy for aFRR and non-contracted manual FRR.

Pilot Project XB Balancing BE-NL; status

- Step 2 of the pilot project is dealing with 4 different topics
  - Automatic FRR process
  - Manual FRR process
  - Settlement & pricing
  - XB capacity and allocation & priority rules
- TenneT & Elia have set up the project structure and are currently hiring a consultant for support.
- Discussions started between TenneT & Elia in order to identify: which are the common points of view – different point of views.
- Stakeholder involvement is important:
  - Our approach will be the same of for the study which has been performed: TSOs need first to understand/ identify themselves the different issues before starting a discussion with market parties
  - Once TSOs are having a clear view on the different topics which should be analyzed and potential solutions we will organize a workshop; probably a first workshop beginning of Q1 2014.

Collaboration with other TSOs

- TenneT/Elia are open for new initiatives for XB cooperation in Balancing
- Recently the 4 German TSOs and TenneT/Elia agreed to perform the Step 1 study "Comparison of processes & functionalities" together, as a first step of a possible further cooperation between both pilot projects.
- Work shall start December 2013 and shall be finished by the end of Q1 2014.
- Subject to the results of step 1 next steps for cooperation between both pilot projects will be defined.

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Wrap-up 2013:
=> Evaluation of Balancing Taskforce

This taskforce mainly addresses operational, technical and market related issues in order to prepare ourselves for the challenges our balancing market will face in the upcoming years.

A number of factors are radically changing, leading to a need for increasingly sophisticated tools and skills:

- increasing exchanges of energy between national electrical systems following market liberalization;
- the variability of energy flows on the transmission systems; due to the growing share of energy;
- Germany, Switzerland and Belgium's decision to abandon nuclear energy in the next two decades;
- the growing share of energy generated by generation units connected to the distribution systems;
- the postponement, year after year, of construction of large generation units due to the difficulties involved in obtaining permits and the uncertainties associated for example with the financial and economic crisis.

This Balancing Taskforce is the platform via which Elia consults the market when proposing evolutions to balancing and ancillary service mechanisms. Elia will finalize its proposals taking into account the input of the Taskforce and will then require appropriate approvals. Amongst others, the following topics will be handled by this taskforce:

- Evolutions to balancing services (primary, secondary and tertiary control)
- The "Bid Ladder" project
- Participation of load to provide balancing services
- Future vision for procurement and diversification of resources
- Enhancements to our on-line balancing publications
- Possible cross border balancing synergies

…

In the coming months, a survey / questionnaire will be launched by Elia to capture your feedback on how this taskforce is functioning (frequency, members, scope, preparation, content, …)

Wrap-up 2013:
=> Evaluation of Balancing Taskforce

Frequency

- In 2013 we organized 7 Balancing Task Forces: 11/01; 01/03; 17/04; 24/05; 27/06; 23/09; 21/11

Members

- A variety of members (34): FOD, CREG, DSO's, BRP's, Aggregators; Renewables; Federations; Producers; Large Consumers; …

SCOPE / Topics treated in 2013

- Organization of a "balancing training" (took place 3 times in 2013)
- Consultation regarding 2014 evolutions for R1/R2/R3/ICH tendering;
- Public consultation regarding balancing rules for 2014;
- Consultation regarding the "Bid Ladder" project was discussed several times;
- Participation of load to provide balancing services (R3_DP);
- Enhancements to our on-line balancing publications (wind, solar, infeed publications, available regulation capacity, B2B, …);
- Cross border balancing synergies (XB Balancing Tennet-Elia Study, iGCC, …)
- ARP-Contractual changes;
- Future vision for procurement and diversification of resources (rapport 18 maanden, NC for Balancing, Pilot Projects, …)

Questions and/or Remarks ?



Next steps & next meeting date

1. Written comments on todays presentations are welcome!
2. Elia will send meeting minutes (incl all slides) for validation.
3. **Doodle for "TF1 - 2014" will be sent after the meeting**



Thanks for your attention

21/11/2013

Elia

