

## 9<sup>th</sup> Balancing Stakeholder Group (BSG) meeting

Date: 28 September 2017

Time: 10h00 – 16h00

Place: CEER, Brussels

### Participants:

De Wit	Paul	CEDEC	N
Schmidt	Peter	CEDEC	N
Janson	Stefan	EFET	N
Van den Kerckhove	Olivier	EFET	Y
Perret	Claude	EURELECTRIC DSO	N
Hawkins	Nigel	EURELECTRIC	Y
Castagné	Pierre	EURELECTRIC	Y
Ioannis	Retsoulis	EURELECTRIC	Y
Fraile	Daniel	WindEurope	Y
Linder	Andreas	WindEurope	Y
Šavli	Andraž	EUROPEX	Y
Lantrain	Aurore	EUROPEX	N
Doble	Trygve	GEODE	N
Theil	Anders	GEODE	N
Van der Velde	Fritz	IFIEC	N
Kuokkanen	Pasi	IFIEC	Y
Claes	Gaetan	EUGINE	N
Benquey	Romain	SEDC	N
Schell	Peter	SEDC	N
Florian	Gonzalez	EDSO	N
Hujber	Andras	EC	Y
Kuen	Nicolas	EC	Y
Boussetta	Selim	ACER	Y
Fransen	Mathieu	ACER	Y

Fijalkowski	Jakub	ACER	N
Povh	Martin	ACER	N
Tellidou	Athina	ACER	Y
Lanfranconi	Cristian	ACER	N
Henriksen	Stian	ACER	N
Costa	Leonardo	ACER	Y
Barmsnes	Kjell	ENTSO-E	Y
Genet	Benjamin	ENTSO-E	Y
Høgh Møller	Martin	ENTSO-E	Y
Ziegler	Sebastian	ENTSO-E	Y
Dusolt	Alexander	ENTSO-E	Y

## MINUTES

### Agenda and approval of minutes from 8<sup>th</sup> Balancing Stakeholder Group meeting

Minutes from 8<sup>th</sup> BSG meeting are approved. Update on actions is given.

The Agenda is approved.

Stakeholders ask to get consulted on the date, if changes become necessary.

### EBGL implementation – Organisation

Kjell Barmsnes updates on the organisation of the EBGL implementation.

Nicolas Kuen expects the EBGL to be published in November leading to an eif first half of December.

Kjell Barmsnes is clarifying that de different parts of TSOTSO settlement are proposed by the relevant project teams directly for approval as no consultations are requested by the EBGL. TSO BSP settlement is part of the pricing proposals and will be consulted. TSO BRP settlement is part of imbalance settlement harmonization proposals, in which subjects for harmonization are proposed which are subsequently implemented in national Terms and Conditions for balancing.

Mathieu Fransen shows a slide which explains the difference between the implementation (reference) projects like IGCC, MARI, PICASSO & TERRE and the formal proposals to be submitted under the EB GL. The former will be where a consistent design will be developed for a single process/product (aFRR, mFRR, IN, RR) and the latter will then consult on formal proposals (EU platform implementation frameworks, BE pricing, TSO-TSO settlement)

ENTSO-E explains that stakeholder involvement is coordinated between the ENTSO-E project teams and the implementation projects.

Pierre Castagne asks for early involvement when all options are discussed.

Andraž Šavli asks to inform stakeholders early in case of delays (e.g. TERRE)

Alexander Dusolt presents the timeline and Martin Høgh Møller adds that a stakeholder meeting for PICASSO is foreseen early 2018.

Pierre Castagne appreciates the stakeholder involvement and transparency largely, however asks for more information on imbalance settlement harmonization proposals.

Planning for consultations 2018: stakeholders would prefer an overlap of the implementation framework consultations to avoid a consultation period in July/August.

## Update on products survey

Alexander Dusolt gives a brief overview over the outcome of the products survey and asks what the reasons could be for the low participation:

- Question may not have been clear enough.
- Maybe difficult to answer for some companies due to technical details.
- Feedback on consultations should improve once closer to implementation
- Coordination on national level
- The wind industry may not have certainty on what is needed/available in four years. Takes some time to prepare and develop.

Benjamin Genet informs that the workshop on 5th October for the PICASSO-project is meant to create understanding for the consultation to be prepared.

Leonardo Costa invites national stakeholders to call for more workshops if needed.

Martin Høgh Møller informs that the implementation projects will consider answers received and potentially repeat some questions. Mathieu Fransen finds the results not conclusive however confirms that the answers will be used in the next steps.

Daniel Fraile confirms that survey was good for triggering discussions with members, however the impact not 100% clear. The concrete impact on market participants could be clearer.

Kjell Barmnes concludes that stakeholders shall ensure more responses, ENTSO-E shall encourage local TSOs to incentivize stakeholders and potentially TSOs should be more precise in questions.

## Update on Implementation projects

### Imbalance Netting

Sebastian Ziegler presents the update on the IGCC project. He expects no additional difficulties for CDS systems to join IGCC. He informs that Bulgaria will be joining aFRR and mFRR implementation projects, to be seen if they join IGCC as observer. He confirms that – once gone live – for the aFRR region IGCC would do pre-netting. Today e-GCC is doing pre-netting. He confirms that after the PICASSO go live, economical information is available, so economic optimisation will be done. An impact assessment will be done as part of the implementation framework. The main challenge is to include all new TSOs in the IGCC system

Stefan Janson asks to involve stakeholder in the TSO-TSO settlement as it may influence the TSO-BSP / TSO BRP settlement. ENTSO-E explains that TSO-TSO settlement does not need to be consulted according to EBGL, but could informally include stakeholder views through the EU platform project. TSO- BSP will mainly be discussed nationally. Nicolas Kuen reminds that it will be explained how the value of avoided

activation of balancing energy will be considered. TSO-TSO settlement is only relevant for TSOs, TSO-BRP is finally up to national decision.

## aFRR

Benjamin Genet updates on the PICASSO project. He explains that the necessity to join the project and the high-level timeline come from the EBGL. He informs that knowledge has been created by the EXPLORE study, however not too many detailed conclusions could be derived from it. The target platform may be ready before the deadline, however some TSOs may want to stay in interim platform. Latest 6 years after eif. all must use the same platform. Thereby the main focus is on the target model, however allowing interim solutions. Interim solutions should not negatively interfere with target solution, so the benefits from the European platform idea are kept. He explains that the harmonized FAT for the aFRR standard product is mandatory requirement for the product definition. aFRR is the last process to regulate ACE, thus it makes sense to regulate faster. Benjamin informs that in the project all member TSOs agreed on the items so far, but any party can request to rediscuss an item.

Olivier van den Kerckhove questions why Nordics are part of aFRR but not of IN. This is because the current Nordic system is operated as one LFC Block and LFCR Area which inherently includes imbalance netting as the Nordic TSO do not have an individual ACE.

## mFRR

Martin Høgh Møller presents the update on the MARI project. He explains that ENTSO-E believes that swissgrid should be part of the European balancing energy platforms. Also swissgrid should not be a blocking party.

Nicolas Kuen asks to wait for EC for final decision.

Martin Høgh Møller informs that the next meeting with NRAs is planned around Nov/Dec and up to 6 meetings a year could be foreseen. The consultation in summer 2018 will be on a proposal (one option) and not on open questions (i.e. several options) (these are discussed end of this year with stakeholders)

The idea of avoiding indivisible bids is mainly supported. Application should be low, but not too low as bids will otherwise become “special products”. TSO-BSP harmonisation – some level of harmonization is needed to become a level playing field. MARI and Picasso try to be as similar as possible (agreements, organisation etc.)

Mathieu Fransen confirms that large indivisible bids seem not be the most efficient solution as it limits competition and efficient dispatch.

Olivier van den Kerckhove expects that full harmonisation may not be achieved but some level of harmonisation is needed. Market participants should join discussion on what should be harmonised.

Pierre Castagne reminds that for the details of the tolerance band liquidity should be the key driver.

## RR

Kjell Barmsnes updates on the TERRE project. The RfP phase is progressing. Some working packages are quite far and the selection of providers is ongoing. The approval packages is milestone to conclude on results of public consultation. A stakeholder workshop is planned for the end of the year.

Pierre Castagne questions why proposals are submitted to NRAs before discussion with stakeholders? Selim Boussetta confirms that ideally stakeholders would be informed before, however the stakeholder information may also be more insightful if NRAs are informed before.

Stefan Janson questions whether BSPs in a country not implementing RR can take part in the RR process. ACER confirms that this is foreseen with the TSO-BSP model, which may require TSOs and NRA agreement.

## **Provision of balancing reserves by RES**

Daniel Fraile introduced the presentation of Andreas Linder on the provision of balancing reserves by RES. Andreas presents among others the AAP concept, which is mainly about the controlling of the delivery of balancing energy. Mathieu mentions this could be implicitly part of the EBGL due to short balancing energy GCTs.

Daniel Fraile explains that prequalification schemes are very different across countries and would ideally be harmonised, also IT requirements can be a blocker for BSPs. ENTSO-E explains that IT and prequalification requirements are part of the SOGL. TSOs have to propose prepublication rules for the whole LFC block.

Pierre Castagne proposes to discuss further balancing topics in the BSG, such as sequence of balancing capacity auctions. Nicolas Kuen confirms this as part of the CEP and the most important for the moment should be the inclusion of voluntary bids.

Andreas Linder explains that large bidding zones makes bidding for RES easier as availability can be better guaranteed with windfarms with higher geographic distribution.

Benjamin Genet notes that most requests listed by WindEurope are part of national T&Cs. Focus for WE could be on downward mFRR by e.g. proposing common rules. Introducing new rules may be easier than changing.

## **AoB**

Activation purposes: the way Balancing Energy pricing is affected in case of activation for congestion management (or any other activation purpose) will be discussed first in the EU platform design and subsequently included in the Balancing Energy pricing proposals pursuant to Article 30 of EBGL. Transparency around other purposes related to balancing should be included in the proposal for modifying the Transparency Platform Manual of Procedures pursuant to A12 EBGL. ENTSO-E and ACER to propose meeting dates for next year in next meeting.

## **Next meetings**

7<sup>th</sup> December – ENTSO-E, Brussels