

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

Date: 30 June 2016

Time: 10h00 – 16h15

Place: ENTSO-E, Brussels

### Participants:

Pierre	Castagne	Eurelectric
Ruud	Otter	Eurelectric
Peter	Schmidt	CEDEC
Pasi	Kuokkanen	IFIEC
Andraz	Savli	Europex
Aurore	Lantrain	Europex
Peter	Schell	SEDC
Romain	Benquey	SEDC
Gaetan	Claeys	Eugine
Olivier	Van den Kerckhove	EFET
Stefan	Janson	EFET
Victor	Charbonnier	EWEA
Daniel	Fraile	EWEA
Marie	Montigny	ACER
Mathieu	Fransen	ACER (chair)
Stian	Henrikson	ACER (telco)
Jakub	Fijalkowski	ACER (telco)
Alexander	Dusolt	ENTSO-E
Kjell	Barmsnes	ENTSO-E (chair)
Sebastian	Ziegler	ENTSO-E
Markus	Riegler	ENTSO-E
Jean	Specklin	ENTSO-E
Ulf	Kasper	ENTSO-E

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## MINUTES

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### Agenda and approval of minutes from 4<sup>th</sup> Balancing Stakeholder Group meeting

Agenda and Minutes from 4<sup>th</sup> BSG meeting were approved.

Mathieu Fransen updated on the first comitology meeting and informed the next one will take place on 19<sup>th</sup>/20<sup>th</sup> September but this has yet to be confirmed by EC.

### Manual & automatic Standard products

#### mFRR products

Jean Specklin gives an update on standard products.

Cross border physical exchange: It is common understanding that first TSOs will define the products they need and then optimize the cross border physical exchange.

Daniel Fraile pointed out that the abilities of new producers, which could be closer to blocks, should be taken into account.

Peter Schell suggests that profiles could also be amended every year on actually use. There will be changes in generation technology during time. Future providers may be able to provide better blocks, whereas today's generators more need ramps. Thus this should not be driving factor for product design.

Pierre Castagne reminds that it should be analysed how this is linked via the ACE to Netting.

Stefan Janson: Focus should be on BSP/BRP settlement. If trapezoid shape is used for TSO/TSO exchange and imbalance settlement is done on blocks this may not properly reflect local responsibilities. If trapezoid shape is used then BRP perimeter should be adjusted respectively to avoid imbalance charges.

**Action:** min delivery period and full activation time need to be better clarified in supporting document. Differences between schedule and direct activation in addition to FAT may need further explanation.

It has been clarified that the idea is to deliver a block, so ramping is optional.

Peter Schell comments that if blocks are settled then they are basically financially requested. TSOs clarify that they could ask for different physical products, however not settle it.

Romain Benquey comments that if energy is requested for three consecutive ISPs there is no reason to move energy settlement into main ISP.

Olivier van den Kerckhove states that if trapezoid is requested imbalance settlement should reflect this.

Peter Schell comments that ramps cannot be measured

**Conclusions:** BSG members prefer that settlement and adjustment reflects what really has been requested (and is delivered).

- Decision on ramps depends on what TSOs request.
- Next steps: further refine explanatory document. Potentially for next meeting in October.
- Provide further info on allowing ramps but not requiring it.

#### aFRR products

Jean Specklin explains that the current frequency quality should not be reduced. Level 1 and level 2 FRCE range still to be defined. There will be both, capacity and energy markets, for each product. Free bids allowed. He explained the differences between control request and demand request: The consequences for the market design will need further elaboration.

Peter Schell notes that the shorter the ramp, the less of a difference the two options make. He expects at least one standard product for one synchronous area. Further discussion for across synchronous areas needed.

**Conclusion:** finalize document on manual products as far as possible for the October BSG meeting. Show where decisions need to be taken by TSOs and where input from stakeholders is needed. Get document ready for informal consultation. Potentially differentiate between issues which can be decided now and issues which may need a decision in the implementation.

## Approach to EIM

Ulf Kasper presents the slides on the approach to the EIM.

It has been clarified that the focus of Imbalance Netting is to avoid the activation of balancing energy in which prices don't play a role.

It has been explained that from the the energy community countries Serbia is participating. Countries should apply for participation to EC. Serbia and Croatia expressed that they wanted to be directly part of the central CoBA.

It has been discussed that between synchronous areas it could be more challenging with direct activation for mFRR. For aFRR short timeframes and changes in load on the cable could be an issue. Also it is a question where the ACE remains.

It has been confirmed that stakeholders will be involved in major decisions, e.g. central design options.

It is expected by some of the stakeholders that the BSG will be included under the MESC after e.i.f. of the EBGL, e.g. as a subgroup.

### Feedback from Stakeholders on approach to EIM:

Ruud Otter: important that decisions work well together with set deadlines.

Mathieu Fransen explains that intermediate steps might be included in the EBGL.

Ruud Otter states that the current setup does not preclude intermediate steps. New approach has more focus on them.

Olivier van den Kerckhove states that the new approach relieves some of the concerns. Still questions why a RIM should be operating separately.

Peter Schell hopes that the fastest way is chosen. Believes TSOs need to find the most constructive way. Important to reach the target as quickly as possible. Commitment of means (instead of results) will be fine.

Pasi Kuokkanen states that it is most important to have good liquid products that work for the market. If everything works well, integrated approach could be faster.

Peter Schmidt deems the proposed way logic.

## XB Capacity Reservation

Markus Riegler presents the slides on XB capacity reservation.

Peter Schell deems it worth to start with ID capacity. Capacity for Balancing would only be needed if there is an imbalance, thus a deviation from DA/ID schedules. This could free up some capacity. He expects more energy volume from free than reserved bids.

It needs to be differentiated between cross border capacity (interconnector) and balancing capacity (option to ask for balancing energy).

Kjell Barmnsnes clarifies that TSOs cannot take the financial risk of suboptimal capacity allocation between timeframes, however if TSOs don't use capacity optimally, this could be detected in reporting and respective changes could be made.

Stefan Janson remarks that capacity that is withdrawn for Intraday exchanges seems not considered? This could be done in forecasted value.

Olivier van den Kerckhove questions which interest TSOs have to be accurate in the forecasted values.

Markus Riegler clarifies that currently we discuss on the value of balancing capacity however this alone does not reflect the full value of balancing XB capacity.

Romain Benquey notes that also the value of XB capacity for capacity mechanisms should be considered.

Olivier van den Kerckhove questions why not to use the probabilistic approach as fallback. He does not support the Economic efficiency approach. Kjell Barmnsnes clarifies that this approach is more insecure.

Ruud Otter comments that it may be more beneficial to invest in recalculations of XB capacity than in capacity reservation.

Peter Schell comments that we should first make sure that there is enough capacity before we work on all the other details.

**Next steps:** discuss the topic in comitology. Further discussion of issues needed.

## Pilot Projects update

It has been agreed to skip the detailed pilot project presentation as dedicated workshops are ongoing on the Explore and TERRE project. Ruud Otter request an IGCC stakeholder meeting to be organized on short notice.

**Action:** Explore information could also be published on relevant ENTSO-E website. ENTSO-E to come up with a proposal. Pilot Project SPOC list to be updated.

## Next meetings

13 October ACER, Ljubljana

Date in December or January 2017 to be identified.