

## 2<sup>nd</sup> Balancing Stakeholder Group (BSG) meeting

Date: 23 September 2015

Time: 10h30 – 16h30

Place: ENTSO-E premises, Brussels

### Participants:

Pierre	Castagne	Eurelectric
William	Chan	IFIEC
Paul	De Wit	CEDEC
Stephan	Janson	EFET
Anders	Järvelä	GEODE
Melle	Kruisdijk	Eugine
Ruud	Otter	Eurelectric
Šavli	Andraž	Europex
Peter	Schell	SEDC
Peter	Schmidt	CEDEC
Anders	Theil	GEODE
Roland	Tual	SEDC
Olivier	Van den Kerckhove	EFET
Victor	Charbonnier	EWEA
Philip	Bloomfield	Europex
Nicolas	Kuen	EC
Martin	Povh	ACER
Marie	Montigny	ACER
Mathieu	Fransen	ACER
Marie	Woithe	ACER
Jose-Ignacio	De la Fuente	REE
Alexander	Dusolt	ENTSO-E
Kjell	Barmsnes	ENTSO-E
Chris	Fox	National Grid
Victoria	Gerus	EDSO

Claude	Perret	ERDF
Sebastian	Ziegler	50HzT
Jimmy	Bourdrel	ENTSO-E
Matti	Supponen	EC
Stian	Henrikson	ACER
Jakub	Fijalkowski	E-control

## MINUTES

### 1. Agenda and minutes approval

The Agenda of the BSG and the minutes from the BSG meeting held on 17 March 2015 were approved.

Questions from Eurelectric:

- Possibility for an internet webstream to allow all members from EU organisations to follow the discussions? To be studied by ACER & ENTSO-E and be taken up in the same way as decided for the Market European Stakeholder Committee (MESCC)
- Interaction with Market ESC? BSG will report to MESCC on main points & conclusions.

### 2. Stakeholder participation in BSG

Eurelectric considers ENTSO-E's reply as disappointing and asks for regulatory cooperation. Room for improvement. A few years ago, regional initiatives were led by NRAs and stakeholders' involvement was well functioning. Couldn't we replicate the same structure for the pilot Projects?

EFET: there were occasions where information was transferred to stakeholders, but stakeholders also want to be involved in the early steps on the decision making process and not be only confronted with the end result.

Stephan Janson explained request from EFET, Eurelectric, Europex and EWEA to involve stakeholders earlier in relevant developments. He appreciates the reports on pilot projects as a good step for a common assessment of the projects. He noted that questions from stakeholders have been taken up in the report. The reports should be regarded as a starting point for collecting information, discussions and leave room for interventions. Furthermore he noted that the involvement of stakeholders differs strongly between the projects.

Marie Montigny stated that a written answer from NRAs on stakeholder's letter is to be expected in the coming weeks.

### 3. Electricity Balancing Regulation

Mathieu Fransen presented the ACER qualified recommendation highlighting the main aspects of change to the proposal made by ENTSO-E

Ruud Otter questioned the number of five CoBAs and remarks that a single imbalance price would lead to different decisions than with a dual price. The current system state and price formation need to be transparent and BRPs have to be able to respond to the system state so they can go into imbalance to help the system.

Mathieu Fransen pointed out that the balancing price should be related to the real time price and that the transparency regulation contains the necessary obligations. He clarifies that a separate ISP for consumption will be difficult under a single imbalance price. He also explains that the allocation of functions of imbalance settlement are up to national decisions. Europex would like to have the detailed methodology to define Single Pricing asap.

Pierre Castagne expressed his view that the NC EB is not the right place to define DSR options. SEDC asks how it will be demonstrated that there is “barrier to entry” for DR in Art 31.

Nicolas Kuen explained the next steps on the NCEB

- Impact assessments will now be internally launched covering both NC EB & NC ER. All processes will be reviewed by a CBA
- Afterwards work on the NC itself and inter service consultation
- Start comitology second quarter 2016
- Adoption expected early 2017

The topics CoBAs and CBA ISP are dependent on ENTSO-E’s analysis. Trilateral meetings between EC, ACER and ENTSO-E will be organized as of October 2015.

Martin Povh underlined that the CBAs and proposal for CoBAs needs to be ready for the start of the comitology in spring next year. If CBA is not there 15mins will be default option.

#### 4. CoBAs options

ENTSO-E presented the latest CoBAs proposals on Imbalance Netting (IN), which proposed that there be one single IN CoBA for the whole of Continental Europe (CE) as per the ACER qualified Recommendation. ENTSO-E triggers discussions on how to facilitate the merging of the three existing IN pilot projects to form one single reference project which can be expanded to cover the whole of Synchronous Area Continental Europe.

Ruud Otter missed plans on stakeholder engagement. He is interested in what the political problems are and offers that stakeholders could help coming over them. He questioned what the critical issues for Imbalance Netting are and what the money flows for imbalance settlement are. He is of the opinion that merging does not happen due to discussion of settlement principles. The settlement can affect market parties via tariffs or balancing prices so market parties do have an opinion. He suggested that, given the different way imbalance netting is considered nationally, it has impact on the market. Thus, an option of imbalance netting without financial settlement - leaving it only to technical aspects - could be considered. Mathieu Fransen answered that it may be further discussed internally. ENTSO-E clarified that in order for there to be settlement between the TSO and BRPs, as it is the BRP imbalances that are being netted, there needs to be an ENTSO-E settlement.

Jimmy Bourdrel informed that RTE is investigating joining IGCC. Their ISP will not be equalized as this is not prerequisite but rather improves results.

Mathieu Fransen noted that if critical issues appear, the QMV according to the CACM will be applied. He explained that they foresee five CoBAs for each process which are geographically consistent.

One stakeholders expressed his opinion that one IN CoBA comes at the cost of a completely fair remuneration. Only if the IN CoBA is geographically the same as the aFRR CoBA a fair remuneration could be established.

ACER urged ENTSO-E to make a proposal for the RR, mFRR and aFRR CoBAs in November.

Kjell Barmnes expects detrimental input from the aFRR study on possibilities and needs and explains that therefore ENTSO-E cannot commit to make one proposal for the aFRR CoBAs in November. Proposal are

made bottom up and try to include as much technical details as possible. ENTSO-E offered to discuss ACER's proposal together with stakeholders and prepare pros and cons. As input for the aFRR CoBA the overview over current products and activation principles is needed.

Pierre Castagne would welcome if a first proposal could be brought on the table for discussion as was done with the reduced list of standard products.

Nicolas Kuen proposed that in November ENTSO-E presents their proposal on RR and mFRR CoBAs. The proposal for aFRR from ACER could be discussed with stakeholders and ENTSO-E together with preliminary results from the aFRR study.

#### 4. Standard products

Jimmy Bourdrel presented the current state of discussion especially in light of the aFRR study. For manual SP, ENTSO-E is discussing a further reduction of the number of products to 6 and introduces the following clarifications: Max delivery, temporal divisibility (between min and max delivery) and activation method.

Stephan Janson addressed the point of temporal inter-divisibility, and whether TSOs can activate any duration for min and max delivery for schedule activated products. He questioned the definition of RR/mFRR products. Additionally he questioned whether product four is a different type of reserve.

Jimmy Bourdrel explained that the differentiation between mFRR and RR has still to be investigated. He clarified that generation known at the moment and demand are included but not new technologies. With regard to the study on the aFRR products he points out that the study is done for all Europe. Stakeholders are welcomed to send their input to [alexander.dusolt@entsoe.eu](mailto:alexander.dusolt@entsoe.eu)

Stephan Janson asks for more information on technical capabilities of the ramp rate and effect on regulation quality through activation change and Jimmy Bourdrel explains that if regulation quality is decreased mitigation actions will be investigated.

#### 5. CBA ISP

Sebastian Ziegler gave the update on the CBA ISP. The EC confirmed that they require some initial results to inform the impact assessment which is due to be completed by the end of March.

Ruud Otter stated that in his view it does not make sense to change from 1h to 30mins as full harmonization must be the goal.

Mathieu Fransen explained that they included a maximum of 30 mins for the ISP in the recommendation. Costs from going to 30mins should not be taken into account by the CBA.

ACER asks more details on planning cases #3 (all countries with ISP > 30' shift to 15') and #4 (Spain and Portugal shift to 30', all other countries with ISP > 30' shift to 15').

ENTSO-E will show costs and benefits for each country and also at EU level.

##### **Data request:**

Ruud Otter warned that the CBA may become quite complex and different interpretations on the data request as well as the outcome may be possible. Consistency between countries needs to be guaranteed. Before sending the data request out it should be discussed in a separate BSG meeting.

Stakeholders proposed that a consultant should do a sanity check of the data request and follow up on missing data. Standardization should be used to avoid too much details. All parties agreed that the CBA should be as aggregated as possible and as detailed as needed. A long list for the data request shall be created and a proposal for shortlisting it shall be made and discussed with stakeholders.

Mathieu Fransen explained that one possibility is that only large metering will need to be changed. Profiling is to be used for smaller entities. It is of utmost importance to have the same assumptions on the cost side and on the benefit side (eg no benefit linked to the shift of smart metering to 15’).

Kjell Barmnes agreed that a separate session on the data request should be organized together with a consultant, however first more details on the data request need to be worked out (long list).

Nicolas Kuen stated that it is important to get a feeling in which direction to go, therefore not every detail needs to be calculated.

Nicolas Kuen asked whether a planning case with one ISP per synchronous area could be organized. This will be discussed further in the ISP Sub Group, who will assess whether the additional work created by inserting an additional planning case is beneficial.

It was common understanding that the complexity of the study should be reduced as much as possible (e.g. through aggregation) however making sure that the relevant data will be calculated to compare the different planning cases.

## **6. Pilot Projects**

Ignacio de la Fuente presented the updates on pilot projects.

## **7. AoB**

The next BSG meeting will be held on 27 November.

A date for a workshop on the data request will be selected via doodle.