

Febeliec answer to the CREG consultation on the project of decision (PRD)658E/84 on the discretionary incentives for Elia for 2024

Febeliec would like to thank the CREG for this public consultation (PRD)658E/84 on the proposal of decision concerning the objectives for Elia in 2024 in the framework of the discretionary incentives of the CREG.

Concerning incentive schemes for Elia, Febeliec would like to reiterate its position that in principle it is not in favour of such schemes, but that from a pragmatic point of view and in light of the results of the previous years, it can accept such incentive schemes insofar the goals are clearly measurable, have as goal to increase the efficiency and reduce the total system costs, and do not fall under the normal day-to-day activities of the TSO. Moreover, for Febeliec it is very important that under any such incentive schemes the CREG is very strict in controlling that the objectives are completely attained within the requested timeframe. Concerning this latter point, Febeliec would like to draw the attention of the CREG towards the issue that could arise when Elia does not reach the objective within the required timeframe. This could lead to a situation where Elia does not provide any attention anymore to the objective, as the incentive would in any case be unattainable. Febeliec wonders whether CREG has considered this and has a solution in place in case this situation occurs, in order to avoid that certain objectives that were selected but not attained in time would not be attained at all.

Moreover, Febeliec asks CREG to publish a clear report on the incentive schemes of the previous year(s), showing to which extent Elia has reached its objectives and which incentives were awarded, as such transparency would help stakeholders to get a better view on the past evolutions, but also on which objectives should be included in following years.

Concerning the incentives for 2024, Febeliec as a general comment regrets that all proposed objectives only involve studies, and that no concrete tangible objectives are taken into account that would more directly benefit the grid users. Febeliec thus insists in general that at least implementation plans and strategies are taken into account and prepared, insofar no straightforward implementation can immediately be foreseen. On the proposed objectives, Febeliec has following comments:

- On the improvement of the making available of data by Elia, Febeliec supports this incentive as it considers it essential that all necessary data should be available to the grid users as well as all other interested parties in order to ensure good market functioning. Febeliec furthermore calls upon the CREG to include a “quality control” mechanism in this incentive, requiring Elia to evaluate the assumptions on the key parameters of its successive adequacy studies (e.g. generation/storage capacity (by type), import capacity, load, derating factors, demand response availability, ...). Thorough evaluations of past reports can definitively contribute to improving the quality of these analyses for the future.
- On the incentive regarding the vision and roadmap concerning flexibility for congestion management and transparent communication on the activation of flexibility in the framework of contract with flexible access, Febeliec supports this explicitly, especially since Elia is considering moving towards flexible access for consumption sites and Febeliec insists that this not only should be done on a voluntary basis but also that it should be clear which (system and grid user) costs reductions and efficiency improvements this approach could bring.
- On the incentive regarding energy management strategies for storage, while Febeliec does not oppose such incentive, it should be clear that it is not Elia’s task to provide such strategies, yet rather facilitate them.
- On the incentive regarding the invoicing process for BRPs, Febeliec understands the importance for BRPs and thus supports an analysis, which should however not automatically lead to lower financial guarantees or other elements which could negatively impact the (financial) stability of Elia. Febeliec is thus looking forward to the conclusions of this incentive to see how improvements can be made while striking a balance between the financial impact for all involved actors.
- On the implementation of intelligent testing for the availability of reserves, Febeliec strongly supports the analysis and implementation of a smart testing strategy, to ensure that grid users have a clear view on the real testing that will be conducted, as tests come at a cost, which can be quite significant for some participants and

as such could improve market participation and remove (partially) this barrier for participation. Febeliec insists that for this a clear implementation strategy or even better a direct implementation will be foreseen.

- On the co-optimisation of the system costs for minimizing balancing and congestion management, Febeliec does not oppose the conceptual idea but is looking forward to the outcome such analysis, as it is unclear how such approach could work in a real world ex ante decision making process, without negatively impacting overall system costs. Febeliec wonders whether this incentive should get priority or even be maintained at all.
- On the economic optimisation of the use of balancing means and of the use of balancing products by Elia, Febeliec has even more doubts about the practical and beneficial implementation of such analysis, and considers this the proposed incentive with the least short term added value, and as such wonders whether it should not be replaced by an alternative one (see below).
- On the analysis of the technical feasibility of selective curtailment, Febeliec supports this incentive, as it is clear that despite the direct link with the DSOs, which also will have to be involved in the study, Elia should be the one ensuring such strategy gets put in place.

Febeliec would like to include an additional incentive for Elia, potentially replacing the incentive on the economic optimisation of the use of balancing means and of the use of balancing products by Elia, regarding the analysis of cross-system application of energy sharing for (industrial) consumers, allowing them to leverage the potential of their different sites connected in different regions and on different voltage levels.