

Febeliec answer to the Elia consultation on the request for derogation to the deadline to the use of the European platform for mFRR

Febeliec would like to thank Elia for this consultation on the request for derogation to the deadline to the use of the European platform for mFRR according to EBGL art. 62. Febeliec supports the request for derogation from Elia. Febeliec would like to stress that it truly hopes that the connection to European platforms for balancing energy will lead to more efficiency and lower costs for consumers in the future, and as such these connections need to be made as soon as possible, under the absolute premise that the system and the market players have been able to ensure that there will be sufficient liquidity (see below). This derogation is needed to ensure that the potential presented by the linking of European national balancing markets is indeed materialized, without jeopardizing the trust in the system due to too early connections and teething problems.

Febeliec indeed agrees with the challenges related to the implementation described by Elia and insists that market parties indeed receive sufficient time for a smooth and stable transition towards the new mFRR design, and this in particular (but not limited to) to avoid that liquidity in this market would drop, at the detriment of increasing system costs for consumers. A one year period after finalization of the mFRR design seems Febeliec a reasonable period. Moreover, a risk of operational security, even if not very probable, should be avoided in any case, even if this would require a future additional derogation. Febeliec insists, as also described in the derogation, that the connection of the Belgian control area to the European platform(s) is conditional on the connection of sufficient other parties to ensure that sufficient overall liquidity can reasonably be expected. As such, for Febeliec the proposed timeline in the derogation is acceptable to the extent that the above condition is met. Alternatively, Febeliec is of the opinion that a further derogation might be needed. Further preconditions include a.o. a timely finalization and provision of the mFRR design, complete technical guides, sufficient time for further discussions and consultations on some of the contractual documents as well as a final readiness check with the market parties before the final connection.

Furthermore, Febeliec agrees with Elia that the aFRR capacity design modifications are indeed urgent and should be treated in priority as compared to the connection to the MARI platform. Febeliec also welcomes and supports the non mandatory Bidding Assistance Services which Elia referred to and hopes that these will also be available before the connection to the MARI platform to ensure that as many current and new market players as possible are able to offer their flexibility. Febeliec will also discuss these future new Bidding Assistance Services with Elia but insists that a.o. facilitating mimicking a neutralization time is an essential element for its members (especially in light also of the foreseen abolition of the Belgian mFRR Flex product, to which Febeliec is still opposed).

Febeliec represents industrial energy consumers in Belgium. It strives for competitive prices for electricity and natural gas for industrial activities in Belgium, and for an increased security of energy supply. Febeliec has as members 5 business associations (Chemistry and life sciences, Glass, pulp & paper and cardboard, Mining, Textiles and wood processing, Brick) and 38 companies (Air Liquide, Air Products, Aperam, ArcelorMittal, Arlanxco Belgium, Aurubis Belgium, BASF Antwerpen, Bayer Agriculture, Bekaert, Borealis, Brussels Airport Company, Covestro, Dow Belgium, Evonik Antwerpen, Glaxosmithkline Biologicals, Google, Ineos, Infrabel, Inovyn Belgium, Kaneka Belgium, Kronos, Lanxess, Nippon Gases Belgium, Nippon Shokubai Europe, NLMK Belgium, Nyrstar Belgium, Oleon, Proxiums, Recticel, Sol, Tessenderlo Group, Thy-Marcinelle, Total Petrochemicals & Refining, UCB Pharma, Umicore, Unilin, Vynova and Yara). Together they represent over 80% of industrial electricity and natural gas consumption in Belgium and some 230.000 industrial jobs.