

Febeleriec answer to the Elia public consultation on the Procedure for the Constitution of the Strategic Reserve for winter 2021-2022

Febeleriec would to thank Elia for this consultation on the procedure for the constitution of the Strategic Reserve for winter 2021-2022.

Febeleriec has following remarks and comments to this consultation:

- Febeleriec asks that the CREG will publish the criteria it will apply to assess the reasonability of offers. This will greatly increase the confidence and transparency towards potential candidates in the procedure.
- Febeleriec wants to re-iterate its comment regarding the fact that the Minister can revise the volumes of the Strategic Reserve till the first of September, while for any candidate wishing to offer SDR to the Strategic Reserve, this entails a risk as submeters for SDR already have to be ordered before the end of August, which could lead to useless and non-remunerated investments by these candidates. Febeleriec has already made this comment for this winter 2018-2019 and continues to hope that Elia, CREG and the Minister will find a solution to avoid this problem, as this uncertainty can result in potential candidates not offering their capacity into the strategic reserve, which leads to a sub-optimal outcome for society as this would (unnecessarily) push up the cost of the strategic reserve.
- Febeleriec notices that Elia will contact the selected SDR and SGR suppliers to inform them of their selection. For Febeleriec it is important to maintain as much transparency as possible and it would thus be advisable to inform all grid users of the outcome of the selection process, even including a price indication.
- Febeleriec remains concerned for those delivery points that do not have a net offtake on annual basis (eligible for SDR) or do not have a CIPU contract (eligible for SGR) and hopes that everything is done to allow the last few potentially remaining cases to offer also into the tender for the strategic reserve. Febeleriec nevertheless wants to highlight and appreciate the efforts that have been done by all involved actors in the last few years to remove as many barriers as possible for participation of as many as possible candidates. A clear example are emergency generators, which now have been allowed to participate insofar they fall under the requirements for SDR.
- With respect to the procedure for the determination of the maximum SDR reference power, Febeleriec wants to reiterate the comments it made during previous years on the table and underlying methodology on the availability rate of RrefDR, with yet again mostly higher deratings of demand side in January and February (while these were already considered high by Febeleriec in previous years, when Elia provided lower values). Febeleriec is surprised to see that despite no real adequacy concerns in the last winters, Elia nevertheless keeps on increasing the required availability of demand side response during the winter, including weekends. Febeleriec has never approved the methodology applied by Elia, as this unnecessarily disadvantages participation of demand side response to the Strategic Reserve, and thus unnecessarily would increase costs if volumes were not null. Febeleriec insists that Elia provides much better justification of the proposed values, as the current methodology is a complete black box, with results that cannot be explained (e.g. Elia itself during the task force also only refers to “the methodology” without being able to provide any real insights when requested). Febeleriec in any case insist that the approach and calculations are made completely public and transparent, and that results are validated, both on a quantitative as well as qualitative level.

