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Febeliec answer to the Elia consultation on the LFC Block Operational Agreement

Febeliec would like to thank Elia for this consultation on the LFC Block Operational Agreement (LFCBOA). In the framework of this consultation, Febeliec wants to refer to its answers in other balancing consultations (e.g. on the mFRR and aFRR design) as well as the discussions during the numerous workshops on balancing products. On most of the methodological issues, Febeliec wishes to refer to its comments in previous years, but also wants to add that it remains very strongly of the opinion that exceptional data points should be filtered out in the analysis, in order to avoid that these negatively impact the volume determination during several years, directly negatively impacting costs for consumers. This should for example be the case for imbalances resulting from design flaws that have in the meantime been addressed or at least mitigated or data points related to assets that no longer remain in the system or where additional measures have been taken to address the impact of outages on the overall system.

On the adaptation of the aFRR capacity volume to be procured, Febeliec supports the reduction of this volume from 151MW to 117MW as it believes that this volume should cover sufficiently the risks for the system in a trade-off with costs for consumers, which might become even larger (ceteris paribus) in the future as the European PICASSO product is more stringent and thus more expensive than the national Elia aFRR product (e.g. related to full activation time and other features). Febeliec also insists that all imbalance netting potential should be taken into account for FRR need dimension, thus firstly on aFRR and any extra available capacity on mFRR.

Concerning outage rates and as already expressed before, Febeliec is concerned that these are considered constant over time, despite in some classes assets being added, renewed or refurbished. Febeliec suggests that historical data is critically analyzed and any irrelevant data points towards the future operation of the grid to be removed.

On the FRR means point, Febeliec most strongly want to refer to its comments on the extension of the Belgian mFRR Flex product and its regret on the abolishing of this product. Febeliec continues to consider this evolution to be not in interest of consumers and the overall cost of the system in light of a.o. the ever smaller margin of total mFRR capacity offered versus capacity procured that can be observed at times. Febeliec considers it to be unwise and imprudent to completely abolish the mFRR Flex product, as this could already in the (near) future lead to insufficient liquidity in the balancing market, as market actors might leave the market altogether and could in the long run lead to insufficient balancing assets still available to help the system.