

## Febeliec answer to the Elia consultation on the Consumer Centric Market Design note

Febeliec would like to thank Elia for this consultation on the Consumer Centric Market Design (CCMD) note. Febeliec greatly appreciates that efforts are made to enable more flexibility to participate to the energy markets. Febeliec wants to reiterate that it does not consider this a core task of a public (transmission) system operator, but nevertheless can support such undertaking insofar the public system operators are not allowed to develop commercial business offers in a domain that has been funded through the grid tariffs, as it is probably an enabler for aforementioned opening up of markets for flexibility. A fundamental question that however remains undiscussed at the point is the cost of the CCMD mechanism and the recovery of those costs, as the current approach with a (regulated?) monopolist offering the service could lead to goldplating and/or cross-subsidisation between grid users. Febeliec insists that this point is duly assessed and not just at the end of the entire process.

Febeliec understands that the current design note does only cover certain aspects of CCMD and that some parts are still to be discussed in the future. However, Febeliec wants to stress that at this point its comments only relate to the elements covered in the design note and that this cannot be interpreted as an approval of the CCMD as major elements (including a.o. the real-time price and the allocation of taxes and grid fees) are still under development and need to be correctly balanced to ensure that CCMD does remove market barriers and current issues and not create new ones.

While Febeliec is not as such opposed against evolving towards an individual correction of meters, it wonders whether CCMD will (ultimately) replace the current ToE or whether both systems will remain to function in parallel, for those grid users for which confidentiality of flexibility activations would be important or even necessary. In general, Febeliec is not opposed against individual correction, as long as it is possible for those parties for whom this would still be an issue to be able to (at least for the time being) continue with a more anonymised approach.

Throughout the design note, most often “the system operator” is mentioned, where it is unclear which system operator is meant: the TSO, the (public) DSO or the CDSO. Especially for the latter, and as also indicated by Elia during the workshops, it is important to investigate and list which interactions are needed with the CDSO and to which extent the current practices for ToE will be transposed (and might thus also need to be modified). Febeliec nevertheless strongly welcomes a generic single solution for all grid operators in Belgium, to ensure that this does not become a market barrier in itself nor leads to additional transaction costs with grid users having to comply with many different underlying systems and models. The question remains also who in the case of CDSs would be responsible for the registration phase, both for the energy service provider and the delivery points, but also during the validation of energy transactions.

Concerning (explicit) flexibility, it is for Febeliec very important to clearly indicate that grid users are allowed to market themselves their flexibility, without necessarily the interaction with an external FSP, an aspect that according to Febeliec is not clear enough from the current note.

Concerning metering, Febeliec insists that there comes more clarity on which meters would be acceptable for CCMD, as “certified” (sub)meters are mentioned. This is also very relevant in relation to CDSOs. Febeliec is of the opinion that for commercial contracts, (sub)metering that is acceptable for all involved parties in a transaction (e.g. with respect to granularity or meter specifications) should be allowed, with for the specific case of services to system operators these parameters being covered in the relevant service requirements. Febeliec insists that at least for professional grid users more contractual freedom is allowed.

On the combination of services, it is important that different services can be combined on delivery points, and that the chosen solution is scalable, as especially for professional grid users this would be required to remove market barriers. Febeliec understands that it is not part of the current design note but insists that this is tackled as soon as possible and in any case is considered a fundamental element for the selection of the final overall design. This is a.o. linked to the administrative complexity of some possible solutions.

On the individual correction mechanism, Febeliec most strongly insist that for professional grid users (e.g. industrial consumers) it is possible for the grid user to compensate the BRP for the transferred energy, as the grid user should not be required to divulge all contractual elements regarding his supply contract(s) to his FSP(s). For Febeliec it is

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*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 39 companies (Air Liquide, Air Products, Aluminium Duffel, Aperam, ArcelorMittal, Arlanxco Belgium, Aurubis Belgium, BASF Antwerpen, Bayer Agriculture, Beaulieu International Group, Borealis, Brussels Airport Company, Covestro, Dow Belgium, Etex, Evonik Antwerpen, Glaxosmithkline Biologicals, Google, Ineos, Infrabel, Inovyn Belgium, Janssen Pharmaceutica, Kaneka Belgium, Kronos, Lanxess, Nippon Gases Belgium, Nippon Shokubai Europe, NLMK Belgium, Nyrstar Belgium, Oleon, Pfizer, Proxiums, Sol, Solvay, 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.*

quintessential that it is not required to establish a direct link between the FSP(s) and the supplier(s) (which could in the case of industrial consumers both be multiples) and this in order to maintain not only contractual freedom but also contractual confidentiality.

On the repartition keys, it is for Febeliec essential that these allow sufficient freedom to the grid users and his supplier(s) and FP(s) to establish a correct representation of the contractual arrangements, which presumably includes a combination of different repartition keys described in the note (percentages, priorities, excess of energy and possible even other). Febeliec is also not convinced that for professional grid users the timing constraint should be kept at quarter hours but should rather be allowed to be at the granularity required by the grid users and their counterparties. Febeliec would like to know whether a granularity of 15 minutes would be hardcoded in the design, also in light of future evolutions towards this smaller time blocks in markets, and wonders why the design note seems to want to limit itself to this granularity. Febeliec insists that Elia does not transpose the requirements for its own flexibility services to the overall market for flexibility but rather allows more freedom there (and only imposes its own requirements on a.o. granularity for participation to its services).