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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 the modification of full activation time of aFRR and mFRR to respectively 5 and 12,5 minutes, Febeliec wants to repeat its position that this makes the standard balancing products much more difficult for grid users, in particular demand side response, and that this could lead to less instead of more liquidity. Febeliec thus reiterates its request for a local balancing product, that allows better participation of all flexibility, such as the existing mFRR Flex product.

On the adaptation of the aFRR capacity volume to be procured via a dynamic probabilistic methodology with feedback loop for the determination of the aFRR needs, Febeliec wants to give this mechanism the benefit of the doubt, as it could lead to a better alignment between the system needs and the contracted volumes, but insists on a very close monitoring to ensure that this would not lead to perverse effects or unwanted and unwarranted contracting of much bigger aFRR volumes in the future, to avoid repeating some design errors made in this in the past. Febeliec 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, but not limited to, be the case for imbalances resulting from the aforementioned design flaws 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. Febeliec also insists that all imbalance netting potential should be taken into account for FRR need dimension, firstly on aFRR and any extra available capacity on mFRR.

Febeliec also insists on a thorough analysis of the differences in outcome between the different applied methodologies, as big discrepancies between them (as also observed I the past) could indicate flaws in reasoning and could lead to the contracting of unnecessarily high volumes of balancing capacity, at the detriment of costs for consumers.

Febeliec also insists that units which do not provide MW schedules, in particular demand facilities, should only offer their available active power on a voluntary basis, as any alternative would be unwanted and lead to unwarranted curtailment with corresponding loss of production and potentially even important damage to installations.

On FRR means, Febeliec most strongly want to refer to its previous as well as above comments on the extension of the Belgian mFRR Flex product and its regret on the abolishing of this product. Febeliec considers such evolution not to be in the 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 as well as the increased needs for FRR capacity indicated by Elia in various studies. Febeliec considers it to be unwise and imprudent to 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.