

## **Febeliec answer to the Elia consultation on voltage service and reactive power control review and recommendations for design optimisations**

Febeliec would like to thank Elia for its consultation on consultation on voltage service and reactive power control review and recommendations for design optimisations.

Regarding this consultation, Febeliec wants to insist that participation to voltage service and reactive power control should be voluntary for demand facilities, as in most cases these have not at all been designed in order to be ready to deliver such services. Moreover, the primary goal of the activities and operations of industrial demand facilities lie outside of the regulation of the Elia grid.

Regarding remuneration, it is important to ensure that no undue revenues are generated from delivery of these services, to ensure safe grid operations at a reasonable cost for grid users. Febeliec does at this point not want to go as far as to say that such services should be delivered free of charge, as is the case in several European Member States, but it should be clear that any remuneration scheme should ensure that efficiency is guaranteed and system costs are not unduly increased. This is more so the case when (locational based) needs can only be fulfilled by a limited number of market players which could otherwise exert market power, with resulting cost increases.

On controls, Febeliec has no explicit comments at this point on the proposals, but insists that a remunerated service should be delivered correctly, especially when incorrect delivery could even jeopardize grid security. The same applies for penalties, the penalty scheme should maintain a balance between ensuring and incentivizing that the contracted service is delivered, again because non-delivery could jeopardize grid security, and avoiding undue costs for participants. Febeliec can support a progressive penalty scheme as proposed, but wonders to what extent the penalties are sufficient to ensure the correct incentives.

On the indication of the need for reactive power control, Febeliec can only support any evolution that would bring more clarity and transparency to this service.

On the price setting evolution, Febeliec understands the endeavor of Elia but wonders how comparability will be ensured, as it would become more complex with different parties using different fixed and variable formula elements and different future price indices. This could then lead to an (ex post) more costly solution being selected. Febeliec is skeptical to what extent it would be feasible to compare different fixed prices and price formulas with each three different parameters in a correct forward-looking way.

On the participation of non active power related assets such as capacitor banks or shunt reactors, Febeliec welcomes and supports any (voluntary) participation that could increase competition and drive down the overall system costs. The same applies to all updates to the Terms and Conditions to make these more technology neutral. Furthermore, Febeliec also supports Elia's proposals towards additional simplifications for the participation of non-mandatory units, as the removal of any remaining existing barriers could indeed enable more competition.