Product Design Group:
«*Multiple Supply Contracts for Adjustable Appliances*»
Meeting of March 17th, 2022

Participants:

46 people from the companies and organisations listed in the tables below attended the meeting.

Distribution Grid Operators		(10 participants)
Marnix	Schots	Fluvius
Sven	Van den Bosch	Fluvius
Rik	Deruyter	Ores
Michel	Paque	RESA
Simon	Gerard	RESA
Daphné	Benzennou	Sibelga
Matthieu	Boucquey	Sibelga
Daniel	Raes	Sibelga
Bruno	Blontrock	Synergid
Luc	Vercruyssen	Facilitator

Transport Grid Operators		(4 participants)
Kristien	Clement-Nyns	Elia
Pieter	Vanbaelen	Elia
Hans	Vandenbroucke	Elia
David	Zenner	Elia

Market Actors		(24 participants)
Stefan	De Schouwer	Atrias
Fabienne	Marchal	Clef-SCRL
Stefaan	Reyniers	COGEN Vlaanderen
Emmanuel	De Corte	Colruyt Group
John	Coudron	Colruyt Group
Jonas	Haustraete	Dats24
Sarah	Kaviani	Emix Consulting
Zeno	Bonduelle	Eneco
Michael	Van Bossuyt	Essencia
Jean	Frippiat	Energie Commune
Ruben	Laleman	Engie Belgium
Arnaud	Devleeschauwer	Engie Belgium
Toon	Bats	Engie Belgium
Sarah	Ouziaux	Engie Impact
Vincent	Deblocq	FEBEG
Pierre-Henri	Gresse	Flexide-energy

Patrick	Devos	Flux50
Harm	Vervoort	haulogy
Karen	Verhegghe	Luminus
Chris	Elbers	Odot
Annabelle	Jacquet	TotalEnergies
Nicolas	Evrard	TotalEnergies
Olivier	Linder	Techlink
William	Stinissen	Volta

Regulators		**(8 participants)**
Nick	Haaker	BRUGEL
Cécile	Pietquin	BRUGEL
Stéphane	Marchand	CWAPE
Gérard	Naert	CWAPE
Mathieu	Waucomont	CWAPE
Tim	Mertens	VREG
Marc	Michiels	VREG
Anke	Uytterhoeven	VREG

The Product Design Group started at 9h30.

The agenda of the meeting is:

1. Approval Meeting Minutes PDG session 28/10/2021
2. PDG " Adjustable Appliances": scope and objectives
3. PDG "Multiple Supply Contracts for Adjustable Appliances": planning
4. Market model and data model
    - Serial vs parallel configuration
    - Impact on data model
    - Impact on gridfee billing
    - Impact on commercialised volumes
5. Next steps

Minutes of meeting

1. Approval Minutes of meeting - PDG session 28/10/2021

The minutes of meeting from the previous Product Design Group « *Multiple Supply Contracts for Adjustable Appliances* » (PDG MC4AA) session of 28/10/2021 were approved with the changes proposed by the CWAPE regarding the fact that the meeting minutes do not reflect an official position from the regulator. The DSOs confirm that meeting minutes for all PDG sessions are aimed at documenting the ongoing discussions in the framework of the cocreation process and that the content of the minutes is not to be considered as official positions from parties and stakeholders contributing to the cocreation process.

2. De PDG " Adjustable Appliances": scope and objectives

FEBELIEC notes that the PDG seems to focus on appliances but remarks that consumers on the distribution grid, notably those that are connected on high or medium voltage, may also use applications rather than appliances. The DSOs explain that the term "appliances" was introduced for historical reasons, as it was initially used when the PDG focus was on a second supply contract for an Electric Vehicle (EV) point. This has now been generalised to multiple contracts for one access point and it is certainly not restricted to appliances, nor low voltage applications.

FEBELIEC also wonders whether this PDG is working towards one solution ("*one size fits all*") or whether the PDG is looking for one solution for low-voltage and another solution for industrial applications. The DSOs respond that the purpose is indeed to develop a generic solution, but that there will be specificities applicable to residential (low-voltage) applications on the one hand and non-residential (medium voltage) on the other hand, due to different legal requirements.

Answering to FEBELIEC pointing out that submeters provided by the DSOs could be rather expensive and prove to be not very agile as a solution (e.g.: long delivery time), the DSOs remind the PDG that submeters from third parties are also considered as discussed in previous meetings.

3. PDG "Multiple Supply Contracts for Adjustable Appliances": planning

No comments

4. Market model and data model

Impact on data model

FEBELIEC is of the opinion that the PDG should not approach every aspect from a grid operator point of view, but rather from a market perspective. According to FEBELIEC, the market does not need the same requirements for submetering or calculated data in terms of frequency and/or accuracy. FEBELIEC suggests to take this into account to facilitate commercial agreements between market actors. The DSOs indicate that data requirements depend on

the application: when the data is to be used in the supply market the accuracy requirements should be the same as for DSO metering, because the (in)accuracy of one calculated meter will affect the other volumes. FEBELIEC disagrees and exemplifies that for an industrial client with a DSO owned headmeter accurately measuring the imbalance: behind this headmeter, the imbalance inaccuracies measured at submeter level will not be important as long as the client as an agreement to pay the imbalance to the supplier/BRP (Balance Responsible Party) based on the Headmeter measurement. According to FEBELIEC the DSOs approach leads to unnecessary stringent and expensive meters. The DSOs take note of this opinion but remark that the case described by FEBELIEC seems specific and are of the opinion that PDG should not derive a solution based on a specific case but work towards a generic solution. Further, the DSOs note that a difference due to a calculated meter will be fully attributed to that "calculated" meter as there is no other measure available. The impact on imbalance is then borne by the main supplier/BRP while it is caused by the second supplier/BRP. For this last point the DSOs wonder whether this is acceptable and would like to hear views of other market parties.

FEBELIEC considers that the approach proposed by the DSOs will not deliver what the market desires, as it will be overly complex and expensive. In response to the PDG facilitator's invitation to elaborate and share the approach that FEBELIEC would consider appropriate, FEBELIEC propose to look at the "exchange of energy block" solution as envisaged by ELIA.

TOTALENERGIES states that it is too early to conclude on the right solution satisfying the market requirement, and asks to proceed with the presentation in order to have a discussion based on the content thereof.

LUMINUS points out that as a supplier they cannot agree with the model proposed by ELIA, in which there is a residual supplier who is responsible for invoicing all the grid fees, in case of multiple suppliers active on an access point. A clear division of volumes and associated fees needs to be made, so the responsibilities are fairly split.

The DSOs emphasize that the propositions made by ELIA on one hand and by the DSOs on the other hand are not competing against each other: DSOs and ELIA are discussing together trying to match the different possibilities and models to create a level playing field where responsibilities are fairly shared.

Responding to LUMINUS and FEBELIEC, ELIA confirms being perfectly aware that there are points that still need to be addressed and that further discussion is required.

With regards to the use cases presented by the DSOs, FEBELIEC wonders how this would work with regards to grid tariffs, notably in the case of a customer with 2 headmeters. Would the customer have to pay twice the peak tariff although the combined peak would be unchanged compared to the situation with a single headmeter? The DSOs explain that a split rule will be put into place in order to make sure that you don't pay the grid fee (peak) twice, and that this subject is addressed later in the presentation.

Impact on gridfee billing

With regards to gridfee billing, TOTALENERGIES would like to understand how the "main contract" will be identified and what the criteria would be for that purpose. The DSOs respond that the "main contract" is a new concept, although similar primary and secondary contracts notions are already being used in MIG 6 when a customer has one contract for his offtake and another contract for his injection, both contracts being on the same access point. In that situation it appeared necessary indeed to define somehow a hierarchy between the two contracts and it was decided to consider the injection contract as subordinated to the offtake contract meaning the injection contract can only exist if the offtake contract exists. The DSOs believe that this case of multiple contracts for adjustable appliances is similar, since the second contract exists, because the first contract gives access through the access point.

TOTALENERGIES believes the hierarchy will differ from case to case (e.g. the main contract could be for the Electric Vehicle) and suggests that the choice of the customer could be taken into account.

Answering the question from FEBELIEC that wonders what the link is with energy sharing and what the consequence will be for the taxes and grid fees, FLUVIUS points out that a difference should be made between energy sharing (i.e. what you can share with another party out of what you are injecting into the grid) and self-consumption (energy that is never injected into the grid). Further the DSOs indicate that the self-consumption topic will be touched upon and discussed in today's presentation and that the interactions of multiple contracts for adjustable appliances with the energy sharing topic will be addressed during the next PDG session, on 28 April.

ELIA points out that, in its view, the solution and approach should be generic and compatible with the different schemes (energy sharing, second supply…), as desired by the customers.

Reacting to the statement on the slide according to which the "*capacity component should be billed on the main contract*", ELIA questions the interest of splitting the remaining relatively small share of the gridfee (i.e. 20% of the grid fee in Flanders as they are moving to an 80% capacity term). As a clarification, the DSOs indicate that the "*capacity component*" as mentioned on the slide refers to the maximum power that could be available on a connection (this component is not the main part of the tariffs in Flanders). With regards to the (measured) peak, this component would be split over the supply contracts.

With regard to the invoicing of peaks in the case there are two contracts, ELIA would like to understand better how those will be invoiced (split, *pro rata*…) and raises concerns about the fact that a customer could be invoiced twice for the same peak.

The DSOs respond that the peak will be measured on the headmeter and that a rule for splitting the peak fee over the contracts needs to be defined. The DSOs indicate further that the rules are not defined yet but could be *pro rata*, or based on respective contributions…
The DSOs clarify this further with an illustrative example: in the case of a main meter with two supply contracts, each with its own meter, we assume that we measure a peak value amounting to "10" for a certain 15 minutes time interval. In that situation "10" is the measure of what is exchanged with the grid (i.e.: 15 min peak in that interval) although the sum of the peaks measured for each contract-meter in their respective 15 min peak interval could be higher than "10". If we measure "6" on one meter and "8" on the other, a rule could be to

split (6/14) and (8/14) of the "10" gridfee to each contract respectively. Doing so the total grid fee that would be paid would be based on the peak (10) as measured from the grid perspective.

FEBELIEC appreciate the proposal made but wants to raise the DSOs' attention on the fact that there could be issues in managing the temporality of the peak measurement in relation with the contractual situation (e.g.: case in which a customer first has two suppliers, and then three suppliers and then two completely different suppliers...). This temporal effect will need to be taken into account, because the highest peak might take place at a particular moment (e.g. when the customer has three suppliers), while the capacity fee is based (e.g. in Flanders) on your annual peak over a period of 12 months. The DSOs acknowledge the input and will take it into account for further analysis (i.e. customer and supplier changes, looking in parallel to what is currently done for peak invoicing for medium voltage customers).

Impact on commercialised volumes

In answer to FEBELIEC asking to explain the meaning of "*15 minutes compensation*", the DSOs clarify that "compensation" is the process in which you deduct the submeter metered volumes from the headmeter metered volumes in order to derive the volumes for the non-metered installation(s). Since both the headmeter and the submeter metered volumes values are based on 15 minutes intervals, the computation of the non-metered volumes leads to the so-called "compensation" as it possibly ignores intra-15 minutes flows.
In the example displayed on the slide 26, the question is whether the remaining (house) offtake can be derived from one net value computed as the offtake difference between the 15 minutes measurements provided by the head meter and the 15 minutes measurements provided by the Electric Vehicle-submeter. Computing this difference implicitly makes the assumption that the flows for the house and the Electric-Vehicle are synchronous.

VOLTA questions the usefulness of a separate contract for Electric Vehicle (EV), which would entail paying for the electricity necessary for the EV, while it is fed by the production of a PV installation. The DSOs respond that this could be desired when a third party (e.g. the car leasing company or the employer) pays for the EV consumption and the customer does not wish to use the local PV production for this. In this way part of what the customer actually self-consumed will be regarded as injection at the head meter and can be put onto the market.

The DSOs emphasize further that their role as DSO should aim at encouraging self-consumption. For that reason the DSOs consider invoicing the fees based on the head meter, which incentivises users to optimise their self-consumption. The DSOs also acknowledges that this might not always be the priority of the market and that market players might want, in some cases, to isolate certain volumes.

VOLTA agrees and points out that the Energy Management System (EMS) will probably be the best solution, unless a market party can propose a better offer.

TOTALENERGIES wonders whether it should be possible to have different "packages" defined on the meter headpoint from which customers may choose based on their needs. The DSOs reply that this would be an option although the costs should be evaluated in parallel with the relevancy for the market. TOTALENERGIES is of the opinion that the 15 minutes compensation

will be the optimal solution in most cases but emphasizes that the proposed approach should not be a hurdle for investments in local renewable production in situations where there are different suppliers.

Discussion (Slide 27)

1. *What reasons/cases do you identify where a customer should be able to create an additional service delivery point?*
    a. *Choosing a different supplier for part of his production/consumption?*
    b. *Choosing a different grid user/contract holder for (part of) the supply contract?*
    c. *Separating parts of his offtake or injection even if the supplier and grid user are the same?*

With regards to the last case (question 1. c.), ENGIE remarks that the customer might have a fixed contract for the house (limited market price exposure), and a more dynamic contract for the Electric Vehicle or heating if this is cheaper. Another example relates to a supplier that would propose contracts specifically for (or linked to) a particular type of appliances (e.g. EV). ENGIE adds that a same supplier could propose different types of contracts and concludes that it would facilitate specific use cases for EV (e.g. separate EV volumes from the rest), while not blocking the standard EV case.

FEBELIEC remarks that it would be interesting - especially for industrial consumers - to split up production and/or consumption into different supplier contracts (question 1. a.) but points out that the solution should be as simple and transparent as possible for the customers and that those shouldn't be asked to create an "additional delivery point". The DSOs confirms that the creation of the additional service delivery point relates to how the possibility of having multiple contracts on a same access point would be implemented and that it is not the intention to ask customers to create additional service delivery points. FEBELIEC insists on the fact that the procedure to have a separated contract should be as simple as possible for the customer and that the DSOs should not overestimate the technical knowledge of the customers, even professional ones.

2. *Should a customer with a separate allocation point for his EV be able to choose whether or not to self-consume his local production with this EV?*
    a. *Is it acceptable that his choice not to self-consume impacts his grid fee?*

ENGIE remarks that whoever causes the cost should pay for it.

VOLTA believes that from a technical point of view, it should not make a difference for the grid fee, because the electrons will still flow to the EV if you have PV available.

TOTALENERGIES points out that to the extent the gridfee tariff design encourages self-consumption, a consumer choosing not to self-consume will be negatively impacted. TOTALENERGIES asks further what the "reference situation" is and explains by saying that the consumer that chooses not to self-consume should not endure more disadvantages than a person without local production, considering his offtake. Considering his injection, it will depend on the grid fee design and the extent to which it encourages self-consumption.

VOLTA disagrees as the grid fee should be based on the measurements on the head meter, while how this gridfee is distributed amongst the different contracts can be discussed.

The DSOs remark that the discussion assumes that it is the same customer and that the total tariff is what is exchanged at the head meter and point out that there could be situations where different grid users are paying part of the grid fee. This can have an impact on how the grid fee is distributed and hence on what each customer would pay.

VOLTA agrees that the question is how the grid fee should be split and not whether it would be higher or lower, because the grid doesn't see the difference between one or more contracts.

With regards to the options put forward by the DSOs concerning commercialised volumes (slide 28), TOTALENERGIES considers the topic as very important. The DSOs indicate that they will publish the slides on Synergrid's website and that the participants are invited to provide feedback.

Next steps

The next "Multiple Contracts for Adjustable Appliances" PDG meeting is planned on 28 April and will focus on structuring and on interactions with energy sharing, flexibility and third-party data access.

In the meanwhile, feedback can be sent to marketconsultation@synergid.be, by 7 April at the latest.

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The following table summarizes the comments received from market parties during the meeting and the way DSOs intend to address these.

Comment	DSOs response
Proposal for lower requirements (in terms of frequency or accuracy) for submeter or calculated data	The requirements for the accuracy and frequency of the data should depend on their use rather than their origin. If submeter data is used for regulated market processes, it should adhere to the quality requirements defined for that process.
The scope for multiple contracts should include medium voltage customers.	Multiple contracts for on access point is not restricted to appliances nor low voltage applications.
As gridfee metering (e.g.: max peak) and billing timings should take customers situation changes into account.	DSOs will take structuring scenario temporal effects into account to design an appropriate gridfee billing approach (considering what is done for peak invoicing for medium voltage customers).