Product Design Group:
"Multiple Supply Contracts for Adjustable Appliances"
Meeting of November 24th, 2022

Participants:

40 participants from the companies and organizations listed in the tables below attended the meeting.

System Operators		(13 participants)
Marnix	Schots	Fluvius
Sven	Van den Bosch	Fluvius
Pieterjan	Leemans	Fluvius
Rik	Deruyter	Ores
Aurélie	Lepair	Ores
Michel	Paque	RESA
Macé	Odile	Sibelga
Kristien	Clement-Nyns	Elia
Hans	Vandenbroucke	Elia
Kevin	Milis	Synergrid
Jacques	Glorieux	Synergrid
Bruno	Blontrock	Synergrid
Luc	Vercruyssen	Synergrid / Facilitator

Market Actors		(21 participants)
Pol	Robeys	Accenture
Stefan	De Schouwer	Atrias
Bram	Wynants	Atrias
Sam	De Frene	Bluecorner
Fabienne	Marchal	Clef-SCRL
Raf	Gheuens	Eneco
Jean-Francois	Williame	Eneco
Ruben	Laleman	Engie Belgium
Toon	Bats	Engie Belgium
Mario	Deknudt	Engie Belgium
Michael	Van Bossuyt	FEBELIEC
Vincent	Deblocq	FEBEG
Patrick	Devos	Flux50
Karen	Verhegghe	Luminus
Chris	Celis	Ode
Wannes	Demarcke	Ode
Dieter	Jong	Eyia Consult
Annabelle	Jacquet	TotalEnergies
Mathieu	Vermeersch	Vlaanderen
William	Stinissen	Volta
Bart	Vannoppen	Volta

Regulators		(6 participants)
Nick	Haaker	BRUGEL
Farid	Fodil-Pacha	BRUGEL
Karine	Sargsyan	BRUGEL
Stéphane	Marchand	CWAPE
Tim	Mertens	VREG
Marc	Michiels	VREG

The Product Design Group meeting started at 9h30.

The meeting agenda is the following:

1. Draft vision paper – introduction and discussion
2. Additional example with 2 submeters
3. Next steps

A slide deck covering the different topics is presented. The comments hereafter relate to this presentation and the different agenda items.

Minutes of meeting

1. Draft vision paper – introduction and discussion

FEBELIEC asks whether the draft vision paper is aimed at residential consumers or industrial consumers on the distribution grid. The DSOs respond that in the vision paper, most concepts were explained through examples of residential consumers, but the scope is both residential, non-residential and industrial consumers.

FEBEG comments that it is important to strive for a common approach and solution for all consumers and all voltage levels.

After introducing the draft vision paper, the DSOs ask the audience for remarks or other feedback on the draft vision paper that was shared on the 10th of November.

FEBELIEC asks whether a formal consultation will be organised and if so, in what timeframe the participants will be expected to respond. The DSOs respond that the draft vision paper was shared on the 10th of November and that feedback on it can be provided until the 7th of December, with the intention to finalise the vision paper before the end of the year. Furthermore, the next steps are still to be decided and will vary per region. In the case of Flanders, the Product Design Group is considered as the approved consultation methodology for this vision paper, which means that there will be no additional feedback round after the finalisation of the vision paper at the end of this year. Once finalized, Fluvius will deliver the vision paper to the VREG, who will perform the necessary analyses and decide on the next steps. FEBELIEC asks whether they can share this draft vision paper with its members for feedback, which the DSOs confirm.

Ode indicates that they have a few remarks which will be communicated later. Furthermore, Ode asks for clarification with regards to page 23 of the draft vision paper, in which a distinction is made between the gross commodity volume and the optimized gross commodity volume, in the case of energy sharing. Specifically, Ode wonders why the volumes need to be limited to the gross commodity volume and whether this limitation can be removed with the changes that could occur in the Flemish legislation.
The DSOs respond that the limitation is derived from the definition of energy sharing in the Flemish Decree, in which the shared energy is limited by both the injection and the offtake (e.g.: if one participant injects 10 units of energy while the other participant only offtakes 8 units of energy on a 15-minute basis, the shared energy will be limited to 8 units of energy). The DSOs continue to explain that injection and offtake are measured at the level of the head meter, so if you measure 0 units of energy on the head meter, there is no injection in that 15 minutes interval and you cannot share or sell any energy. The same applies for any contract behind the access point (for example an EV), where you measure offtake or injection on the submeter, since it is a local flow that passes neither through the head meter nor through the grid and, as such, does not constitute energy sharing or peer-to-peer according to the Flemish Decree. The DSOs conclude by saying that there are pros and cons to changing this way of thinking:

- The *pro* is that it would be more transparent if you align the measured volumes with the contractual volumes.

- The *con* is that you might have virtual injection, which means that you would increase the volume of energy that can be shared or sold via energy sharing or peer-to-peer.

This trade-off has to be made and has been communicated to the VREG, as well as to VEKA[1] and to the Cabinet.

Ode asks why the limitation on the gross commodity volume is necessary, when both volumes (gross commodity volume and optimized gross commodity volume) are measured by the same head meter.
The DSOs respond that the advantage of using the optimized gross commodity volumes is that the sum always equals the head meter measurement, which ensures that the terms stipulated in the Flemish Decree, regarding energy sharing, are not violated. This cannot be ensured when using gross commodity volumes.

Blue Corner wonders in what period of the month the necessary data should be provided by a third-party to the DSO, for settlement in the case of a semi-regulated submeter.
The DSOs respond that this goes beyond the scope of the vision paper and is more the subject of the operational implementation and rules. The vision paper deliberately does not go into much detail with regards to submetering, as this subject is not specific to multiple supply contracts, but also applies to, for example, flexibility. Furthermore, there are ongoing discussions regarding this subject, which will be further defined in a later stage by the appropriate expert groups.

Blue Corner asks whether it would be possible to include the following proposition in the vision paper: including the data of the submetering in the data of the previous month, in order to avoid a monthly recalculation of the previous month.
The DSOs respond that as outlined in the vision paper, the idea is to construct the data chain for submeter data in a way that at the moment of computation, this submeter data can be used in the same way as all other DSO data. Nevertheless, the role of the DSOs for third-party submeter data will be different as they don't control the entire data chain, which means that the validation and estimation rules may need to be adapted.

Blue Corner asks for clarification with regards to page 5 of the vision paper: the requirement for "serial" submeters.
The DSOs explain that this is illustrated in the examples, specifically figure 2 in the draft vision paper, which shows that the concept of "serial" submeters signifies one layer of submeters, in parallel, behind the head meter.

Luminus comments that, in their opinion, the discussion and vision on energy sharing is not yet mature enough to be integrated in the vision paper. Luminus asks whether the idea of creating a separate Service Delivery Point (SDP), where the shared energy volumes would be registered, was abandoned as it does not appear to be included in the draft vision paper.

The DSOs explain that the idea is not to fully describe the vision on energy sharing in this vision paper, but, as required by the Flemish grid code, to focus on the integration of multiple supply contracts with energy sharing. Moreover, nothing in the current vision paper precludes having a separate, additional SDP for the shared energy, if that would be the conclusion of the PDG "Energy sharing". In the vision paper, the DSOs highlight that in the current legislation, there

[1] Vlaams Energie- en Klimaatagentschap.

is an issue when integrating energy sharing with multiple supply contracts with regards to the volume determination.
In the framework of the vision paper, Fluvius suggests to the policy makers in Flanders to look at the definition of Energy Sharing as currently stated in the Electricity Decree, and to decide whether they want to align the definition with the supply market to enhance transparency towards the market, or whether they prefer to stick to the current definition, with the consequence that the computations are much more complex, and the transparency towards the market is lower.
Luminus suggest mentioning in the vision paper that discussion on energy sharing still needs to take place in the framework of the Product Design Group on "Energy Sharing".

Ode asks whether all of one's current supply contracts get stopped if they receive a budget meter.
The DSOs respond that a budget meter is the consequence of being moved or "dropped" to a social supplier, in which case the complete access point is "dropped". This would mean that all the volumes behind this access point are merged and delivered by the social supplier from that moment on. Additionally, the submeters will probably not possess the necessary requirements to be used as a budget meter or to cut off the use of energy.

Ode asks in response if it is possible to maintain some of the secondary contracts, while moving the main supply contract to the social supplier.
The DSOs clarify that in case of a serial configuration, when the flow of energy is cut off from a certain access point, it is cut off for every energy flow or submeter behind it. The DSOs acknowledge that this concern is something that needs to be taken into account by companies offering a service behind an access point although this is not new compared the current situation where someone offering a service (battery or energy management system) depends on the customer paying his bill and not being cut off from the grid.

Ode asks if the split for the capacity tariff is done "pro rata" and whether a priority ranking of the submeters could be put into place.
The DSOs respond that the choice on the split is not up to the customer. Given the complexity of the calculation, it is up to the regulator to select what the options, approach or algorithm should be. In the vision paper the DSOs recommend making use of a standard algorithm for all customers.

Ode asks for clarification with regards to the choice in the vision paper not to make a distinction between private and public EV charging infrastructure.
The DSOs explain that the statement was integrated to clarify that the vision paper does not support the possibility to charge an EV on your personal contract when charging on a public EV charging station.

Ode next asks whether there is already a clear vision on the estimation principles in the case of missing measuring data.
The DSOs respond that this has not been included in the vision paper as this should be further analysed by the expert groups in charge of validation and estimation, and that the resulting proposal from the DSOs will in any case need to be approved by the regulators.

Finally, with regards to the example with 2 submeters (slide 10), Ode wonders whether in the example of the physical configuration the battery and the local production are regarded as adjustable appliances.
The DSOs respond that in the example they are not regarded as such, since they are not measured. In the overall vision however, it is possible to put the assets behind a submeter, so that they will be regarded as adjustable appliances.

2. Additional example with 2 submeters

FEBELIEC remarks that in the case of non-residential consumers (e.g. industrial consumers) the selection of priorities by the customer for the local energy flows might be required.

The DSOs indicate that the outlined principles and examples were based on known processes, not new processes, such as registering and maintaining customers' choices. For instance, the order of priority could be implicitly determined by the order in which the contracts were established.

As contracts change over time, in particular for non-residential consumers, FEBELIEC is of the opinion that it is necessary to allow the customer to modify the priorities when needed.

The DSOs take note of the comment and propose to consider it as an input towards the next steps (implementation). They indicate further that although they intend to maximize the support for multiple supply contracts on a single access point, the cost and complexity related to a complete registration and maintenance of customers' choices should be carefully considered.

FEBELIEC emphasizes that the solution should reflect consumers' needs and asks the DSOs to ensure that the choices that are made now do not impede further developments.

Eiya Consult wonders what the business case is for the optimized gross commodity volume or self-consumption in which energy from the head meter is transferred to the submeters, without settlement.
The DSOs clarify that the optimized gross commodity volumes are necessary for the grid fee optimization, which was the preferred option in the previous PDGs. With regards to the business case, the DSOs continue to explain that the approach was built in such a way that it starts with the gross commodity volumes and that it only evolves to the optimized gross commodity volumes if there is a market requirement and if the regulation allows for it. Furthermore, it might be preferable, in the case where you have the same grid user on all the supply contracts, that your own local production is subtracted from all the volumes before you allocate the remaining volumes to the suppliers.

Ode and Eiya Consult describe the following scenarios:

- The employer, who pays for the EV energy supply, chooses to remunerate the employee for the self-consumption of its EV allocated to the EV energy supply.
- When you have another, more advantageous, dynamic supply contract than your main supply contract for your heat pump, electric boiler or EV.

- A third-party installs PV panels on your roof with the promise that you can use the energy for free, while the remaining energy is injected into the grid for the third-party. Here, it would be preferable not to pay for the grid fees, nor the energy consumed, as you should receive it for free.
- An EV charging station at home, paid for by the employer, where consumers prefer not to allocate any self-consumption of their PV installation to the EV charging station.

Eiya Consult concludes that the optimization should be an option and customers should have the choice. Moreover, Eiya Consult believes that although the optimization calculations are complicated and difficult to explain, but fair and rational, they are necessary.

The DSOs explain that giving customers the choice for selecting the optimization order or algorithm with which the energy choices are assigned goes too far, since it requires customers to make an informed choice when the benefits and/or disadvantages of this choice can be different for every 15-minute period.

FEBELIEC reiterates that this selection of optimization options makes sense for non-residential consumers. The DSOs respond that they take note of this remark.

Ode asks whether, in the example, the priority and proportional allocation can be switched between the submeters.
The DSOs respond that these variations and computations are possible, but the allowed allocation will probably be determined by the regulation and consequently, consistently applied.

3. Next steps

The objective is set to have a final version of the vision paper by the end of 2022. A draft version of this vision paper was shared with the participants on the 10th of November and will remain open for feedback until the 7th of December. Any feedback can be sent to marketconsultation@synergid.be.

TotalEnergies remarks that an implementation planning is still missing in the vision paper.
The DSOs answer that the implementation planning is not defined yet. The DSOs await the feedback from the regulator(s) before starting the discussion on implementation.

TotalEnergies asks whether the discussion on the implementation time could be integrated in the PDG discussions.
The DSOs answer that this is yet to be defined and that the connections with the other PDGs are yet to be analysed. The DSOs further clarify that the vision paper will be submitted to the regulator(s), whose feedback will be taken into account by the MIG expert panels, who will discuss the implementation, options, design and timing.

Blue Corner asks what a reasonable timing for the implementation of this vision paper would be.
The DSO responds that this is not known at the moment and the answer requires multiple analyses.

Eiya Consult remarks that the vision paper will probably be part of one of the major releases of Atrias and wonders whether they could shed light on the issue.
The DSOs answer that the exercise of defining the implementation planning requires an analysis in line with the other initiatives, including the results of the work conducted in other Product Design Groups (energy sharing and flexibility).

Eiya Consult and Ode suggest that Atrias shares the information on the future releases and planning.

Blue Corner remarks that the content of this vision paper is a market demand, which needs to be implemented sooner rather than later.
The DSOs acknowledge the interest from the market for multiple supply contracts per access point as described in the vision paper, but they indicate that the implementation of this will significantly impact the DSOs systems and processes, as will the integration of energy sharing and submetering… Therefore, the discussion on timing is premature and further analyses are necessary before making a decision.

Ode indicates that they wish to communicate realistic expectations to their members in terms of planning, specifically with regards to the outlined optimization options, which each have their own implementation time.
The DSOs acknowledge the question, but remark that they are currently in the phase of working out the vision, while the matter of timing will only be addressed in the later phases.

Eiya Consult remarks that the suggested model splits the responsibility between all the suppliers, which implies that they require a supply licence. Eiya Consult wonders whether an analysis has been performed to investigate an alternative in which all the supplier responsibility is left on the level of the head meter and there would be “light” supplier contracts at the level of the submeters.
The DSOs respond that the current vision was developed in the context of “regular” energy contracts and energy suppliers, meaning the later have a licence in line with the applicable regulation. The suggested alternative would require a new definition for a “light” supplier.
Eiya Consult remarks that during the discussions on balancing with ELIA, it was suggested that balancing service providers have a right to access the system without having to become a supplier. In the case where they would use a submeter to settle balancing services that they offer to the grid operator, they could not use the proposed scheme as it requires becoming an energy supplier.
The DSOs respond that in case you do not want to become a supplier or have a separate contract for the asset that delivers the flexibility, you can define your SDP-Flex at another level than your SDP-Supply. In the vision paper, the DSOs did not set any requirements for the SDP-Flex to coincide with the SDP-Supply.

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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
FEBELIEC remarks that in the case of non-residential customers, the priority assignment of local energy flows by the customer might be required.	The DSOs note the comment and propose to consider it as an input towards the next steps (implementation). They further indicate that although they intend to maximize the support for multiple supply contracts on a single access point, the cost and complexity related to a complete registration and maintenance of customers' choices should be considered carefully.
TotalEnergies remarks that an implementation planning is missing in the vision paper.	The implementation planning is not defined yet. The DSOs await the feedback from the regulator(s) before starting the discussion on implementation.