

Response ID ANON-5F2W-G7VY-H

Submitted to **All Continental European and Nordic TSOs' proposal for a Cost Benefit Analysis methodology**
Submitted on **2018-02-18 19:39:15**

Introduction

1 What is your name?

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3 What is your organisation?

Organisation:

SmartEn

Feedback on the proposal

4 Please provide your feedback on the proposal

Your feedback::

To whom it may concern,

Thank you for providing us the opportunity to comment on the "Proposal for a Cost Benefit Analysis methodology" consultation.

If you have any more questions or feel that we can assist you in any way, please don't hesitate in contacting us.

SmartEn would like to comment and provide suggestions on the following topics of the Cost Benefit Analysis methodology:

1. A clear definition is needed on what constitutes a "unit or group with limited energy reservoirs". Neither the consultation document nor the Commission Regulation 2017/1485 of 2 August 2017 includes a definition concerning limited energy reservoirs (LER). Without a clear definition, non-battery technologies might be excluded from this category that wouldn't be otherwise. For example (pumped) storage power plants and run of river power plants, as none of them have unlimited energy reservoirs. Not only batteries have a limited energy reservoir, and these technologies would be left outside of the cost-benefit analysis.
2. Any change in the FCR activation time will have an influence in the aFRR activation and its cost. For this reason, any analysis performed has to take into account the influence and impact that any modifications to the FCR activation will have on the aFRR, and keep this impact to a minimum.
3. The proposed model doesn't take into account the bid size, but only the bid price. If the activation time is increased, it affects the bid price and the bid size. Taking into account the different technologies, the influence of the activation time can be stronger on the bid size than on the bid price.
4. The current SOGL drafting is not comprehensive. The cost-benefit analysis gives only a defined number of minutes for the alert state, between 15 and 30 minutes, while it should provide with a total amount of time requested for limited energy reservoir assets to serve in FCR. SmartEn asks the TSOs involved in this project to be more ambitious and propose a harmonized amount of total minutes, that will be implemented by other TSOs through the prequalification process.
5. We are of the opinion that the cost-benefit analysis should guarantee that the FCR is dimensioned in an appropriate way for its purpose and not as a catch-all to cover inefficiencies in other markets. We strongly oppose an over dimensioned FCR that provides coverage to other issues that should be addressed by their own mechanisms, for the only reason that it serves as one of the last resort reserves.