

Product Design Group: “Energy Sharing” Meeting of December 2nd, 2022

Participants:

60 participants from the companies and organisations listed in the tables below attended the meeting.

System Operators		(18 participants)
Marnix	Schots	Fluvius
Sven	Van den Bosch	Fluvius
Pieterjan	Leemans	Fluvius
Gert	Mergan	Fluvius
Bert	Van De Velde	Fluvius
Frederik	Van Cleemput	Fluvius
Cédric	Léonard	Ores
Rik	Deruyter	Ores
Michel	Paque	RESA
Simon	Lachi	RESA
Macé	Odile	Sibelga
Jonathan	De Lathouwer	Sibelga
Kristien	Clement-Nyns	Elia
Hans	Vandenbroucke	Elia
Kevin	Milis	Synergrid
Jacques	Glorieux	Synergrid
Bruno	Blontrock	Synergrid
Luc	Vercruyssen	Synergrid / Facilitator

Market Actors		(36 participants)
Pol	Robeys	Accenture
Emma	Van Den Broecke	Accenture
Bram	Wynants	Atrias
Michael	Verbiese	Atrias
Wim	Van Hoey	Atrias
Jessica	Stoop	Atrias
David	Altruy	Atrias
Fabienne	Marchal	Clef-SCRL
Stef	Peeters	Centrica
Ludo	Debecker	Dats24
Wim	Somers	Ecopower
Dave	De Beuckerlaer	Eneco
Alexis	De Staercke	Eneco
Benjamin	Wilkin	Energie Commune
Manon	Kolenberg	Energie Commune
Sarah	Ouziaux	Engie Belgium
Bernard	De Foy Philippart	Engie Belgium

Soroka	Bohdan	Engie Belgium
Ruben	Laleman	Engie Belgium
Willem	Boeve	Exergie
Vincent	Deblocq	FEPEG
Patrick	Devos	Flux50
Eric	Vermeulen	Haulogy
Leen	Van Lishout	Leefmilieu Brussel
Karen	Verhegghe	Luminus
Ellen	Van Mello	Ode
Wannes	Demarcke	Ode
Dieter	Jong	Re.Alto
Valentijn	Demeyer	Scholt
Thomas	Aude	SPW Wallonie
Manuel	De Nicolo	SPW Wallonie
Annabelle	Jacquet	TotalEnergies
Gina	Coenegrachts	TotalEnergies
Cesar	Talpe	VEB
Bart	Vannoppen	Volta
Mathieu	Vandenbulcke	Wattson

Regulators		(6 participants)
Nick	Haaker	BRUGEL
Farid	Fodil-Pacha	BRUGEL
Karine	Sargsyan	BRUGEL
Malika	Jehin	CWAPE
Tim	Mertens	VREG
Mieke	Langie	VREG

The Product Design Group meeting started at 9h30.

The meeting agenda was the following:

1. Introduction (energy sharing notions)
2. Regional implementation
3. Flemish Market Feedback
4. Domains under discussion for future vision
 - i. Structure
 - ii. Measure
 - iii. Billing
5. Settlement
6. Planning

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. Introduction (energy sharing notions)

No comments.

2. Regional implementation

No comments.

3. Flemish Market Feedback

00:33:10

Energie Commune asks whether the 318 Net Users (NU) communities are Renewable Energy Communities (REC) or Citizen Energy Communities (CEC) and if so, whether these are pilot projects. The DSOs answer that NU communities are a form of energy sharing in which one grid user exchanges energy between its own different access points. Furthermore, REC and CEC will be supported in Flanders as of January 2023.

4. Domains under discussion for future vision

00:44:00

Energie Commune asks (in the *MS Teams chat*) for the meaning of the abbreviation SLA. The DSOs indicate that the acronym SLA refers to Service Level Agreements in which the timings to which the DSO commits to present validated metering data are detailed.

5. Settlement

01:04:40

Energie Commune asks whether the debate on balancing is specific to energy sharing or whether it is a broader discussion. The DSOs respond that while the current discussion on market integration of energy sharing touches upon the debate of balancing, it is not specific to the subject of energy sharing. A similar discussion can take place for central heat pumps, decentralized production, batteries... The DSOs conclude by saying that the main goal is to take the first steps towards the market integration of energy sharing. Nevertheless, the positions that we will or would take as part of the energy sharing discussion will also have its repercussions on the broader context.

01:06:35

Re.Alto asks why reconciliation is concerned if energy sharing can only be done with SMR3, which does not take part in the reconciliation, except in the case of measurement errors. The DSOs respond that the same deduction of the shared volume from the gross measured volume

is done in the process of reconciliation, because the VI-volume¹ resulting from reconciliation should be aligned with the net volume that is taken into account for billing. Therefore, the extra step of reconciliation is necessary.

01:15:25

After presenting the 4 proposed theses, the DSOs open the debate and ask if there are questions from the audience.

01:16:36

Clef-SCRL indicates that REScoop Wallonie's cooperatives and their supplier COCITER are in essence energy sharing RECs and wonders whether there is a technical counter-indication to proceed with energy sharing at the level of the entire Walloon region, specifically, given the fact that the DSOs are not keen on giving tariff incentives to local energy sharing initiatives. Clef-SCRL further asks whether the application of one of the four proposed theses prohibits energy sharing on a regional scale.

The DSOs respond that currently, none of the regional legal frameworks foresee the possibility to share energy across different regions. However, as market integration of energy sharing proceeds, it will facilitate energy sharing, including across regions, provided the regional legal frameworks foresee such possibilities.

Clef-SCRL clarifies that their question focuses more on possible the limitations for intraregional energy sharing, i.e. across DSOs.

The DSOs respond that these 4 theses are put forward to facilitate the market and that they do not prevent energy sharing, including if the sharing were to take place across different DSO zones. The DSOs explain that the market integration of energy sharing should allow for every allocation option: being able to take into account the global gross volume and allocating it to the right balancing responsible party... The DSOs further add that the market integration model should also be able to cope with a regional legal framework where the energy community would not have to take the allocation and the balancing into consideration.

01:19:46

Re.Alto wonders whether, in the case of the thesis 4, the volume is the correct parameter.

The DSOs answer that the concept of increasing volumes in thesis 4 refers to the energy sharing market uptake, not the individual volumes of particular energy communities.

Re.Alto agrees, but clarifies that in thesis 4 it is implied that the integration of shared energy volumes in allocation will not be facilitated until its market value is demonstrated, which in turn implies that it will gain market traction much slower. Re.Alto believes that if there is an overall societal benefit associated to energy sharing, the integration of shared volumes within allocation should move forward without delay.

BRUGEL intervenes and indicates that in Brussels they are currently conducting a holistic study on the social costs and benefits of energy sharing of which they hope to have results by the start of 2023. The DSOs agree that it would be good to integrate this in the boarder reflection,

¹ Metering volumes used by the Central Market System to calculate the Reconciliation.

but remind the audience that thesis 4 is about shared volumes in allocation and that the DSOs' role is basically to facilitate energy sharing.

01:22:45

Re.Alto asks whether the mentioned DSO limitations refer to DSO-grids (Gaselwest, IEH, Interrosane...), or to DSO (working) companies (Ores, Fluvius, Sibelga, RESA). The DSOs confirm that they refer to the latter.

01:23:30

Engie Belgium comments that the introduction of thesis 4 is a good thing, as it is an important topic that they – but also FEBEG – have already raised. Engie Belgium continues by explaining that in the Brussels region, the geographical proximity between two grid users is a measure for the height of the tariffs, which allows for energy sharing to be incentivised in relation to the reduced cost for the DSO. Furthermore, Engie Belgium hopes that peer-to-peer energy sharing will be implemented in the most cost-efficient manner, in compliance with thesis 4. Finally, Engie Belgium indicates that the aforementioned societal benefit study in Brussels is interesting and can serve to focus our collective efforts on the cases with the most societal benefit.

In response to the question from the DSOs on when this study would be available, BRUGEL replies that the study is a prerequisite for the tariff methodology as it will help to decide whether or not to have differentiated tariffs for energy sharing. The Brussels DSO, leaders of pilot projects and other market participants are currently being interviewed and the conclusions should be available in the first half of 2023.

The DSOs comment that in different regions, analyses have been or are being performed to study whether a distribution cost advantage is associated to energy sharing. Although one study is still ongoing, the last – most recent – study, concluded no major benefits, even when sharing energy in the same apartment building. The DSOs indicate that if a reduced distribution cost due to energy sharing is identified, it is up to the regional energy regulators to weigh all the different aspects against each other (e.g. when you reduce the cost for one user type, it might increase for other user types).

BRUGEL replies that the study it is referring to has a different scope, as it is a holistic study on the societal benefits.

01:28:40

With regards to thesis 3, Re.Alto wonders if sending a “*first time right*” message is the best way forward, given that in SMR3, data is only validated after 19 days. This means that the calculation would have to be done afterwards, which in turn implies a delay of almost a month. Re.Alto indicates that given the purpose of sharing energy, specifically in the case of peer-to-peer energy sharing, a delay of over a month for invoicing is unacceptable from a commercial point of view. Re.Alto suggests sending an unvalidated “*first*” message as soon as possible to ensure an official message is sent and followed by a “*rectification*” message later. Otherwise, every energy community has to duplicate what the DSOs do in order for them to send invoices to the participants, given that a delay of 2 months for invoicing is unacceptable.

The DSOs thank Re.Alto for the comment and take note of it.

01:30:40

Energie Commune agrees with Re.Alto and indicates that this was one of the conclusions of their pilot projects: energy community participants wish to be kept updated to have an idea of the energy shared and financial savings, even if they do not receive a final invoice. Energie Commune continues by saying that clear information and communication is key in order to motivate energy community participants, for example to start changing their consumption behaviour in accordance with local production.

01:31:55

Fluvius clarifies that, specifically for Flanders, the legislation indicates that energy sharing has to happen “without costs” and that the main purpose is not to sell energy. Indeed, according to the Flemish legislation, the “without cost” concept appears to mean that the shared volumes cannot be used for invoicing purposes, but rather that a proportionate amount of the share in the production should be used for that purpose. Fluvius concludes that the debate on energy sharing is still ongoing and indicates that it is convinced that the benefits from energy sharing can – and will – also derive from participating in flexibility and optimising self-consumption. Nevertheless, according to Flemish legislation, the ‘real’ selling of energy amongst members is not allowed.

01:33:37

With regards to the preceding discussion on data and the need for participants to be informed in a timely manner, Sibelga indicates that a distinction should be made between the data that is sent to the market (e.g. energy suppliers) on the one hand, and data that is sent to the energy communities on the other hand.

01:34:12

Ode adds that, indeed, only the sale of energy sold peer-to-peer is currently allowed, but that there is an ongoing initiative that will be discussed in Parliament next week² about the sale of locally produced energy in apartment buildings.

Coming back to the intervention of Re.Alto on the “*first time right message*” and the need for data to be available “quickly” in order to provide an overview for the energy sharing participants, Ode wonders whether this data should go through the market processes, considering this data is not validated. Other channels could be used (e.g. MyFluvius portal in Flanders) if it is provided for information purposes only, and not for (preliminary) billing purposes.

01:35:50

Re.Alto replies that, based on its understanding of thesis 3, the calculation of the energy shared in the energy community is only done after the meter volumes are validated, so there will not be any data available yet on MyFluvius.

To Ode stating that a first message could be sent and corrected later, Re.Alto answers that data rectification is the exception, not the rule, given that first time data is most often correct, although not validated yet. Ode concludes that if the non-validated data available early is more or less correct, it might make sense to integrate it in the market processes.

² Cf.-: <https://www.vlaamsparlament.be/nl/parlementaire-documenten/parlementaire-initiatieven/1684960>

01:37:09

The DSOs indicate that it is an interesting debate, as it implies that in the context of energy sharing, DSOs could possibly communicate “not fully exact” data (e.g.: deviation of 1-5%), which would be much faster than awaiting validation of the SMR3 data and then doing the calculation (~2 months in total before it can be seen on the bill of the supplier).

01:38:03

The DSOs continue by saying that the legislation provides for the deduction of shared volumes from suppliers’ invoices which creates a great deal of complexity in the entire system. The DSOs in charge of the implementation need to consider the societal benefits and costs before envisaging the development of complex integration solutions to make sure that the exact right amounts are displayed on the suppliers’ bill. In any case, even if there might be alternative solutions that don’t even pass through the bill of the suppliers (e.g.: virtual calculation on the amounts, etc.), the DSOs have the obligation to implement the solution based on the existing legislation, which encompasses a role for the supplier to make a deduction, and a limitation on selling shared energy in Flanders.

The DSOs continue by saying that unvalidated data could be sent on day+1, but that if the data eventually needs to be on the bill of the suppliers, it needs go through the entire process of validation, rectification... Finally, the DSOs argue that the objective is to define (implementation) rules in order to make it feasible for the existing energy market to cope with energy sharing. The purpose is to provide correct and ‘ready to bill data to the supplier while avoiding creating enormous complexity for perhaps very limited rectifications, as SMR3 values appear to be quite correct. Nevertheless, the DSOs note that for AMR and SMR3 there are always some quarterly hours for which the DSO has to carry out some estimations, validations, etc., with the consequence that, even with a very limited number of incorrect data, it would create unnecessary rectification flows.

01:42:30

Energie Commune wonders whether the fact that Flanders does not allow the sale/billing of energy shared with another user outside of a peer-to-peer arrangement is not an infraction to the EU directive³. The DSOs respond that in Flanders you are allowed to sell your energy to an energy supplier (injection contract), but not to another renewable energy community participant.

01:43:26

Re.Alto asks whether anybody from the banking sector is present, as it would be interesting to know how they would deal with a financing project with a set of legal persons investing in energy assets but where the sharing context would lead to being unable to invoice the participants.

The DSOs respond that you can use the production, but not the shared offtake, as a distribution key for invoicing.

01:45:25

Luminus remarks that energy sharing is merely an administrative correction, not a physical change, which is also the main issue explaining why energy sharing does not meet

³ EU Directive 2018/2001.

expectations. Based on thesis 2 and thesis 4, Luminus interprets the DSOs' proposal as follows:

- First, correct the measured values
- Only later, in case of a societal benefit, correct the allocation, which means that the shared energy volume would be integrated into the normal reconciliation.

01:46:51

The DSOs reply that this process can be done step-by-step and at the most favourable moment, since the different registers are available. A possibility would be for instance to correct the measured values, but not make the shift towards integration of the shared energy volumes into the allocation. The DSOs explain that no decisions have been taken with regards to the implementation planning yet, since the discussions with Atrias are ongoing and the aim is to first implement the structure domain adaptations. The idea of this market consultation is to get market feedback, before considering the timings and full market integration in the next stage.

01:48:42

Re.Alto expresses surprise at the number of energy communities already active in Flanders thus far, specifically for peer-to-peer energy sharing, which does not allow for the sale of the energy, which in turn means that there is no impact on the allocation or grid fee.

The DSOs reply that, in the case of residential customers, the volumes of shared energy are quite low as it appears that only ~20% of the injected energy is shared. Furthermore, the business case for energy sharing can lead to low margins, as it is based on the difference between the injection income for the producer-participant (paid by the supplier in the absence of energy sharing) and the offtake reduction-related savings (on the side of the consumer-participant) and might even involve additional costs related to the energy sharing system.

Responding to the statement by Re.Alto, Ode indicates that in peer-to-peer energy sharing, you are allowed to sell energy from one grid user to another grid user, while one grid user selling energy to multiple grid users is not allowed. In Flanders, the Phase 3 starting in February 2023 allows for the sale of energy from multiple grid users to one grid user (e.g.: Decathlon case where customers sell shared energy to the company). In summary, the sale of shared energy is possible in peer-to-peer mode, might become possible (pending upcoming discussions) within apartment buildings, but would not be possible from one grid user to multiple grid users.

01:53:10

The DSOs emphasise that even if the sale of shared energy in peer-to-peer mode is allowed, the financial value will be limited due to administrative costs (preparing bills, etc.).

01:54:21

Ode confirms that the administrative costs sometimes charged by the DSO (depending on the region) and the energy suppliers are relevant to assess the business case and are not always correctly taken into account.

6. Planning

The objective is to integrate “Energy sharing” into the market. The date and planning of the next PDG are yet to be determined, depending on the feedback received based on this PDG meeting.

Any feedback can be sent before the 9th of January of 2023 to:

marketconsultation@synergid.be.

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

Comment	DSOs’ response
<p>Clef-SCRL indicates that REScoop Wallonie’s cooperatives and their supplier COCITER are in essence energy sharing RECs and wonders whether there is a technical counter-indication to proceed with energy sharing at the level of the entire Walloon region, specifically, given the fact that the DSOs are not keen on giving tariff incentives to local energy sharing initiatives. Clef-SCRL further asks whether the application of one of the four proposed theses prohibits energy sharing on a regional scale.</p>	<p>The DSOs respond that currently, none of the regional legal frameworks foresee the possibility to share energy across different regions. However, as market integration of energy sharing proceeds, it will facilitate energy sharing, including across regions, provided the regional legal frameworks foresee such possibilities.</p> <p>The DSOs further respond that the 4 theses are put forward to facilitate the market and that they do not prevent energy sharing, including if the sharing were to take place across different DSO zones. Finally, the DSOs explain that the market integration of energy sharing should allow for every allocation option: being able to take into account the global gross volume and allocating it to the right balancing responsible party... The DSO further add that the market integration model should also be able to cope with a regional legal framework where the energy community would not have to take the allocation and the balancing into consideration.</p>
<p>Re.Alto comments that in thesis 4 it is implied that the integration of shared energy volumes in allocation will not be facilitated until its market value is demonstrated, which in turn implies that it will gain market traction much slower. Re.Alto believes that if there is an overall societal benefit associated to energy sharing, the integration</p>	<p>The DSOs agree that it would be good to integrate the results of the different analyses on the societal benefits resulting from energy sharing in the boarder reflection, but remind the audience that thesis 4 is about shared volumes in allocation and that the DSOs’ role is basically to facilitate energy sharing.</p>

<p>of shared volume within allocation should move forward without delay.</p>	<p>The DSOs further comment that in different regions, analyses have been or are being performed to study whether a distribution cost advantage is associated to energy sharing. Although one study is still ongoing, the last – most recent – study concluded no major benefits, even when sharing energy in the same appartement building. The DSOs indicate that if a reduced distribution cost due to energy sharing is identified, it is up to the regional energy regulators to weigh all the different aspects against each other (e.g. when you reduce the cost for one user type, it might increase for other user types).</p>
<p>With regards to thesis 3, Re.Alto wonders if sending a “first time right” message is the best way forward, given that in SMR3, data is only validated after 19 days. This means that the calculation would have to be done afterwards, which in turn implies a delay of almost a month. Re.Alto indicates that given the purpose of sharing energy, specifically in the case of peer-to-peer energy sharing, a delay of over a month for invoicing is unacceptable in from a commercial point of view. Re.Alto suggests sending an unvalidated “first” message as soon as possible to ensure an official message is sent and followed by a “rectification” message later. Otherwise, every energy community has to duplicate what the DSOs do in order for them to send invoices to the participants, given that a delay of 2 months for invoicing is unacceptable.</p>	<p>The DSOs thank Re.Alto for the comment and take note of it.</p>