Functioning Rules of the Capacity Remuneration Mechanism

28/08/2020

1. INTRODUCTION

1. The current document constitutes the Functioning Rules of the Belgian Capacity Remuneration Mechanism (hereafter referred to as 'CRM') in accordance with Art. 7 undecies §8 of the Electricity Act as inserted in the Electricity Act by the CRM Act.

2. Functioning Rules are to be considered in relation to other relevant documents as follows:

   - Regulation (EU) 2019/943 (as part of the Clean Energy Package)which entered into force in July 2019 and applies from 1 January 2020.
   - The Electricity Act of April 29th 1999.
   - The (proposals) of Royal Decrees: even though Functioning Rules differ from Royal Decrees by their legal format, both result from the implementation of the CRM Act, which is their direct legal basis. Whereas Functioning Rules aim to set out the operational rules of the mechanism, Royal Decrees aim to set out the main methodologies and principles on which to base the working of the mechanism. Therefore Functioning Rules may be revised every year and published by May 15th at the latest after approval of CREG. This is not necessarily the case for all Royal Decrees, which can however also be subject to change. Elements of the below listed Royal Decrees will be taken into account and may be further referred to in the Functioning Rules:
     - Royal Decree on Methodology established in accordance with Art. 7 undecies, §2 of the Electricity Act.
     - Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Threshold established in accordance with Art. 7undecies, §4, 1°, 2° of the Electricity Act.
     - Royal Decree on Investment Thresholds and Eligible Investment Costs established in accordance with Art. 7 undecies, §5 of the Electricity Act.
     - Royal Decree on Control established in accordance with Art. 7undecies, §9 of the Electricity Act: This is not yet taken into account for this version given that at the timing of writing the Royal Decree was not yet available. For future reference, the Functioning Rules will be updated in line with the aforementioned Royal Decree.
     - Royal Decree financing of the mechanism and appointing Contractual Counterparty in accordance with Art. 7quaterdecies, §1. This is not yet taken into account for this version given that at the timing of writing the Functioning Rules, the Royal Decree was not yet available. However, for the financing aspect in particular, due account is taken of the parliamentary resolution from May 5th 2020[1].
     - Royal Decree on the criteria for Direct and Indirect Foreign Capacities to the CRM in line with Art. 7 undecies, §4, °3 of the Electricity Act
   - Ministerial Decree determining minimal volume to be procured and parameters in accordance with Art. 7 undecies, §2 of the Electricity Act: This Ministerial Decree will be decided on the basis of yearly reports that are prepared in line with the assumptions, principles and methodologies as set out in the relevant Royal Decrees from the list

[1] https://www.dekamer.be/FLWB/PDF/55/1220/55K1220001.pdf

mentioned above. Whereas the Ministerial Decree includes concrete numerical values to be able to initiate and manage the Auction, the Functioning Rules describe the modalities and procedures to be complied with by parties involved to take part in the Prequalification Process, Auction and subsequent Delivery Period. Together with the Functioning Rules, the Ministerial Decree will be recurrent every year.

- Capacity Contracts should be in line with the Functioning Rules in accordance to Art. 7 undecies, §7 of the Electricity Act.

3. Functioning Rules describe in a further level of detail the methodologies, rules and principles of the CRM without the justification of the choices taken. Justifications have been foreseen in the design notes, consultation reports and the material provided in the context of the Task Force CRM (design and implementation) that are all published on the ELIA website[2]. These documents can be considered as non-binding background information.

4. According to Art. 7 undecies §8 of the Electricity Act, the Functioning Rules are established in order to:

   - Foster competition as much as possible in the Auctions;
   - Avoid any market abuse;
   - Ensure the economic efficiency of the CRM in order to guarantee that the Capacity Remunerations provided are adequate and proportionate and that the potential negative effects on the good functioning of the market remain as limited as possible;
   - Respect the technical constraints of the grid and take into account the disposals of the Federal Grid code regarding the submission and the treatment of the connection requests to the transmission system and the conclusion of Connection Contracts.

   Furthermore, Art. 7 undecies §8, specifies that the Functioning Rules must cover the following topics:

   - The Prequalification modalities & criteria;
   - The Auction modalities;
   - The Availability Obligations for Capacity Providers and the related Penalties in case of failure to fulfill these Obligations;
   - The Financial Securities to be provided by the Capacity Providers;
   - The organization of the Secondary Market, at the latest 1 year before the 1st Delivery Period;
   - The modalities related to the exchange of information and the rules providing transparency on the CRM.

   This document covers the following sections:

   - Introduction (chapter 1)
   - Legal and governance principles (chapter 2)
   - Definitions (chapter 3)

[2] https://www.elia.be/fr/users-group/implementation-crm

- Service Time Schedule (chapter 4)
- Prequalification Processes (chapter 5)
- Auction process (chapter 6)
- Pre-delivery control (chapter 7)
- Availability Monitoring and Testing (chapter 8)
- Secondary Market process (chapter 9)
- Financial Securities (chapter 10)
- Payback Obligation (chapter 11)
- Communication (chapter 12)
- Disputes (chapter 13)
- Fallback processes (chapter 14)
- Transparency (chapter 15)
- Cross-border participation to the Belgian CRM (chapter 16)
- Annexes (chapter 17)

2. LEGAL AND GOVERNANCE

2.1. ENTRY INTO FORCE

5. The Functioning Rules are approved by the CREG on the basis of a proposal that has been submitted by ELIA for consultation to the grid users in accordance with art. 7undecies, paragraph 8 of the Electricity Act and enter into force on the date of their publication on Elia's website.

6. All future changes to the Functioning Rules will be submitted for approval to the CREG after consultation with grid users, in accordance with art. 7undecies, paragraph 8 of the Electricity Act.

7. Any reference to legislation, regulations, directive, order, instrument, code or any other enactment is to be understood as a reference to legislation, regulations, directive, order, instrument, code or any other enactment as modified, extended or re-enacted from time to time.

2.2. INTERPRETATION

8. The definitions in the Electricity Act and its implementing royal decrees apply to the functioning rules. For the purpose of the functioning rules, the list of definitions (according to chapter 3) completes the definitions of the Electricity Act.

9. Titles do not have any binding force. Each Chapter contains an introduction which serves as a user's guide, contributing via an introductory explanation to a good understanding of each process. The introduction sections have no binding force and in case of contradiction with the rules developed in the other sections of each process, the rules have priority. The introduction sections can only be relied upon to the extent the functioning rules would need further interpretation, which would neither be found in the legislation and implementing decrees

2.3. COST OF THE CAPACITY HOLDER'S OR CAPACITY PROVIDER PARTICIPATION TO THE CRM

10. Elia does not remunerate for the cost incurred by the Capacity Holder, the (Prequalified) CRM Candidate or Capacity Provider resulting from his participation to the Capacity Remuneration Mechanism, whether his CMU has been selected or not in or as a result of the Prequalification and Auction process. The participation by the Capacity Holder, the (Prequalified) CRM Candidate or Capacity Provider to the Capacity Remuneration Mechanism does not grant any right, guarantee or claim towards Elia or the Contractual Counterparty beyond the scope of these Functioning Rules.

2.4. DATA PROTECTION

11. The Functioning Rules do not conflict with the provisions of any applicable data protection and privacy laws and regulations.

12. Data will only be used for the purpose of the well-functioning of the Capacity Remuneration Mechanism and, as far as the TSO is concerned, accessory tasks of the TSO with respect to the operation and development and maintenance of the grid.

13. The compliance with said data protection and privacy laws and regulations does not release the TSO, the Capacity Holder, CRM candidate and the Capacity Provider from their obligations under the Electricity Act, its implementing decrees, including the methodologies developed under these decrees, the functioning and under the Capacity Contracts.

3. DEFINITIONS

3.1. GENERAL DEFINITIONS

14. For reasons of completeness and informational purposes, the list of definitions hereunder also includes the relevant terms already defined in the Electricity Act, the Federal Grid Code or in the European legislation. For these definitions already provided under the Electricity Act or the Federal Grid Code a non-official English translation is provided.

Term (English)	**Definition**
Access Point	As defined in article 2, § 1, 29° of the Federal Grid Code for an access to the transmission grid of ELIA. For an access to the ELIA Grid other than the transmission grid, or to a Public Distribution Grid, or to a CDS: a point, defined by the physical location and voltage level, at which access to the ELIA Grid other than transmission grid, or to a Public Distribution Grid, or to a CDS is granted, with a goal to injecting or taking off power, from an electricity generation unit, a consumption facility, a non-synchronous storage facility, connected to this grid.
Activation of Redispatching Services	The use of Redispatching Services in line with article 22 (2) of SOGL and article 12 of the Coordination and Congestion Rules (as published by ELIA).
Active Volume	The component of the Available Capacity measured as the part of a CMU without Daily Schedule that reacted to a market price signal in accordance with its (Partial) Declared Prices, determined according to according to paragraph 410.
Additional Capacity	The Capacity for which, at the time of Prequalification File submission, no Nominal Reference Power can be calculated based on 15 minutes measurements or which requires a signed technical agreement with ELIA as per the connection process in the Federal Grid Code.
Additional Capacity Market Unit ("Additional CMU")	A Capacity Market Unit which includes at least one Additional Delivery Point.
Additional Delivery Point	A Delivery Point associated to an Additional Capacity.
Adjacent European Member State	As defined in article 1, § 2, 1° of the Royal Decree on the criteria for direct and indirect foreign capacities to participate to the CRM, established in accordance with article 7undecies, § 4, 3° of the Electricity Act.
Adjacent Transmission System Operator ("Adjacent TSO")	As defined in article 1, § 2, 2° of the Royal Decree on the criteria for direct and indirect foreign capacities to participate to the CRM, established in accordance with article 7undecies, § 4, 3° of the Electricity Act.
Aggregated Nominal Reference Power	The Nominal Reference Power of an aggregated CMU corresponding to the sum of the Nominal Reference Power of each of its Capacities.
AMT Hour	A Day-Ahead Market segment identified by the Availability Monitoring Trigger, during which the Day-Ahead Market Price

	surpasses the AMT Price.
AMT Moment	A series of consecutive AMT Hours.
AMT Price or p_{AMT}	The ex-ante defined price level identifying AMT Hours for a Delivery Period.
Ancillary Services	As defined in article 2, § 1, 52° of the Federal Grid Code.
Announced Missing Capacity	For the purpose of the determination of the Unavailability Penalty, the part of the Missing Capacity that was notified on time (according to paragraph 337) by the Capacity Provider to be unavailable.
Announced Unavailable Capacity	The Unavailable Capacity notified to ELIA before the specified timeframe according to paragraph 337.
Associated Volume	For a Partial Declared Price, the volume associated with that price as declared by the Capacity Provider or for the Declared Prices, the Nominal Reference Power.
Auction	As defined in article 2, 73° of the Electricity Act.
Available Capacity	The CMU's capacity that is observed/confirmed as available as a result of the Availability Monitoring Mechanism or the Availability Test. The Available Capacity can consist of both Proven Availability and Unproven Availability.
Availability Monitoring	The process to monitor whether the CMU's Available Capacity equals at least its Obligated Capacity during AMT Hours as referred to in article 7undecies, § 8, al. 2, 3° of the Electricity Act.
Availability Monitoring Mechanism	The mechanism that monitors whether the CMU's Available Capacity equals at least its Obligated Capacity during AMT Hours as referred to in article 7undecies, § 8, al. 2, 3° of the Electricity Act.
Availability Monitoring Trigger (AMT)	The trigger identifying moments relevant for adequacy during the Delivery Period, during which Availability Monitoring can apply. It occurs if the AMT Price is surpassed by the Day-Ahead Market Price during at least one Day-ahead Market segment.
Availability Obligations	The obligation of a CMU to have an Available Capacity that equals at least its Obligated Capacity during AMT Hours or an Availability Test.
Availability Ratio	The proportion of the Available Capacity to the Obligated Capacity of a CMU, calculated per 15 minutes.
Availability Test	The test in which the CMU has to demonstrate its availability by actually delivering energy upon request of ELIA. During an Availability Test ELIA monitors whether the CMU's delivered energy equals at least its Obligated Capacity.

Balance Responsible Party (BRP)	As defined in article 2, 7° of the EBGL and listed in the register of Balance Responsible Parties.
Balancing Market	As defined in article 2, 2° of the EBGL.
Baseline	The power on which the energy volume that the CMU would have taken off is evaluated in case no Demand Side Response is activated.
Bid	The offer made by a Prequalified CRM Candidate in the Auction.
Bid Cap	The maximum Bid Price (in EUR/MW/year) that can be made for a Bid in the Auction.
Bid Price	The price (in EUR/MW/year) at which a Prequalified CRM Candidate is offering a Bid in the Auction.
BRP Source	The Balance Responsible Party of the Access Point of the Grid User.
Buyer of an Obligation	The Prequalified CRM Candidate or the Capacity Provider taking over the obligations resulting from the Service of a Seller of an Obligation via a transaction on the Secondary Market.
Calibrated Strike Price	The value of the Strike Price applicable at a certain moment as determined as a result of the yearly calibration process as referred to in article 7undecies § 2, 2° of the Electricity Act.
Capacity	Power associated to a Delivery Point.
Capacity Category	As defined in article 2, 84° of the Electricity Act. As referred to in article 7undecies § 7 of the Electricity Act, the Capacity Contract Durations 1-year, 3-years, 8-years and 15-years, depending on the category.
Capacity Contract	The contract signed between a Capacity Provider and the Contractual Counterparty as referred to in article 7undecies § 7, al. 1 of the Electricity Act. For the purpose of the Secondary Market, the contract describing the obligations of the Capacity Provider (including a person assimilated to the Capacity Provider according to the definition of Capacity Provider) which are stipulated in article 7undecies § 7 of the Electricity Act with respect to a.o. availability, pay back, is assimilated to the Capacity Contract.
Capacity Contract Duration	For Transactions on the Primary Market, the number of consecutive Delivery Period(s) that the Capacity Contract covers as stipulated in the Capacity Contract. For Transactions on the Secondary Market, the Capacity Contract Duration can be defined on the basis of other elements.

Capacity Holder	As defined in article 2, 74° of the Electricity Act.
Capacity Market Unit (CMU)	A Capacity (« individual CMU ») or several associated Capacities (« aggregated CMU») with the objective to pass through the consecutive phases of the Capacity Remuneration Mechanism ("CRM"), being the Prequalification Process, followed by a Transaction and to deliver the Service.
Capacity Provider	As defined in article 2, 75° of the Electricity Act. The Prequalified CRM Candidate, which has not been selected after closing of the Auction, but participates to the Secondary Market, is assimilated to the Capacity Provider, provided that he signs a Capacity Contract.
Capacity Remuneration	As defined in article 2, 76° of the Electricity Act.
Capacity Remuneration Mechanism (CRM)	As defined in article 2, 71° of the Electricity Act.
CDS Operator (CDSO)	A natural or legal person appointed by the relevant authority as the operator of the CDS.
CIPU Contract	The contract for the Coordination of Injection of Production Units concluded with ELIA, or any other regulated contract(s) that will replace the CIPU Contract, in accordance with the Federal Grid Code.
Closed Distribution System (CDS)	As defined in article 2, § 1, 3° of the Federal Grid Code. For the purpose of these Functioning Rules, CDS refers to CDS connected to the ELIA Grid.
Connection Contract	As defined in article 2, § 1, 9° of the Federal Grid Code.
Connection Point	As defined in article 2, §1, 37° of the Federal Grid Code.
Contracted Capacity	The capacity of a CMU associated to a Transaction in the Primary Market or in the Secondary Market.
Contractual Counterparty	The counterpart as assigned under article 7quaterdecies, § 1 of the Electricity Act.
CRM Candidate	The Capacity Holder whose application form has been accepted by ELIA.

CRM Act	The Act of 22/04/2019 amending the Electricity Act: *« Wet tot wijziging van de wet van 29 april 1999 betreffende de organisatie van de elektriciteitsmarkt, teneinde een capaciteitsvergoedingsmechanisme in de stellen » / « Loi modifiant la loi du 29 avril 1999 relative à l'organisation du marché de l'électricité portant la mise en place d'un mécanisme de rémunération de capacité »*.
CRM Actor	All (potential) participants to the CRM, including a Capacity Holder, CRM Candidate, Prequalified CRM Candidate, Capacity Provider, Buyer of an Obligation and Seller of an Obligation.
CRM IT Interface	The set of information systems within the control of ELIA used to perform its functions under the Functioning Rules.
CRM Required Volume	The volume that should be contracted in an Auction for a certain Delivery Period.
Daily Schedule	The program of production of a CMU (in MW), given on a quarter hourly basis, provided to ELIA in day-ahead and updated in accordance with the rules of the CIPU Contract.
Day-Ahead Market (DAM)	The energy market as referred to in article 2, 26° of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.
Day-Ahead Market Price	As published on ELIA's website (https://www.ELIA.be/en/grid-data/transmission/day-ahead-reference-price), the Belgian reference price as calculated by ELIA as the volume weighted average price of the prices of the NEMO hubs in the Belgian bidding zone, as defined in the Belgian MNA ("Multiple NEMO Arrangement for the Belgian bidding zone").
Declared Day-Ahead Price	The value of the CMU's Reference Price declared by the Capacity Provider equal to or above which the CMU would deliver energy in the energy market by dispatching at least its Obligated Capacity.
Declared Balancing Price	The positive imbalance price optionally declared by the Capacity Provider equal to or above which a CMU would deliver energy in the energy market by dispatching at least its Obligated Capacity.
Declared Intraday Price	The Intraday Market price optionally declared by the Capacity Provider equal to or above which a CMU would deliver energy in the energy market by dispatching at least its Obligated Capacity.
Declared Market Price (DMP)	For a given AMT Hour, the equivalent Day-Ahead Market price, determined by the (Partial) Declared Prices and Associated Volumes declared by the Capacity Provider, equal to or above which the CMU delivers the Required Volume.
Declared Eligible Volume	The Eligible Volume, as declared by the CRM Candidate, of a Virtual Capacity Market Unit which has been submitted to participate to a specific Prequalification Process.
Declared Nominal Reference Power	The Nominal Reference Power, as declared by the CRM Candidate, of an Additional Delivery Point which has been submitted to participate to a standard Prequalification Process.

Declared Price	The collective name of the Declared Day-Ahead Price, the Declared Intraday Price and the Declared Balancing Price.
Delivery Period	As defined in article 2, 77° of the Electricity Act.
Delivery Point	A (future) point on an electricity grid or within electrical installations of a Grid User where the Service is or will be delivered. This point is or will be associated with one or several metering device(s) in conformity with standards set by ELIA.
Demand Curve	As defined in article 2, 78° of the Electricity Act and determined in the Ministerial Decree referred to in article 7undecies § 2, par. 5 of the Electricity Act and in accordance with the methodology in the Royal Decree on Methodology referred to in article 7undecies § 2, par. 1 of the Electricity Act.
Demand Side Response (DSR)	As defined in article 2, 66° of the Electricity Act.
Derating Factor	As defined in article 2, 83° of the Electricity Act.
Direct Foreign Capacity	As defined in article 2, 86° of the Electricity Act.
DSO-CRM Candidate Agreement	The agreement between the CRM Candidate and the concerned DSO confirming the technical possibility for (a) specific Delivery Point(s) connected to the DSO Grid to participate to the Service.
Dummy Bid	The Bid introduced by ELIA in an Auction at a Bid Price of 0 EUR/MW/year and with a Bid volume equal to the total reduction of the volume to be procured in that Auction.
Effective Payback Obligation	The Payback Obligation amount related to a Transaction as calculated for a given month, in accordance with the methodology in the Royal Decree on Methodology referred to in article 7undecies § 2, par. 1 of the Electricity Act and taking into account the Stop-Loss Amount.
Electricity Act	The Federal Electricity Act of 29 April 1999 on the organization of the Belgian electricity market: "*Wet van 29 april 1999 betreffende de organisatie van de elektriciteitsmarkt*" / "*Loi du 29 avril 1999 relative à l'organisation du marché de l'électricité*".
ELIA Grid	The electricity grid to which ELIA holds the property right or at least the right of using and operating it, and for which ELIA has been appointed as system operator.
Eligible Direct Foreign Capacity Holder	As defined in article 1, § 2, 8° of the Royal Decree on the criteria for direct and indirect foreign capacities to participate to the CRM, established in accordance with article 7undecies, § 4, 3° of the Electricity Act.

Eligible Indirect Foreign Capacity Holder	As defined in article 1, § 2, 7° of the Royal Decree on the criteria for direct and indirect foreign capacities to participate to the CRM, established in accordance with article 7undecies, § 4, 3° of the Electricity Act.
Eligible Volume	The Reference Power of an Existing CMU or Additional CMU multiplied by the Derating Factor as determined during the Prequalification Process.
Energy Constrained CMU	A CMU that can deliver energy or reduce its consumption for a limited number of hours per day
Exchange	A market operator in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as transposed into the Belgian law dated 21 November 2017 on infrastructure for markets in financial instruments and on the implementation of Directive 2014/65/EU (Mifid II Law).
Existing Capacity	The Capacity for which, at the time of Prequalification File submission, the Nominal Reference Power can be calculated based on 15 minutes measurements.
Existing Capacity Market Unit ("Existing CMU")	A Capacity Market Unit that only includes Existing Delivery Points.
Existing Delivery Point	A Delivery Point associated to an Existing Capacity.
Expected Nominal Reference Power	The Nominal Reference Power, as estimated by the CRM Candidate, of an Existing Delivery Point which has been submitted to participate to a standard Prequalification Process.
Fast Track Nominal Reference Power	The Nominal Reference Power, as estimated by the CRM Candidate, of an Existing Delivery Point which has been submitted to participate to a fast track Prequalification Process.
Fast Track Volume	The Fast Track Nominal Reference Power multiplied by the Derating Factor as determined during the fast track Prequalification Process.
Federal Grid Code	The Royal Decree of 22 April 2019, as amended, establishing a technical regulation for the management of and access to the transmission grid.
Financial Security	The security provided to cover a CMU's obligations during one or more Validity Period(s) in the form of a bank guarantee, a parent company guarantee or a cash payment.

Financial Security Volume	The volume (in MW) to be secured by a permissible type of Financial Security as determined according to section 10.4.2, associated to a CMU and at a moment t that is part of (one or more) Validity Periods.
Forced Outage	An unplanned removal (full or partial) of a CMU providing the Service for any urgent reason that is not under the operational control of the Capacity Provider.
Global Auction Price Cap	The Price Cap applicable in an Auction to all Bids, determined in the Ministerial Decree referred to in article 7undecies, § 2, par. 5 of the Electricity Act, in accordance with the methodology in the Royal Decree on Methodology referred to in article 7undecies, § 2, par. 1 of the Electricity Act.
Grid User	As defined in article 2, §1, 57° of the Federal Grid Code for a Grid User connected to the ELIA Grid or to Public Distribution Grid or as defined in article 2, §1, 58° of the Federal Grid Code for a Grid User connected to a CDS.
Grid User Declaration	The official declaration of the Grid User provided to ELIA during the Prequalification Process, containing proof of the agreement between the CRM Candidate and the Grid User to provide the Service at one (or more) specific Delivery Point(s).
Headmeter	A (group of) meter(s), as defined in article 2, §1, 5° of the Federal Grid Code, associated with the Access Point as determined by ELIA (for the ELIA Grid), or the DSO (for the Public Distribution Grid), installed by ELIA for the ELIA Grid and the DSO for the Public Distribution Grid.
Indexed Calibrated Strike Price	The indexed value of the Calibrated Strike Price of a Transaction applicable at a certain moment and determined by multiplying the Calibrated Strike Price by an index factor. The Indexed Calibrated Strike Price applies to all Primary Market Transactions as of the Transaction's second Delivery Period and to all Secondary Market Transactions having an index factor parameter in the Secondary Market transaction notification.
Indirect Foreign Capacity	As defined in article 2, 85° of the Electricity Act.
Infrastructure Works	The works which cannot be realized by another entity than the respective system operator (Fluxys, DSOs and ELIA).
Intraday Market	The energy market, as referred to in article 2, 27° of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.
Intermediate Price Cap	The Price Cap applicable in an Auction to all Bids related to CMUs in the one-year Capacity Category, determined in the Ministerial Decree referred to in article 7undecies §2, par. 5 of the Electricity Act and in accordance with the methodology in the Royal Decree on Methodology referred to in article 7undecies §2, par. 1 of the Electricity Act.

Investment Threshold	As defined in article 1, § 2, 1° of the Royal Decree on Investment Thresholds and Eligible Investment Costs.
Last Published Derating Factor	The latest published value for a category of Derating Factor as determined as a result of the yearly calibration process as referred to in article 7undecies, § 2, 2° of the Electricity Act.
Linked Bids	The two or more Bids for Linked Capacities that can only be selected in the Auction when all other Bids of the Linked Bid are selected as well.
Linked Capacities	As defined in article 1, § 2, 6° of the Royal Decree on Investment Thresholds and Eligible Investment Costs.
Functioning Rules	The rules referred to in article 7undecies, § 8 of the Electricity Act.
Measured Power	The net active power, i.e. the difference between gross offtake and gross injection, measured at a Delivery Point. Net offtake from the ELIA Grid is considered as a positive value, net injection into the ELIA Grid is considered as a negative value.
Missing Capacity	The positive difference between the Obligated Capacity and the Available Capacity.
Missing Volume	The volume of a CMU considered as non-available as a result of one of the pre-delivery controls.
Nominal Reference Power	The maximal capacity that could be offered in the Capacity Remuneration Market associated to a Delivery Point.
Nominated Electricity Market Operator (NEMO)	The nominated electricity market operator (NEMO) as defined in article 2.23° of Commission Regulation (EU) 2015/1222.
Non-eligible Capacity	The Capacity that is not allowed to take part in the CRM.
Non-energy Constrained CMU	A Capacity Market Unit that is not subject to the constraint of only providing energy or reducing its consumption for a limited number of hours per day.
Non-SLA Hours	All hours of an Energy Constrained CMU that are not SLA Hours.
Obligated Capacity	The capacity of a CMU that a Capacity Provider is obliged to make available in the form of Available Capacity during Availability Tests and Availability Monitoring, in line with the availability requirement, as referred to in article 7undecies, § 8, al. 2, 3° of the Electricity Act.

Operating Aid	Every aid for which its award is in function of the electricity production of the involved Capacity, as specified further in the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Threshold.
Opt-Out Volume	The (part of) the Nominal Reference Power of a CMU for which the CRM Candidate formally indicates prior to the Auction that he is not willing to offer it in the Auction as referred to in article 7undecies, § 6 of the Electricity Act.
Opt-Out Notification	The notification based on which a CRM Candidate notifies ELIA that it has decided not to offer the Opt-Out Volume into an Auction for a Delivery Period, in line with article 7undecies, § 6 of the Electricity Act.
Partial Declared Balancing Price	The positive imbalance price optionally declared by the Capacity Provider equal to or above which a CMU would deliver energy in the energy market by dispatching a part of its Obligated Capacity as indicated by the Capacity Provider according to section 8.4.2.2.
Partial Declared Day-Ahead Price	The value of the CMU's Reference Price optionally declared by the Capacity Provider equal to or above which a CMU would deliver energy in the energy market by dispatching a part of its Obligated Capacity as indicated by the Capacity Provider according to section 8.4.2.2.
Partial Declared Price	The collective name of the Partial Declared Day-Ahead Price, the Partial Declared Balancing Price and the Partial Declared Intraday Price.
Partial Declared Intraday Price	The Intraday Market price optionally declared by the Capacity Provider equal to or above which a CMU would deliver energy in the energy market by dispatching a part of its Obligated Capacity as indicated by the Capacity Provider according to section 8.4.2.2.
Passive Volume	The component of the Available Capacity measured as the part of a CMU without Daily Schedule that did not react to a market price signal in accordance with its (Partial) Declared Prices, determined according to paragraph 411.
Payback Obligation	The Capacity Provider's obligation to pay back an amount to the Contractual Counterparty in function of the Contracted Capacity as referred to in Article 7undecies § 7 of the Electricity Act.
Peak Hours	The hours starting from 08.00 (CET) until 20.00 (CET) of every day, excluding weekend and Belgian public holidays.
Pmax available (Pmax)	The maximum power (in MW) that the Delivery Point can inject into (or take off) the ELIA Grid for a certain quarter-hour, taking into account all technical, operational, meteorological or other restrictions known at the time of notification to ELIA with the Daily Schedule, without taking into account any participation of the Delivery Point in the provision of balancing services.
Point of Interface	As defined in article 2, §1, 33° of the Federal Grid Code.
Pre-auction	As defined in article 1, § 2, 4° of the Royal Decree on the criteria for direct and indirect foreign capacities to participate to the

	CRM, established in accordance with article 7undecies, § 4, 3° of the Electricity Act.
Pre-delivery Period	The period during which pre-delivery control(s) are organized by ELIA for a (Virtual) CMU to ensure the effective availability of the Contracted Capacities related to the CMU before the Delivery Period containing the start date of the Transaction Period associated to the CMU.
Pre-delivery Measured Power	The capacity measured during a pre-delivery control and associated to an Existing Delivery Point.
Pre-delivery Obligation	The capacity of a CMU that a Capacity Provider is obliged to make available during a pre-delivery control.
Prequalification File	All documents and data that the CRM Candidate has prepared, updated (when required) and provided to ELIA and which are necessary for the proper and complete execution of the Prequalification Process.
Prequalification Process	As defined in article 2, 82° of the Electricity Act. Notwithstanding the foregoing, as the participation to the Secondary Market is subject also, for reasons of non-discrimination, to a prequalification, the Prequalification Process will also apply to determine the possibility for Capacity Holders to participate in the Secondary Market.
Prequalified Capacity Market Unit (Prequalified CMU)	A Capacity Market Unit which has succeeded the standard Prequalification Process or a Virtual Capacity Market Unit which has succeeded the specific Prequalification Process.
Prequalified CRM Candidate	The Capacity Holder that is allowed to participate in the Primary Market or the Secondary Market thanks to the prequalification of one or several (Virtual) Capacity Market Unit(s).
Price Cap	The maximum Bid Price and the maximum Capacity Remuneration that can be received for a Bid.
Primary Market	The market where the obligations resulting from the Service are created as a result of an Auction and the signing of a Capacity Contract.
Project Works	The works that fall – as a result of a competitive selection process – under a system operator or another entity's responsibility.
Proven Availability	The Active Volume for a CMU without Daily Schedule. The Pmax Available for (i) a Non-Energy Constrained CMU with Daily Schedule or (ii) an Energy Constrained CMU with Daily Schedule within its SLA Hours. The Measured Power for an Energy Constrained CMU with Daily Schedule outside of its SLA Hours.

Public Distribution Grid or "DSO Grid"	As defined in article 2, 49° of the Federal Grid Code.
Public Distribution System Operator or "DSO"*	A natural personal or legal entity appointed by the designated regional regulator or regional authority, who is responsible for the exploitation, the maintenance and, if necessary, the development of the Public Distribution Grid in a certain zone and, where applicable, for its interconnectors with other systems and who is responsible of guaranteeing the long-term ability of the Public Distribution Grid to meet reasonable demands for electricity distribution.
Redispatching Services	As defined in article 248 and 249, § 6 of the Federal Grid Code.
Reference Power	The capacity that must be considered in the CRM according to the CRM Candidate, before application of the relevant Derating Factor, but after deducting the Opt-Out Volume (if applicable).
Reference Price	As defined in article 2, 81° of the Electricity Act.
Reliability Options	As defined in article 2, 72° of the Electricity Act.
Remaining Eligible Volume	The maximum Contracted Capacity of a Transaction on the Primary Market for a Capacity Provider's CMU.
Remaining Maximum Capacity	The part of the CMU's Nominal Reference Power (in MW) that remains available after consideration of the Unavailable Capacity.
Required Level	The level (in EUR/MW) to be secured by a permissible type of Financial Security pursuant to according to section 10.4.1 associated to a CMU and at a moment t that is part of (one or more) Validity Periods.
Required Volume	The volume the CMU is supposed to deliver in energy, according to the most recent Declared Prices defined according to section 8.4.2.
Regulation (EU) n 2019/943	Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.
Royal Decree on the Eligibility Criteria for the Prequalification Process	The Royal Decree established in accordance with article 7 undecies, § 4, 1° and 2° of the Electricity Act which defines the eligibility criteria to participate in the CRM.

Royal Decree on Investment Thresholds and Eligible Investment Costs	The Royal Decree to determine the Investment Thresholds and the criteria for the eligible investment costs, established in accordance with article 7undecies, § 5 of the Electricity Act.
Royal Decree on Methodology	The Royal Decree to determine the methodology for calculation of the required volume and the parameters needed for the organization of the Auctions in the context of the Capacity Remuneration Mechanism, established in accordance with article 7undecies, § 2 of the Electricity Act.
Royal Decree on Control	The Royal Decree established in accordance with article 7undecies, § 9 of the Electricity Act.
Secured Amount	The amount (in EUR) to be secured by a permissible type of Financial Security pursuant to according to section 10.4, associated to a CMU and at a moment t that is part of (one or more) Pre-delivery Periods.
Secondary Market	The market in which the obligations resulting from the Service are subject to a transaction between a Seller of an Obligation and Buyer of Obligation.
Secondary Market Capacity	The capacity that is subject to a transaction on the Secondary Market.
Secondary Market Eligible Volume	The maximum Contracted Capacity of a Transaction on the Secondary Market for a CRM Candidate's CMU.
Secondary Market Exchange Mandate	The mandate given by a Prequalified CRM Candidate or a Capacity Provider to an Exchange for the notification of a Secondary Market transaction involving his CMU to Elia. The mandate consists in the form in annex 17.3.1 duly completed and signed.
Secondary Market Remaining Eligible Volume	The maximum Contracted Capacity of a Transaction on the Secondary Market for a Capacity Provider's CMU.
Seller of an Obligation	The Capacity Provider that transfers the obligations resulting from the Service to a Buyer of an Obligation via a transaction on the Secondary Market.
Service	The contractual rights and obligations of a Capacity as stipulated in the Capacity Contract.
Service Level	The service level per calendar year for an Energy Constrained CMU as determined in the Capacity Contract.

Agreement (SLA)	
Service Time Schedule	The time schedule covering the full CRM process as determined in these Functioning Rules.
SLA Hour	For an Energy-Constrained CMU, up to N AMT Hours over one day where N corresponds to the number of hours in the CMU's SLA, for which a non-zero Obligated Capacity applies to ex-ante acquired obligations. The SLA Hours are established according to paragraphs 396 and 397
Stop-Loss	The mechanism that caps the amount that a Capacity Provider has to pay as stipulated in the Capacity Contract.
Stop-Loss Amount	The maximum amount related to a CMU's Transaction that a Capacity Provider has to pay to the Contractual Counterparty as determined for a Delivery Period.
Strike Price	As defined in article 2, 80° of the Electricity Act.
Submeter	Either a meter, as defined in article 2, §1, 5° of the Federal Grid Code, situated downstream of the Headmeter; or, an equation between one or more meter(s) situated downstream of the Headmeter and/or the Headmeter.
Total Contracted Capacity	The sum of all Contracted Capacities for a CMU at a specific moment during a Delivery Period.
Transaction	An agreement about the contractual rights and obligations resulting from the Service, closed in the form of a Capacity Contract between a Capacity Provider and the Contractual Counterparty, in the Primary Market or the Secondary Market at a Transaction Date, identified by a transaction identification number, for the Contracted Capacity and covering a Transaction Period.
Transaction Date	The date and time a Transaction is made, i.e. the date and time that a Bid is submitted in the Auction for a Transaction on the Primary Market and the date and time that ELIA acknowledges the reception of the notification of a Secondary Market transaction.
Transaction Period	The period defined by a start date/start time and end date/end time, during which the Service is delivered resulting from a Transaction.
Transaction Validation Date	For a Transaction on the Primary Market, the date and time at which the results of the related Auction are published (after validation by the CREG). For a Transaction on the Secondary Market, the date and time at which it is validated by the Contractual Counterparty.
Unannounced Missing Capacity	For the purpose of the determination of the Unavailability Penalty, the amount of Missing Capacity that was not or not sufficiently in advance (according to paragraph 337) notified by the Capacity Provider to be unavailable.

Unavailability Penalty	The amount to be paid by the Capacity Provider in case of Missing Capacity.
Unavailable Capacity	The share of the CMU's capacity which is or will be unavailable during a period notified to ELIA by the Capacity Provider.
Unproven Availability	(i) For a CMU without Daily Schedule, the Available Capacity during the AMT Hours with no Payback Obligation and the Declared Day-Ahead Price was not surpassed or (ii) For a CMU without Daily Schedule, the Passive Volume during AMT Hours with a Payback Obligation.
Unproven Capacity	The Capacity that, at the moment of submission of the Prequalification File, cannot be associated to a specific Delivery Point.
Unsheddable Margin	The minimal amount of net active power offtake (in kW/MW) that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point(s) concerned.
Validity Period	The period of time for which a permissible type of Financial Security is to be provided by a (Prequalified) CRM Candidate or a Capacity Provider, as a condition to make a Transaction on the Primary Market or the Secondary Market.
Virtual Capacity Market Unit (VCMU)	A Capacity Market Unit associated to Unproven Capacity.
Winter Period	As defined in article 2, 51° of the Electricity Act.
Working Day	Any calendar day except for Saturday, Sunday and Belgian public holidays.

3.2. ABBREVIATIONS

AMT	Availability Monitoring Trigger
BRP	Balancing Responsible Party
CDS	Closed Distribution System
CDSO	Closed Distribution System Operator
CEP	Clean Energy Package
CET	Central European Time Zone
CIPU	Contract for the Injection of Production Units
CMU	Capacity Market Unit
CRM	Capacity Remuneration Mechanism
DAM	Day-Ahead Market
DMP	Declared Market Price
DSR	Demand Side Response
DSO	Public Distribution System Operator

DSO Grid	Public Distribution Grid
EBGL	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing.
GCT	Gate Closure Time
GOT	Gate Open Time
IDM	IntraDay Market
NEMO	Nominated Electricity Market Operator
NRP	Nominal Reference Power
RES	Renewable Energy Sources
SLA	Service Level Agreement
SOGL	Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation.
TSO	Transmission System Operator
VCMU	Virtual Capacity Market Unit
Y-1	1 year before the start of the Delivery Period
Y-4	4 years before the start of the Delivery Period

4. SERVICE TIME SCHEDULE

4.1. INTRODUCTION

15. This section summarizes most relevant milestones and operational deadlines or timings a CRM Candidate, Prequalified CRM Candidate or Capacity Provider should keep in mind when considering a participation to the Service.

    It is organized around two sections. Section 4.1 focuses on the milestones specified in the Electricity Act and/or other legal documents related to the Capacity Remuneration Mechanism. Section 4.2 proposes an overview of most relevant timing for each CRM operational process.

    The following dispositions must be seen as an executive summary. It does not replace (nor propose an exhaustive overview) the operational details and associated timings specified in each section of the Functioning Rules. In case of contradiction between both, the Functioning Rules prevail.

    Finally, specified timings always refer to a maximum duration. This signifies that ELIA may always finalize the related action(s) in a shorter period of time.

4.2. KEY MILESTONES

4.2.1. CRM Process

16. The dates summarized below are extracted from the Electricity Act and other legal documents related to the Capacity Remuneration Mechanism (CRM).

PERIODS	Gate opening time	Gate closure time	Remarks in respect of the Forthcoming Capacity Auction
MINISTERIAL DECREE	**NA**	**March 31, Y-4/Y-1**	Last date where Ministerial Decree on Calibration is officially published.

FUNCTIONNING RULES PUBLICATION	NA	May 15, Y-4/Y-1	Last date where Functioning Rules for a related Capacity Auction are officially published.

PREQUALIFICATION PROCESS[3]			
CRM Candidate Prequalification File submission		June 15, Y-4/Y-1	Last date by which the CRM Candidate may submit his Prequalification File in order to be able to participate to the forthcoming Auction.
Prequalification results notification	September 15[4], Y-4/Y-1		Last date by which the prequalification results are officially notified by ELIA to each CRM Candidate individually.
Opt-Out Notification submission	September 15 + 5 WD, Y-4/Y-1		Last day by which a CRM Candidate is allowed to provide an Opt-Out Notification to ELIA.

AUCTION			
Bid submission	1 WD after 15 September, Y-4/Y-1	September 30, Y-4/Y-1	Period during which a Bid may be introduced by a Prequalified CRM Candidate.

[3] A Prequalification File can be introduced at any time, but no later than June 15th of the year of the forthcoming Auction. However and considering the yearly update of the Functioning Rules published every May 15th, any Prequalification File initiated before such date, and to be submitted for the forthcoming Auction, is required to be updated for compliancy before June 15th

[4] In the event that the CRM Candidate submitted an investment file to CREG, the prequalification results are notified to the CRM Candidate on September 1st, Y-4/Y-1.

Auction clearing	October 1, Y-4/Y-1	October 31, Y-4/Y-1	Period to clear an Auction and validate the results.
Results notification	NA	October 31, Y-4/Y-1	Date by which each Prequalified CRM Candidate, who submitted a bid for the related Auction, individually receives a result (awarded or not).

PRE-DELIVERY PERIOD	**November 1, Y-4/Y-1**	**October 31, Y**	

DELIVERY PERIOD	**November 1, Y**	**October 31, Y+1**	

4.3. TIMING PER OPERATIONAL PROCESS

17. This section summarizes the most important milestones per operational process. For the sake of efficiency, Working Day is referred to hereafter as 'WD'. Furthermore, the deadlines linked to the chapter 10 are integrated to the sections below (specifically Prequalification Process, Auction & Secondary Market) given that they are part of the deadlines to be respected.

    The Working Days mentioned in the below tables gives an indication of the worst-case scenario in terms of timing. Therefore and for the sake of clarity, ELIA will always make best efforts to reduce the timings foreseen in the tables related to the Prequalification Processes in order to respect the deadlines for the prequalification results communication (as indicated in section 4.2 above)."

    In the tables below:

    - "A" is the notification of the prequalification results to the CRM Candidate by ELIA;
    - "B" is the notification of the Auction results to the CRM Candidate by ELIA;
    - "C" is Transaction Date related to a Transaction via the Secondary Market;
    - "D" is the Availability Test/delivery date.

4.3.1. Prequalification Processes

18. Some specific aspects of the prequalification may be running in parallel depending on various parameters related to the CRM Candidate (Opt-Out Notification, communication with CREG related to an investment file for multi-year Capacity Contract, discussion with DSO regarding the DSO-connected Delivery Points, etc.). Some of these parallel processes are therefore illustrated in the two other tables below.

Action	Due date				Details
	Standard Prequalification Process		Specific Prequalification Process	Fast track Prequalification Process	
	If only Existing Delivery Points	If only Additional Delivery Points			
Application form submission date	A – 75 WD	A – 40 WD	A – 40 WD	A – 50 WD	The CRM Candidate submits to ELIA his application form in order to be allowed to submit a Prequalification File.
Approval/rejection of application form	A – 70 WD	A – 35 WD	A – 35 WD	A – 45 WD	Once the CRM Candidate has submitted his application form, ELIA has 5 WD to accept or reject it.
Prequalification File submission date[5] including a payment of the Financial Security	A – 70 WD	A – 35 WD	A – 35 WD	A – 45 WD	In order to launch the Prequalification Process, the CRM Candidate submits his Prequalification File via the CRM IT Interface.
Results of the Prequalification File compliance check #1	A – 50 WD	A – 15 WD	A – 15 WD	A – 25 WD	The first Prequalification File submission is followed by a compliance check realized by ELIA within maximum 20 WD starting from the Prequalification File submission date. This which may might trigger a request for additional information in case the Prequalification File is "rejected". One of the conditions included in the Prequalification File is the payment of a Financial Security.

[5] Either way, a Prequalification File is always submitted to ELIA at the latest on June 15 of a year (as per the section 4.2 above) in order to be able to participate to the forthcoming Auction of the same year.

Finalization of the Prequalification File	A – 40 WD	A – 5 WD	A – 5 WD	A – 15 WD	In the event that a Prequalification File has been rejected following the compliance check #1 realized by ELIA, the CRM Candidate is requested to provide additional information to his Prequalification File within maximum 10 WD.
Results of the Prequalification File compliance check #2	A – 35 WD	A	A	A – 10 WD	Once the Prequalification File has been finalized by the CRM Candidate, ELIA has 10 WD to do a new compliance check to verify whether or not the Prequalification File submitted is complete.
Determination of the provisional Nominal Reference Power for each Existing Delivery Points	A – 25 WD	NA	NA	NA	Once the Prequalification File is "approved", ELIA determines the provisional Nominal Reference Power for each Existing Delivery Points.
Contestation of the provisional Nominal Reference Power	A – 20 WD	NA	NA	NA	If needed, the CRM Candidate can contest the provisional Nominal Reference Power(s) communicated by ELIA within 5 WD starting from this communication.
New Prequalification Test (only in case of contestation)	A - 15 WD	NA	NA	NA	As part of his contestation, the CRM Candidate communicates a Prequalification test date. This test takes place within 10 Working Days starting from the provisional Nominal Reference Powers communication by ELIA.
Determination of the final Nominal Reference Power and adaptation of the Financial Security	A – 10 WD	NA	NA	NA	Following the new Prequalification test, ELIA determines the final Nominal Reference Power for each Existing Delivery Point and notifies it to the CRM candidate. If the calculation of the sum of all the final Nominal Reference Powers leads to a value 10% higher than the sum of all the Expected Nominal Reference Power, an additional Financial Security is to be provided by the

					CRM Candidate within maximum 20 Working Days.
Volumes determination and notification to the CRM Candidate	A		NA	A	After the determination of the final Nominal Reference Power for each Existing Delivery Point, ELIA determines the Eligible Volume (or Fast Track Volume in case of fast track Prequalification Process) of the CRM Candidate within maximum 10 Working Days starting from: - The final Nominal Reference Powers notification in case of standard Prequalification Process; - The results notification of the Prequalification File compliance check #2 in case of fast track Prequalification Process.
Prequalification results notification	A		A	A	ELIA notifies the final results of the Prequalification Process of the CRM Candidate: - Within maximum 10 WD starting from the final Nominal Reference Powers notification in case of standard Prequalification Process; - Within maximum 10 WD starting from the results notification of the Prequalification File compliance check #2 in case of fast track Prequalification Process; - At the same time as the results notification of the Prequalification File compliance check #2 in case of specific Prequalification Process.
Adaptation of the Financial Security	A + 10 WD		NA	NA	If the notified Eligible Volume is higher than the sum of the Expected Nominal References Powers with the Declared Nominal Reference Powers, the CRM Candidate adapts his Financial Security within a time

				frame of 20WD from the time the results of the Prequalification Process are notified.
Release of the Financial Security in case of unsuccessful Prequalification Process	A + 20 WD	NA	NA	In case the CMU of the CRM Candidate does not get his "prequalified" status, ELIA releases the Financial Security within 20 WD starting from the results of the Prequalification Process.

4.3.1.1. Opt-Out Notifications

19. This process running in parallel is only applicable in the framework of a standard Prequalification Process. All the deadlines presented in this table are complementary to the timing presented above for the standard Prequalification Process.

Action	Due date	Details
Opt-Out Notification submitted within the Prequalification File	A – 70 WD and/or A – 40 WD	As part of his Prequalification File submission, the CRM Candidate may declare an Opt-Out Volume.
Determination of the final Nominal Reference Powers	A – 10 WD	Communication of all the final Nominal Reference Powers to the CRM Candidate (as per the table above).
Modification of the Opt-Out Notification	A – 5 WD	After the communication of all the final Nominal Reference Powers, the CRM Candidate may adapt his Opt-Out Notification made as part of the Prequalification File.
Calculation of the Eligible Volume	A	Communication of the Eligible Volume to the CRM Candidate (as per the table above).
Prequalification results notification	A	Communication of the prequalification results to the CRM Candidate (as per the table above).
Modification of the Opt-Out Notification	A + 5 WD	After the notification of the Prequalification results by ELIA to the Prequalified CRM Candidate, the latter may modify his Opt-Out Notification within a timeframe of 5 WD.
Re-calculation of the Eligible Volume	A + 7 WD	As the Opt-Out Volume has been adapted, ELIA restarts the Eligible Volume determination process and communicates the new results to the CRM Candidate within a timeframe of 2 WD starting from the communication to ELIA of the new Opt-Out Volume Notification.
Adaptation of the Financial Security	A – 20 WD and/or A + 15 WD and/or A + 25 WD	Each time ELIA reduces the Eligible Volume because of an adaptation of the Opt-Out Volume, the CRM Candidate adapts his Financial Security accordingly within 20 WD starting from the communication of the new Opt-Out Volume Notification.

4.3.1.2. Process linked to a Prequalification File including DSO-connected Delivery Point(s)

20. This process running in parallel is only applicable in the framework of a standard Prequalification Process. All the deadlines presented in this table are complementary to the timing presented above for the standard Prequalification Process.

Action	Due Date	Details
Signature of the DSO-CRM Candidate agreement	A – 35 WD	The CRM Candidate contacts his DSO(s) to sign a DSO-CRM Candidate agreement for the DSO-connected-Delivery Point(s) participating to the Service at the latest 35 WD before the notification of the prequalification results.
Validation of the final Nominal Reference Power with the related DSO(s) for each Existing DO-connected Delivery Point.	A – 35 WD	The CRM Candidate agrees with his DSO(s) on the Nominal Reference Power for each DSO-connected-Delivery Point(s) participating to the Service at the latest 35 WD before the notification of the prequalification results.

4.3.2. Auction & Pre-Delivery Control

Actions	Due Date	Details
Results notification of the Auction issued to each Bidder individually	B	ELIA notifies individually to each Prequalified CRM Candidate the results of the Auction.
Signature of the Capacity Contract	B + 20 WD	Within a time window of 20 WD after the notification of the Auction results, the Prequalified CRM Candidate signs his Capacity Contract with the Contractual Counterparty.

Financial Security release	B + 40 WD	Within a timeframe of 40 WD starting from the notification of the Auction results, ELIA releases a part of the Capacity Provider's Financial Security.

4.3.3. Secondary Market

Actions	Due Date		Details
	Bilateral Secondary Market transaction	Secondary Market transaction via an Exchange	
Notification of a Secondary Market transaction	C – 6 WD	C – 1 WD	The Buyer of an Obligation and the Seller of an Obligation notifies ELIA via the CRM IT Interface of the Secondary Market transaction they concluded. This Secondary Market transaction can also be notified by an Exchange which receives a mandate from both the Buyer and the Seller of an Obligation. The Buyer of an Obligation provides a Financial Security as pre-condition for the transaction to take place.
Notification, as a matching confirmation, of the other actor involved in the Secondary Market transaction	C – 1 WD	NA	As soon as either the Buyer or the Seller of an Obligation notifies his intention to realize a transaction on the Secondary Market with the necessary information, the other party must confirms this transaction to ELIA within 5 WD before notification acknowledgement. This is not applicable to an Exchange which has received, prior notification, a mandate from both parties.

Acknowledgement of reception of the notification including the signature of a Capacity Contract ➔ Transaction Date	C	Maximum 1WD after ELIA is notified by both the Buyer and the Seller of an Obligation, ELIA acknowledges reception of the notification. The acknowledgment timing defines the Transaction Date
Approval/Rejection of the Secondary Market transaction notification	C + 5 WD	Within a time frame of 5 WD after notification acknowledgement, ELIA notifies the approval or rejection of the Secondary Market transaction. ELIA notifies the Contractual Counterparty of the approved notification details.
Transaction Validation Date	C + 10 WD	As soon as the Secondary Market transaction is approved by ELIA, the Contractual Counterparty validates it within 5 WD after notification acknowledgement of reception and modifies the Contracted Capacity accordingly. A new Transaction for the Buyer of an Obligation, a modification of the Transaction for the Seller of an Obligation.
Release of Financial Security in case of rejection of the Secondary Market transaction	C + 20 WD	If the Secondary Market transaction is rejected by the Contractual Counterparty, the Financial Security of the Buyer of an Obligation is released within 20 WD after notification acknowledgement of reception.

4.3.4. Availability Monitoring

Actions	Due date	Details
Announcement of Unavailable Capacity	D – 1 WD	A Capacity Provider announces his unavailability at the latest at 9 AM on the WD preceding the delivery/Availability Test.
Availability Test announcement	D – 1 WD	An Availability Test is announced by ELIA at the latest at 3 PM on the WD preceding the Availability Test.

Notification of (Partial) Declared Prices	D – 1 WD	Updated or new (Partial) Declared Prices are notified by the Capacity Provider to ELIA at the latest at 9 AM on the WD preceding the delivery.
AMT Moment/Hours announcement	D – 1 WD	The exact AMT Hours/Moment is (are) announced at the latest at 3 PM the WD preceding the occurrence of the AMT Hour. If no AMT Hours are identified before that time, the fallback procedure applies according to section 14.6.
Delivery/Availability Test	D	The start and end time of an Availability Test may coincide with an AMT Moment. In this case, the Availability Test has a priority over the AMT Hour.
Settlement	15th of M+2 following D	ELIA shares the monthly performance report of all results of the Availability Monitoring and Availability Test over month M on each CMU separately with the Contractual Counterparty
Settlement	End of M+2 following D	Once ELIA has shared the monthly performance reports, the Contractual Counterparty has until the end of the month + 2 (with respect to the month of the Delivery/Availability Test) to send the results of the settlement of the month M (the month of the Delivery/Availability Test) via a credit note shared with the Capacity Provider. In the same report, the Contractual Counterparty will indicate whether the Capacity Provider is/should be subject to a downgrade revision. In case a downgrade of the Capacity Remuneration of the Capacity Provider takes place after at minimum 3 separate detections during Availability Tests or AMT Moments of Missing Capacity > 20% of the Obligated Capacity, the Capacity Provider should let ELIA know that he has fulfilled 3 consecutive deliveries successfully (i.e. Availability Tests or AMT Moments with no Missing Capacity). From that moment, ELIA has 5 WD to verify the information received by the Capacity Provider. The Contractual Counterparty then reinstates the original Capacity Remuneration as of the next payment.

5. PREQUALIFICATION PROCESS

5.1. INTRODUCTION

21. The purpose of a Prequalification Process is to determine whether or not a Capacity Holder is eligible to participate in the Primary Market or the Secondary Market related to the CRM.

    This document details the three different Prequalification Processes that may be followed by a Capacity Holder. It is structured in five main parts.

    The purpose of section 5.2 is to describe the most important terminologies linked to the roles, the Delivery Points, the units and the Prequalification Processes.

    Sections 5.3, 5.4, 5.5, 5.6 and 5.7 describe the sequential process a CRM Candidate goes through when prequalifying (standard, specific or fast track Prequalification Process) a CMU or a virtual CMU.

    Section 5.8 focuses on the possible evolutions of a Prequalification File over time. It lists the reasons that may lead to an evolution of an already prequalified CMU as well as the conditions upon which a CMU remains prequalified for another Auction.

    Section 5.8 aims to describe how ELIA checks the good access, functioning and understanding of the IT interfaces.

    Section 5.10 aims to describe the communication between ELIA and CREG during a Prequalification Process

22. As specified in the chapter 2, the CRM Candidate is responsible for the accuracy and the relevancy of all information provided in his Prequalification File(s). For the sake of clarity, this also includes their evolution and validity in time, according to the modalities of section 5.8.

23. ELIA has the right to audit (or have audited) all along the process all information as provided by a CRM Actor. In case of inconsistencies detected consecutive to these checks, modalities specified in section 5.5.3 apply.

5.2. TERMINOLOGIES

24. This section clarifies essential CRM–specific terminologies that must be understood prior to the reading of section 5.3 and subsequent following. This is to be read in complement to the chapter 3. It is divided in four categories: roles, Delivery Points, units and Prequalification Processes.

5.2.1. Roles-related terminology

25. Specific roles are needed because rights and obligations differ depending on the stage of the whole CRM process (Prequalification – Auction – Pre-delivery – Delivery). In this way, four roles have been defined and are reminded below:

    - **Capacity Holder**: According to article 2, 74° of the Electricity Act, every natural person

or legal entity that can offer Capacity, either on an individual or aggregated basis.

From ELIA's point of view, the Capacity Holder is the Grid User or another entity the Grid User has designated through a Grid User Declaration.

From the moment a Capacity Holder wishes to participate to the CRM (via the Primary Market or the Secondary Market), he requests an access to the CRM IT Interface by submitting an application form which is approved (or not) by ELIA.

- **CRM Candidate**: According to the chapter 3, the Capacity Holder whose application form has been accepted by ELIA.
- **Prequalified CRM Candidate**: According to the chapter 3, The Capacity Holder that is allowed to participate in the Primary Market or the Secondary Market thanks to the prequalification of one or several (Virtual) Capacity Market Unit(s).

  This status is reached when the CRM Candidate succeeded the standard or the specific Prequalification Process.
- **Capacity Provider:** According to article 2, 75° of the Electricity Act and the chapter 3, every Capacity Holder selected after closing of the Auction and that will keep available a capacity during the Delivery Period in return for a Capacity Remuneration.

  The Prequalified CRM Candidate which has not been selected after closing of the Auction, but participates to the Secondary Market, is assimilated to the Capacity Provider, provided that he signs a Capacity Contract.

5.2.2. Delivery Point-related terminology

26. As detailed in section 5.3.2.2, a CMU consists of at least one Delivery Point. Two status can be associated to a Delivery Point:

- **Existing Delivery Point**: As per defined in the chapter 3, a Delivery Point associated to an Existing Capacity.

  A Delivery Point is therefore considered as "Existing" from the moment the Nominal Reference Power can be determined by ELIA or the related DSO based on the 15-minutes measurements (following one of the three possible methodologies detailed in section 5.6.1.1.1.1 for ELIA and in section 5.6.1.1.1.2 for the DSO).
- **Additional Delivery Point**: As per defined in the chapter 3, a Delivery Point associated to an Additional Capacity.

  A Delivery Point is therefore considered as "Additional" if it is not yet connected to the electricity grid (CDS, DSO or TSO Grid) or not equipped yet with a metering device (respecting the metering requirements of annexes 17.1.1 and 17.1.2) at the moment of the Prequalification File submission date. The Nominal Reference Power is therefore a value declared by the CRM Candidate as part of his Prequalification File (as detailed in section 5.4.1.1.1).

5.2.3. Units-related terminology

27. As soon as the Capacity Holder becomes a CRM Candidate, he is allowed to introduce his Prequalification File(s) on the CRM IT Interface. A Prequalification File is linked to only one Capacity Market Unit (hereafter "CMU") or one Virtual Capacity Market Unit (hereafter "VCMU").

28. As detailed in annex 17.1.3, a Capacity Market Unit may be:

- An **individual CMU** if the CMU contains only one Delivery Point; or
- An **aggregated CMU** if the CMU contains more than one Delivery Point.

29. As per defined in the chapter 3, three possible status can also be associated to a CMU:

- **Existing CMU**: A Capacity Market Unit that only includes Existing Delivery Points;
- **Additional CMU**: A Capacity Market Unit which includes at least one Additional Delivery Point;
- **Virtual CMU**: A Capacity Market Unit associated to an Unproven Capacity. Where an Unproven Capacity is a capacity that, at the moment of submission of the Prequalification File, cannot be associated to a Delivery Point.

5.2.4. Prequalification Processes-related terminology

30. The three different Prequalification Processes are defined as follows:

- **Standard Prequalification Process:** The process to be followed by a CRM Candidate who wants to prequalify a CMU with a status of Existing or Additional to be able participate to the Primary Market or the Secondary Market with this related CMU.
- **Specific Prequalification Process:** The process to be followed by a CRM Candidate who wants to prequalify a VCMU (Unproven Capacity) to participate to the Primary Market with this related VCMU.

  Fast track Prequalification Process: The process to be followed by a CRM Candidate who does not want to participate to the Primary Market but has the legal obligation to submit a Prequalification File according to the rules defined in the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Threshold meant in art. 7undecies. §4 of the Electricity Act

5.3. ELIGIBILITY CONDITIONS

31. This section describes the conditions to comply with for:

- A Capacity Holder who wants to submit an application form (section 5.3.1);
- A CRM Candidate who wants to submit a compliant (fast track) Prequalification File to ELIA (sections 5.3.2 and 5.3.3).

5.3.1. Conditions for the Capacity Holder's participation

32. Prior to submitting a Prequalification File, and in addition to the Delivery Points and CMU requirements (as detailed respectively in section 5.3.2 for the standard and the specific Prequalification Processes and in section 5.3.3 for the fast track Prequalification Process), a Capacity Holder shall first become a CRM Candidate by filling in the application form and then mark his acknowledgment with a list of documents (as stated in section 5.3.1.1 and 5.3.1.2)

33. The entire process to be followed in order to prequalify a CMU or a VCMU is done by the Capacity Holder.

5.3.1.1. Application form

34. As a first step, the Capacity Holder is invited to fill-in the application form through a preliminary access to the CRM IT Interface.

    For a legal person, such form includes the company details, the bank details and the contacts details. It is available, for information only, in annex 17.1.4. For a natural person, it only includes the personal details and the bank details. It is also available, for information only, in annex 17.1.5. The review process of such document is detailed in section 5.5.1.

    The contact details, when the Capacity Holder is a legal person, and the personal details, when the Capacity Holder is natural person, constitute the different users of the CRM IT Interface.

35. After the application form has been filled out, the Capacity Holder ensures (and keeps over time) compliancy with the GDPR conditions (as detailed in the Capacity Contract).

5.3.1.2. Compliance check(s)

36. Once the application form is approved by ELIA (following the rules of section 5.5.1), each user of the CRM IT Interface received an ID and is asked by e-mail to create a password. This ID and password allows them to access CRM IT interface.

37. Prior to the possible submission of a Prequalification File, the CRM Candidate ensures (and keeps over time) compliancy[6] by marking dedicated boxes in the CRM IT Interface, namely:

    - For a participation to a standard or a specific Prequalification Process, the CRM Candidate indicates:
        - His acknowledgment of the Functioning Rules for the Capacity Remuneration Mechanism; and
        - His acknowledgment of the Capacity Contract conditions in case of Contracted Capacity for the forthcoming Auction; and
        - The compliance of each Delivery Point with eligibility criteria, as defined in the Electricity Act (according to art. 7undecies. §4, 1°, 2° and 3°) and dedicated Royal Decree referred to in article 7undecies §4 of the Electricity Act; and
        - The compliance of each Existing Delivery Point with the production license requirements as defined in article 4 of the Electricity Act; and
        - The compliance of each Existing Delivery Point with the maximal CO_2 emission thresholds set by the Regulation (EU) 2019/943; and
        - The compliance of each Delivery Point with any other relevant legal and regulatory framework.
    - For a participation to a fast track Prequalification Process, the CRM Candidate indicates

[6] This can be done by any user of the CRM IT Interface.

only his acknowledgment of the sections related to the fast track Prequalification Process of the Functioning Rules for the Capacity Remuneration Mechanism;

38. It is the CRM Actor's responsibility to keep ensuring full compliancy with the above conditions (paragraph 36) in case of evolution in time following section 5.8.

39. To assist the CRM Actor, ELIA sends a notification informing him about the updated changes related to the above conditions (paragraph 36) and requiring him to enter again into such process (according to section 5.8.5.3).

5.3.2. Conditions for the standard & specific Prequalification Processes

40. If a CRM Candidate wants to prequalify a CMU, he shall respect the following conditions for the Delivery Point(s) (according to section 5.3.2.1) and the conditions for the CMU itself (according to section 5.3.2.2).

41. Each time a new Delivery Point or a CMU is created, a corresponding ID is generated by the CRM IT Interface and visible to the CRM Candidate via the platform. These IDs do not evolve over time depending on the status of the Delivery Point or the CMU (Additional, Existing or Virtual).

5.3.2.1. Conditions for Delivery Points

42. In addition to the definition provided in the chapter 3, a Delivery Point may be any point or a group of points identified by:

- A Headmeter at an Access Point connected to the ELIA Grid or to a CDS; or
- A Headmeter at an Access Point connected to the DSO Grid; or
- A Submeter within the electrical facilities of a Grid User downstream of an Access Point connected to the ELIA Grid or to a CDS; or
- A Submeter within the electrical facilities of a Grid User downstream of an Access Point connected to the DSO Grid.

5.3.2.1.1. Standard conditions applicable for Existing or Additional Delivery Points

43. For each Delivery Period, a Delivery Point respects the following conditions:

- It is part of one CMU only[7]; and
- It is allocated to one CRM Candidate only; and
- It is compliant with combinability rules as detailed in annex 17.1.3; and

[7] The CRM Candidate has still the right to prequalify a same Delivery Point in several of his CMUs (e.g. If several configurations are considered by the CRM Candidate). In such situation, the Prequalified CRM Candidate offers the CMUs including the same Delivery Point as mutual exclusive Bids. Indeed, only one of the CMU can be linked to a Capacity Contract per Delivery Period.

- It is equal to or related to an Access Point as detailed in paragraph 42; and
- It respect the metering requirements as detailed in annexes 17.1.1 and 17.1.2.

44. In the event the Grid User differs from the CRM Candidate, the latter shall timely[8] obtain from the related Grid User(s) and for each of the latter's Delivery Point a signed declaration (see annex 17.1.6) respecting the following requirements:

- For each Delivery Period, a Delivery Point can be related to only one Grid User Declaration at a time; and
- The minimum requirements to be used into this Grid User Declaration can be found in annex 17.1.6; and
- A copy of the Grid User Declaration is uploaded into the Prequalification File via the CRM IT Interface.

45. If the Capacity Provider is an Eligible Direct Foreign Capacity Holder, the following conditions have to be respected:

- A Delivery Point of the Eligible Direct Foreign Capacity Holder is exclusively connected to the ELIA grid during the Delivery Period; and
- A Delivery Point of the Eligible Direct Foreign Capacity Holder is not connected to the grid of the Adjacent TSO(s) during the Delivery Period; and
- The Connection Point and Point of Interface of a Delivery Point of the Eligible Direct Foreign Capacity Holder are located on the Belgian territory during the Delivery Period.

46. All above mentioned conditions are later on checked by ELIA (as per section 5.5.2) during the Prequalification Process with a view to approve or not the Prequalification File in respect of its compliancy.

5.3.2.1.2. Additional Conditions for CDS connected Delivery Points

47. In addition to the standard conditions as referred to in section 5.3.2.1.1 and, in case of Delivery Point(s) connected to a CDS, the CRM Candidate is required to timely (as per section 5.4.1.1.1) provide a signed version of CDS-Operator agreement through the CRM IT Interface.

5.3.2.1.3. Additional Condition for DSO-connected Delivery Points

48. In addition to the standard conditions as referred to in section 5.3.2.1.1, the CRM Candidate signs with the relevant DSO a DSO-CRM Candidate Agreement using the latest template made available by Synergrid for any Delivery Point connected to a DSO Grid and prior to his possible prequalification. This agreement is not asked by ELIA during the Prequalification Process as it is already checked beforehand by the DSO.

5.3.2.2. Conditions for CMUs

49. The two following sections respectively describe the conditions that shall be respected by any CMU and any Virtual CMU to be prequalified. Some additional information about CMUs can be found in annex 17.1.3.

[8] In order to be able to provide the Grid User Declaration to ELIA in the Prequalification File (as per section 5.3.2.1.1)

5.3.2.2.1. Specific conditions for Existing and Additional CMUs

50. Any Existing and Additional CMU shall respect the following conditions:

- It consists of at least one Delivery Point; and
- The Eligible Volume of the CMU is higher than or equal to the minimum threshold defined by the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act.

5.3.2.2.2. Specific conditions for Virtual CMUs

51. A Virtual Capacity Market Unit shall respect all the following conditions:

- At the Prequilifaction File submission date, the CRM Candidate is not able to identify yet which Delivery Points will be part of the VCMU;
- The Declared Eligible Volume of the VCMU:
  - Is higher than or equal to the minimum Capacity threshold defined by the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies §4 2° of the Electricity Act ; and
  - Does not exceed 400 MW;
- For each Delivery Period, one Virtual CMU only can be submitted by a CRM Candidate at the Prequalification stage. As per section 6.3, this does not prevent a Prequalified CRM Candidate to submit several bids related to that Virtual CMU in an Auction;
- A Virtual CMU can only participate to Y-4 Auctions;
- A Virtual CMU is only related to a one-year Capacity Contract Duration (only one Delivery Period).

5.3.3. Conditions for the fast track Prequalification Process

52. A CMU that follows the fast track Prequalification Process consists of only one Delivery Point. This Delivery Point respects the following conditions per Delivery Period:

- It is part of one CMU only; and
- It is allocated to one CRM Candidate only; and
- It is equal to or related to an Access Point; and
- It is an Eligible Capacity.

The CRM Candidate which participates to the fast track Prequalification Process with a Delivery Point is necessarily the Grid User related to this Delivery Point.

5.4. PREQUALIFICATION FILE REQUIREMENTS

53. The purpose of this section is to list all required data and documents to be timely (as per detailed in each table of sections 5.4.1.1.1, 5.4.1.1.2, 5.4.1.2 and 5.4.2) submitted by a CRM Candidate, through the CRM IT Interface in the event that he wants to succeed one of

the Prequalification Processes. All of these data and documents make up the Prequalification File.

54. A Prequalification File is for one CMU or VCMU only, considering that there are as many possible Prequalification File(s) as there are (V)CMU(s)[9] eligible to such CRM process.

55. The Prequalification File requirements vary depending on the type of Prequalification Process (standard, specific and fast track), the level (Delivery Point or CMU) but also on the related status (Existing, Additional or Virtual) as detailed below.

56. As a preliminary note to the below instruction(s), it is required from the CRM Candidate to submit complete and accurate Prequalification File(s), in line with obligations (section 5.3), requirements (section 5.4) and Service Time Schedule (section 4.3.1).

    All data or document(s) listed into the four tables below are either filled in directly on the CRM IT Interface or uploaded as an attachment via the CRM IT Interface in the format as specified in chapter 12.

57. A granularity of 0.01 applies for any data expressed as a quantity. Moreover, in its calculations, ELIA applies the mathematical rounding in order to maintain a granularity of 0.01 at each step and for each type of numerical data.

5.4.1. Requirements for Standard and Specific Prequalification Processes

5.4.1.1. Requirements for the Prequalification Process

58. The two following tables (Table 1 and Table 2) include all the data and documents that shall be provided by a CRM Candidate as part of his Prequalification File in order to be considered as "compliant" (as per section 5.5.2) in case he participates to a standard or a specific Prequalification Process.

    The crosses in the table indicates for which status (Existing, Additional and/or Virtual) the requirement applies.

5.4.1.1.1. Requirements per Existing and per Additional Delivery Points

59. The following data and documents shall be provided to ELIA via the CRM IT Interface for each Delivery Point depending on the status of this Delivery Point (Existing or Additional). As a virtual CMU is not linked to a Delivery Point at the time of the Prequalification Process, none of the following data and documents shall be provided to ELIA if the CRM Candidate is prequalifying an Unproven Capacity.

[9] A CRM Candidate may, however, have only one Virtual CMU in his CMU portfolio.

Requirements	Type of data	Comments	Delivery Point's status	
			Existing	Additional
Type of Delivery Point	Name (drop-down list)	The CRM Candidate needs to inform ELIA about the fact that the Delivery Point is connected to the Transmission System Operator (TSO), a Distribution System Operator (DSO) or a Closed Distribution System (CDS). In the event that the Delivery Point is connected to a CDS, the CRM Candidate also needs to inform ELIA if the Delivery Point is connected to the TSO or the DSO Grid.	X	X
Delivery Point's name	Name	The CRM Candidate chooses and communicates a name for each of his Delivery Point. There is no requirement for the choice of this name.	X	X
Single line diagram	Diagram (pdf)	A single line diagram is a diagram with specific identification of the exact location of the Delivery Point. A single line diagram can include more than one Delivery Points.	X	X
Technology	Name (drop-down list)	The technology of the Delivery Point is supplied according to the list provided into Article 13 §1 of the Royal Decree on Methodology meant art. 7undecies, §2 of the Electricity Act.	X	X
Linked Capacities	Number (ID of the Delivery Point(s))	The CRM Candidate provides ELIA with the list of Delivery Points which are linked together. The concept of Linked Capacity is defined in art. 1 §2, 6° of the Royal Decree on Investment Thresholds and Eligible Investment Costs meant in Art. 7undecies, §5 of the Electricity Act. In the event that the CMU is linked to more than one investment file, the CRM Candidate has the possibility to propose more than one list of Delivery Point (each list being linked to an investment file). The link between Delivery Points leads to links between CMUs and the latter is translated into "Linked Bids" for the Auction (as per section 6.3.1).	X	X
CDSO Declaration	Signed document (pdf)	In case of CDS-connected Delivery Point, the CRM Candidate provides a CDSO Declaration. This declaration can be found in annex 17.1.8 .	X	X
EAN code of the Access Point	Number	The Access Point is defined in art. 2 §1 29° of the Federal Grid Code. The EAN code is the identification number of the Access Point which is related to the Delivery Point.	X	X
Agreement between Belgian member State and Adjacent Member State	Signed document (pdf)	In the event that the Capacity Holder is an Eligible Direct Foreign Capacity Holder, he provides to ELIA an agreement between the Belgian member State and the Adjacent member State (represented by the competent Authorities) of the territory in which the Delivery Point is located. This agreement allows the Eligible Direct Foreign Capacity Holder to prequalify a CMU including this Delivery Point	X	X
Declaration by the Eligible Direct Foreign Capacity Holder	Signed document (pdf)	In the event that the Capacity Holder is an Eligible Direct Foreign Capacity Holder, he provides to ELIA a declaration stating that he will respect the requirements of the agreement signed between the Belgian member State and Adjacent member State.	X	X
Declaration by the Adjacent Member State	Signed document (pdf)	In the event that the Capacity Holder is an Eligible Direct Foreign Capacity Holder, he provides to ELIA a declaration signed with the Adjacent member State (represented by the competent Authorities) of the territory in which the Delivery Point is located. This declaration indicates that the participation of this Delivery Point to the Service will not induce security of supply issues for the Adjacent member State.	X	X
EAN code(s) of the Delivery Point	Number	The EAN is a unique number used to identify the metering device related to the Delivery Point.	X	
Expected Nominal Reference Power	Number (in MW)	As per chapter 3, it is the Nominal Reference Power, as estimated by the CRM Candidate, of an Existing Delivery Point which has been submitted to participate to a standard Prequalification Process.	X	
CO_2 emission attestation	Signed document	It is an attestation delivered by a competent national body or by the CRM Candidate himself dependin on the rules defined in	X	

	(pdf)	the Regulation (EU) 2019/943. A same CO_2 emission attestation can be valid for more than one Delivery Point as long as all the related Delivery Points are mentioned in it.		
CO_2 emission	Number (in g/kWh)	Based on the CO_2 emission attestation, the CRM Candidate is invited to provide the CO_2 emission of the Delivery Point. The value is used for the Auction in case tie-breaking rules are necessary (as per section 6.4.3.2.1).	**X**	
Preferred Nominal Reference Power methodology	Name (drop-down list)	When the Delivery Point has an Existing status, the CRM Candidate needs to choose a method amongst the three possible to determine the Nominal Reference Power (see section 5.6.1.1.1.1).	**X**	
Prequalification test profile for method 3	Date (in DD/MM/YY)	In case the method 3 to determine the Nominal Reference Power (see section 5.6.1.1.1.1) is selected by the CRM Candidate, ELIA needs an expected test date in a timing defined in section 5.6.1.1.1.1. The date provided gives the start	**X**	
Baseline adjustment	Name (drop-down list)	The methodology used by ELIA to evaluate the Baseline follows a standard process. In the event that the standard methodology is not suitable for the CRM Candidate and that some adjustments shall be made, the CRM Candidate selects "No" in the CRM IT Interface. By doing so, he will be contacted by ELIA in due time. More information can be found in section 8.4.3.2.3.3 and in annex 17.1.9.	**X**	
Unsheddable Margin	Number (in MW)	The Unsheddable Margin is the minimal amount of net active power offtake (in MW) that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point concerned. It cannot be lower than the negative of the Nameplate capacity of generation and the negative of the Max injection.	**X**	
Nameplate capacity of generation	Number (in MW)	The sum of nameplate capacities of any generation units (given by the manufacturer of the generation unit) installed or to be installed with a direct or indirect electrical connection to the Delivery Point and intended to provide the Service. The nameplate capacity does not influence the determination of the Nominal Reference Power and is not used by ELIA during the Prequalification Process. It is considered as a complementary information relevant for ELIA in the event of an assessment of the information received during the Prequalification Process (according to section 5.5.3). Common synonyms: rated capacity, nominal capacity or installed capacity.	**X**	
Net offtake/ net injection	Name (drop-down list)	The CRM Candidate indicates to ELIA whether his Delivery Point has a net injection or a net offtake.	**X**	
Full technical injection Capacity	Number (in MW)	This is the maximum possible injection of active power as measured at the Delivery Point. The term injection is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which Service is provided. The CRM Candidate needs to put a data here only if his injection is taken into account in the Service. The full technical injection capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according to section 5.5.3).	**X**	
Full technical offtake Capacity	Number (in MW)	This is the value indicating the maximum possible offtake of active power at a Delivery Point. The term offtake is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which Service is provided. The CRM Candidate needs to put a data here only if his offtake is taken into account in the Service. The full technical offtake capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (as detailed in section	**X**	

		5.5.3).		
Grid User Declaration	Signed document (pdf)	The Grid User Declaration is a signed letter to provide in case the Grid User differs from the CRM Candidate. The list of the clauses that must at least be presented into this signed letter can be found in annex 17.1.6.	**X**	
Renouncing the operating aid	Signed document (pdf)	In the situation where the CRM Candidate benefits from an operating aid during one or more Delivery Period(s), a letter in which he states he is renouncing to the Operating Aid in case it signs a Capacity Contract is provided (as per Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Threshold meant in art. 7undecies. §4 1° of the Electricity Act). The template to use for this letter is in annex 17.1.10).	**X**	
Declared Nominal Reference Power	Number (in MW)	As per chapter 3, it is the Nominal Reference Power, as declared by the CRM Candidate, of an Additional Delivery Point which has been submitted to participate to a standard Prequalification Process.		**X**
Existing connection capacity	Number (in MW)	It is the connection capacity (as per Connection Contract). Such value is used by ELIA to determine the grid constraints applicable to the forthcoming Auction.		**X**
Information related to production permit	Signed document (pdf)	If required according the Royal Decree on the granting of individual authorizations covering the establishment of electricity production facilities, the CRM Candidate provides: - The production permit if the CRM Candidate already received it; or - A proof that a production permit has been introduced (this proof is valid only if the production permit has been submitted to FPS Economy fifty Working Days before the Prequalification File submission date) if the CRM Candidate did not yet receive it. One production permit can be valid for more than one Prequalification File as it may cover more than one CMU. A CMU can also be linked to more than one production permit. Finally, such permit is be valid at least until the notification of the Auction results as per section 6.4.5 and the CRM Candidate shall obtain the production permit thrity-five calendar days before the Auction gate opening time (as per section 4.2) in order to be declared eligible for participation in Auctions.		**X**

Table 1: Requirements per Existing and Additional Delivery Points

5.4.1.1.2. Requirements per Existing, Additional and Virtual CMUs

60. The following data and documents shall be provided to ELIA via the CRM IT Interface for each CMU depending on the status of this CMU (Existing or Additional or Virtual).

Requirements	Type of data	Comments	Status of the CMU		
			Existing	Additional	Virtual
Information linked Financial Security	Signed document (pdf)	Each time a CMU is submitted into the CRM IT Interface, the CRM Candidate uploads information as required in the chapter *10* As also detailed in section 10.2.2.3, an exception is made for a CMU: - Which only participates to the Secondary Market; or - Which is linked to a VCMU; or - Which is linked to one or more other CMUs because they have a Delivery Point in common.	X	X	X
Opt-Out Notification	List of information (& Signed document in pdf)	As detailed in section 5.6.2 in the event that the CRM Candidate wants to declare an Opt-Out Volume for his CMU, an Opt-Out Notification is provided to ELIA following the annexes 17.1.11 and 17.1.12, per Auction for which he wants to declare an Opt-Out Volume.	X	X	
Project ID	Number	As per section 5.10.1, the CRM Candidate provides or asks for a project ID via the CRM IT Interface in the event that his CMU is linked to one (or more) investment file(s) with CREG.	X	X	
Choice of a Derating Factor	Number (drop-down list)	As detailed in the methodology referenced in art. 7undecies, §2 of the Electricity Act, the CRM Candidate selects Derating Factor(s) among the SLA categories or the Derating Factor categories. Additional information about the Derating Factor can also be found in annex 17.1.13. If the CMU is linked to more than one project, the CRM Candidate can also provide more than one Derating Factor (e.g:OCGT or CCGT configuration / two possible projects on same site). Each project has its own Derating Factor.	X	X	
Link(s) (an)other CMU(s) in case of multiple use of a same Delivery Point	Number (ID of the CMU)	In the event that the CRM Candidate decides to prequalify the same Delivery Point in two (or more) different CMUs, he needs to inform ELIA in order to avoid providing two (or more) times a Financial Security for the same Delivery Point (as per section 10.2.2.3).	X	X	
Project execution plan	Document	The project execution plan is the document that establishes the method(s) used to execute the project linked to the CMU. More information about this project execution plan can be found in annex 17.1.14 (for Additional Capacities and for Unproven Capacities). A project execution plan can be linked to more than one CMU and a CMU can be linked to more than one project execution plan.		X	X
Expected start date of the project	Date (in DD/MM/YY)	The start date of the project corresponds to the date at which the CRM Candidate plans to launch the project in order to be able to deliver his Capacity during the pre-delivery period as per the forecasted schedule and thus obtain the 'Existing' status (according to chapter 7		X	
Declared Eligible Volume	Number (in MW)	As per chapter 3 it is the Eligible Volume, as declared by the CRM Candidate, of a virtual CMU which has been submitted to participate to a specific Prequalification Process.			X

Information for method 2 (Nominal Reference Power determination)	Date (in D/MM/YY) & Number	In the event that method 2 (as per section 5.6.1.1.1.1.2) is selected for the Nominal Reference Power determination, the CRM Candidate provides first the date at which ELIA can extract the balancing results to evaluate the Nominal Reference Power of the CMU (the method provides directly the Nominal Reference Power of the CMU). The CRM Candidate chooses also in the CRM IT Interface between the following valid balancing results: mFRR prequalification test, mFRR activation or mFRR availability tests.	**X**		
Link with a VCMU	Number (ID of the Transaction)	In case the CRM Candidate or the Capacity Provider goes through a standard Prequalification Process with an Existing CMU that will be used (sometimes among others) to take over the obligation related to a VCMU, he shall provide the ID of the Transaction linked to this VCMU. This information shall be included in the Prequalification File from the first Prequalification File submission date and cannot be modified or added to a file later on.	**X**		
Participation to the Primary Market or the Secondary Market	Name (drop-down list)	When the CRM Candidate creates an Existing CMU, he needs to say to ELIA if he intends to participate to the Secondary Market only or not. This information will be used by ELIA to know if the CRM Candidate needs to provide a Financial Security or not (according to section 10.2.2.3.2).	**X**		
ID of the technical agreement	Number (ID of the technical agreement)	If required according to the connection process (Federal Grid Code), a signed technical agreement is obtained from ELIA at latest by 25/08 of the Auction's year. For the sake of clarity, a conditional signed technical agreement also fulfills this prequalification requirement. A CRM Candidate can submit a Prequalification File while no signed technical agreement has been given by ELIA yet provided that a request has been introduced in time. One ID can be valid for more than one Prequalification File as it may cover more than one CMU. A CMU can also be linked to more than one technical agreement. Finally, such agreement shall be valid at least until the notification of the Auction results (defined in section 6.4.5		**X**	

Table 2: Requirements per Existing, Additional and Virtual CMUs

5.4.1.2. Requirements prior to any Transaction Period

61. The following table includes the data that shall be provided by a CRM Candidate as part or not of the submission of his Prequalification File but not later than twenty Working Days before the start of the Transaction Period.

    As per section 5.9.1, in case these data are not provided on time via the CRM IT Interface, the Capacity Provider is considered as unavailable during the Transaction Period in the context of the Availability Monitoring described in the chapter 8 and face the corresponding penalties.

Requirements	Type of data	Comments	Status of the CMU		
			Existing	Additional	Virtual
Declared Day-Ahead Price	Number (in €/MWh)	The Declared Day-Ahead Price is only for CMUs that are not subject to the obligation to submit a Daily Schedule (this obligation is also known as the individual MW schedule). If applicable (not an obligation), the CRM Candidate can also indicate Partial Day-ahead, Intraday, Balancing Prices, or Declared Intraday and Balancing Prices to ELIA. This information is used during the Availability Monitoring Process as described in section 8.4.2.1.2.	X		
NEMO	Name (drop-down list)	The NEMO indicates the market operator in which the Reference Price is observed in the Day-Ahead Market. More information of the NEMO can be found in section 11.3.2.	X	X	X

Table 3: Requirements prior to any Transaction Period

5.4.2. Requirements for fast track Prequalification Process

62. As part of the fast track Prequalification Process, the CRM Candidate has to complete the following information for every Delivery Point/CMU for which he wants to apply the fast track Prequalification Process.

Requirements	Type of data	Comments
Type of Delivery Point	Name	The CRM Candidate needs to inform ELIA if the Delivery Point is connected to the Transmission System Operator (TSO), a Distribution System Operator (DSO) or a Closed Distribution System (CDS). In the event that the Delivery Point is connected to a CDS, the CRM Candidate also needs to inform ELIA if the Delivery Point is connected to the TSO or the DSO Grid.
EAN of the Delivery Point	Number	The EAN is a unique number used to identify the metering device related to a Delivery Point.
Delivery Point's name	Name	The CRM Candidate chooses and communicates a Delivery Point's name.
EAN of the Access Point	Number	The Access Point is defined in art. 2 §1 29° of the Federal Grid Code. The EAN code is the identification number of the Access Point which is related to the Delivery Point.

Fast Track Nominal Reference Power	Number (in MW)	Declaration by the CRM Candidate about the Nominal Reference Power for the Delivery Point participating to the fast track Prequalification Process. In this context and as per section 5.5.3, ELIA reminds its intentions to randomly audit the declared values. In case of observed deviations, modalities described in section 5.5.3 apply.
Choice of a Derating Factor	Number (drop-down list)	As detailed in the methodology referenced in article 7undecies, §2 of the Electricity Act, the CRM Candidate selects a Derating Factor among the Derating Factor categories. This selection may be subject to audit by ELIA from the moment it has been submitted in the Prequalification File. In the event that the Derating Factor as chosen by the CRM Candidate does not comply with the methodology referenced in article 7undecies, §2 of the Electricity Act, termination or suspension clause may apply according to the chapter 2). Additional information about the Derating Factor can also be found in annex 17.1.13.
Opt-Out Notification	List of information (& Signed document in pdf)	As per detailed in section 5.6.2 and annexes 17.1.11 and 17.1.12, the CRM Candidate provides an Opt-Out Notification to ELIA for each Auction.

Table 4: Requirements for fast track Prequalification Process

5.5. PREQUALIFICATION REVIEW PROCESS

63. Once a Prequalification File has been submitted by a CRM Candidate on the CRM IT Interface, ELIA verifies its completeness. The objective is to ensure that it is compliant with the eligibility conditions (section 5.3) and the prequalification requirements (section 5.4) listed above and if it may result in the volume determination as per section 5.6 below.

    The time schedule of the prequalification review process can be found in annex 17.1.7 .

64. When needed, additional information and documentation may be required by ELIA from the CRM Candidate, following the process and upon certain conditions as detailed below (paragraph 67 and paragraph 73).

65. As a reminder and in line with the chapter 12, the application form submission date and Prequalification File submission date are the dates on which a CRM Candidate receives a notification confirming the good reception, by ELIA, of respectively the application form or the Prequalification File.

5.5.1. Application form – Compliance-check period

66. The process of application form compliance-check aims at allowing ELIA to verify that all the data provided in annex 17.1.4and in annex 17.1.5 are complete and accurate. A detailed description of this data analysis performed by ELIA can be found in annex 17.1.15.

67. Within five Working Days starting from application form submission date, ELIA approves or rejects the application form and notifies the CRM Candidate via the CRM IT Interface. In the event that ELIA does not come back to the CRM Candidate within the timeframe mentioned above, the process described in section 14.3 applies.

68. In case of rejection, the notification is provided along with a sound justification. Such rejection does not prevent the CRM Candidate from filing in again an application form.

69. In case of approval, the CRM Candidate is invited to create a password (according to paragraph 36) in order to access additional CRM IT Interface modules, such as:

- The platform dedicated to Prequalification File submission;
- The demo platform of the Auction as detailed in section 5.9.3;

70. Irrespective of the situation described in section 5.8.5.1, the application form, once approved, remains applicable over time. From the moment the application form is considered as valid, the CRM Candidate has the possibility to participate to all Prequalification Processes with his CMU(s), respecting the obligations of section 5.3.

5.5.2. Prequalification File – Compliance-check period

71. As per annex 17.1.7, once a Prequalification File related to a (Virtual) CMU is submitted and unless explicitly requested by ELIA, the CRM Candidate is not allowed to access it for further adaptations for the following:

- Maximum seventy Working Days in case of standard Prequalification Process; or
- Maximum thirty-five Working Days in case of specific Prequalification Process; or
- Maximum fourty-five Working Days in case of fast track Prequalification Process.

72. The process of Prequalification File compliance-check consists in verifying that (a detailed description of this data analysis performed by ELIA along with the criteria's used to determine their compliance can be found in annex 17.1.16):

- All the data provided in section 5.4.1 are compliant with the eligibility conditions as per sections 5.3.1 and 5.3.2 in case of a standard and specific Prequalification Process; or
- All the data provided in section 5.4.2 are compliant with the eligibility conditions as per sections 5.3.1 and 5.3.2 in case of fast track Prequalification Process.

73. As per annex 17.1.7, the review of a Prequalification File follows the process described below:

- If ELIA notices missing data in the Prequalification File at the moment of the submission of the Prequalification File (change), the following process applies:
  - ELIA notifies the CRM Actor, through the CRM IT Interface within twenty Working Days starting from the submission date of the Prequalification File (change), and ask him to provide identified missing and/or to correct the wrong data;
  - The CRM Actor provides the required missing data and document(s) or corrects the wrong information through CRM IT Interface within ten Working Days starting from ELIA's notification;
  - ELIA notifies the final result of the Prequalification File analysis , through the CRM IT Interface, within five Working Days starting from the updated data submission date by the CRM Candidate:
    - In case ELIA still notices missing and/or wrong data, the Prequalification File is considered as "rejected". The CRM Actor is entitled to start again the procedure by resubmitting it (in that case, the process restarts again from the beginning and ELIA analyzes the Prequalification File within twenty Working Days starting from the submission date of the Prequalification File (change));
    - In case there is no more missing and/or wrong data, the Prequalification File gets the status "approved". ELIA notifies it to the CRM Candidate and starts determining the volumes (as per section 5.6):

- Automatically if it is the submission of a Prequalification File; or
- Only in case the change has an impact on the volumes if it is the submission of a Prequalification change.

- If ELIA does not identify any missing and/or wrong data in the Prequalification File at the moment of the submission date of the Prequalification File (change), the following process applies:
  - ELIA notifies the compliancy of the Prequalification File through the CRM IT Interface within twenty Working Days starting from the submission date of the Prequalification File (change) (his Prequalification File is considered as "compliant");
  - ELIA starts to determine the volumes (as per section 5.6):
    - Automatically if it is the submission of a Prequalification File; or
    - Only in case the change has an impact on the volumes if it is the submission of a Prequalification change.

Meanwhile, the CRM Actor may access the CRM IT Interface apart from the on-going Prequalification File(s) under review by ELIA.

Furthermore, any change(s) – except the changes linked to an Opt-Out Notification (as per section 5.6.2.1.1) and the suppression of a Delivery Point related to a CMU subject to an investment file – encoded by the CRM Actor from September 1st to October 1st is only treated by ELIA after the Auction results notification of the same year.

74. A "rejected" Prequalification File status does not grant any access to Primary or Secondary Market.

On the contrary, in case of "approved" Prequalification File and provided a timely submission (as detailed above), the following rules apply:

- A standard or specific Prequalification Process grants access to the Primary Market and to the Secondary Market; and
- A fast track Prequalification Process does not grant any access to Primary Market or Secondary Market.

75. Moreover, in the event that the Prequalification File is still identified as "rejected" within six months from the first Prequalification File submission date, such file is automatically voided from the CRM IT Interface. A new Prequalification File is therefore submitted in case the related CMU wishes to try to be prequalified again.

76. A "rejected" Prequalification File can also be deleted any time – event during the reviewing of the file by ELIA – by the CRM Actor himself to interrupt a Prequalification Process.

5.5.3. Audits – Compliance-check period(s)

77. In addition to the compliance-checks described in sections 5.5.1 and 5.5.2, the CRM Actor may be subject to some tests/audits in order to check the veracity and the accuracy of the data that is provided in the Prequalification File and not verified by ELIA during the Prequalification Process.

These tests/audits are performed randomly from the application form submission date and for a period of five years starting from this application form submission date.

78. Any erroneous information identified by ELIA via these tests/audits is reported to the regulator and may trigger (depending on when it is identified):

- A Prequalification File rejection; and/or
- A deletion of one (or more) of the bids related to the concerned CMU and already submitted bu the CRM Candidate for an Auction; and/or
- A termination of the Capacity (as defined in the Capacity Contract).

79. Furthermore, the results of the tests/audits may also be used as input for the availability tests organized during the Delivery Period (as per detailed in the chapter 8).

5.6. VOLUMES DETERMINATION

80. The purpose of this section is to explain how ELIA determines:

- The Eligible Volume and the Secondary Market Eligible Volume for CMUs following (or having followed) the standard Prequalification Process; and
- The Fast Track Volume for CMUs following (or having followed) the fast track Prequalification Process.

81. Timing aspects related to the volume(s) determination for each Prequalification Process can be found in annex 17.1.7.

82. As a reminder and for the sake of clarity, any volume is expressed in MW and with a 0.01 MW granularity with application of mathematical rounding at each step of the procedures.

83. Moreover, volumes and parameters used below to determine the (Secondary Market) Eligible Volume or the Fast Track Volume could be subject to evolution in time as per section 5.8.

5.6.1. Nominal Reference Power

5.6.1.1. Standard Prequalification Process

84. In the context of a standard Prequalification Process, the Nominal Reference Power of a Delivery Point:

- Forms the basis to determine the Nominal Reference Power, the Reference Power and the Eligible Volume of the CMU;
- Could evolve in time (see section 5.8)
- Is:
  - Determined by ELIA in case of TSO-connected Delivery Point;
  - Determined by the related DSO in case of DSO-connected Delivery Point;
  - Declared by the CRM Candidate in case of Additional Delivery Point;
  - Determined by ELIA (if the Delivery Point is connected to the ELIA Grid) or by the DSO (if the Delivery Point is connected to DSO Grid) in case of CDS-connected Delivery Point.

5.6.1.1.1. Nominal Reference Power determination of Existing Delivery Points

85. This section is dedicated to the procedure for the determination of the Nominal Reference Power for TSO, DSO and/or CDS connected Existing Delivery Points.

5.6.1.1.1.1. For TSO-connected Delivery Points

86. For each Existing Delivery Point, the provisional Nominal Reference Power is determined following a methodology chosen by the CRM Candidate among three possible methodologies:

- 1st method: Use of historical data (section 5.6.1.1.1.1.1); or
- 2nd method: Use of historical balancing results (section 5.6.1.1.1.1.2); or
- 3rd method: Prequalification test (section 5.6.1.1.1.1.3).

87. To illustrate the first and the third method, graphs are available in annex 17.1.17.

5.6.1.1.1.1.1. 1st method – Use of historical data

88. The 1st method, which consists in the use of historical data, can be used in the following cases:

- Prior to the first participation of a Delivery Point to an Auction or to the Secondary Marketo calculate its provisional Nominal Reference Power; or
- To update the final Nominal Reference Power of a Delivery Point (as per section 5.8) upon CRM Actor's, ELIA's or DSO's request.

To determine the provisional Nominal Reference Power using historical data, ELIA (or the concerned DSO – according to section 5.6.1.1.1.2 or section 5.6.1.1.1.3) uses the 15-minutes measurements over a period of time defined as below:

- It starts:
  - With he first injection or offtake into the grid if the Delivery Point is connected to it since less than twelve months;
  - Twelve months before the submission date of the Prequalification File (change) if the Delivery Point is connected to the grid since more than 12 months;
- It ends from the submission date of the Prequalification File (change).

89. This period of time is divided in time series of 36 hours (rolling-window). Each of these time series starts at 12:00 and ends the following day at 23:45).

On each of these 36 hours, the Nominal Reference Power consists of the highest power variation determined as follows:

- For injection, it consists in the difference between the highest and the lowest 15-minutes measurement;
- For consumption, it corresponds to the difference between the highest 15-minutes measurement and the Unsheddable Margin communicated as part of the Prequalification File (as per section 5.4.1.1.1);
- For Delivery Point with both injection and consumption, the methodology is applied for both offtake Delivery Points & injection Delivery Points in parallel. This means that the

corresponding Nominal Reference Power is equal to the sum of the absolute value of the Nominal Reference Power from the offtake and the Nominal Reference Power from the injection.

90. The highest power variation calculated over the period of time is then considered (highest power variation between all time series of 36 hours) to determine the provisional Nominal Reference Power of the related Delivery Point. In case of TSO-connect Delivery Point, such result is provided via the CRM IT Interface to the CRM Candidate, through a notification and could be contested by the CRM Actor within a certain time period, as detailed in section 5.6.1.1.1.1.4. In case of DSO-connected Delivery Point, the provisional Nominal reference Power is notified to the CRM Actor by the concerned DSO through an adequate communication channel defined and communicated in advanced by the DSO to the CRM Actor.

5.6.1.1.1.1.2. 2nd method – Use of historical balancing results

91. The 2nd method consists in the use of historical balancing results to determine a provisional Nominal Reference Power. By opting for the 2nd method, the following conditions are to be respected by the CRM Actor:

- The 2nd method is applicable at CMU level only;
- In case of aggregated CMU, the pool of Delivery Points forming it, is identical (including the metering requirements) to the pool used in the balancing service selected as reference;
- The entity of the Flexibility Service Provider related to the pool used in the balancing service selected as reference is the same as the one of the CRM Actor;
- The 2nd method is used to:
  - Determine the Provisional Nominal Reference Power of the CMU prior to the first participation of a CMU to an Auction or to the Secondary Market; or
  - Update the final Nominal Reference Power of a CMU (as per section 5.8) upon CRM Actor's or ELIA's request.

92. To determine the provisional Nominal Reference Power and upon CRM Actor choice, ELIA uses one of the three historical balancing results, namely:

- mFRR prequalification test; or
- mFRR activation; or
- mFRR availability tests.

93. Furthermore, the the CRM Actor provides the date (as per section 5.4.1.1.2) at which ELIA can extract the balancing results to evaluate the Nominal Reference Power of the CMU. This date is to be within a twelve-month period, which ends as of the submission date of the Prequalification File (change).

5.6.1.1.1.1.3. 3rd method – Prequalification test organization

94. The 3rd method, which consists in the organization of a prequalification test upon CRM Actor's request, can be used in the following cases:

- Prior to the first participation of a Delivery Point to an Auction or to the Secondary Market:
  - To calculate the provisional Nominal Reference Power; or

- In case of contestation raised by the CRM Actor (section 5.6.1.1.1.1.4);

- To update the final Nominal Reference Power of a Delivery Point (as per section 5.8.5) upon CRM Actor's or ELIA's request;

95. The CRM Actor proposes one date to ELIA (or the concerned DSO – according to sections 5.6.1.1.1.2 or section 5.6.1.1.1.3) in order to perform the related tests.

96. In case of TSO-connected Delivery Point, the CRM Actor is thus required to provide ELIA with the following information via the CRM IT Interface within five Working Days maximum prior to the effective test date:

- The identification of the Delivery Point(s) being tested;
- The test date, which can be organized:
  - Within fourty Working Days starting from the submission date of the Prequalification File (change) in case of determination of provisional Nominal Reference Power;
  - Within five Working Days starting from the contestation date and anyway no later than ten Working Days starting from the result notification of the provisional Nominal Reference Power by ELIA in case of determination of final Nominal Reference Power;
  - In case of DSO-connected Delivery Point, the communication of the test date is done through an adequate communication channel defined and communicated in advanced by the DSO to the CRM Actor. The timing to respect for this test date are also decided by the concerned DSO.

97. The provisional Nominal Reference Power, as determined by the 3rd method, equals:

- For injection, the difference between the highest and the lowest 15-minutes measurement over the test duration;
- For consumption, the difference between the highest 15-minutes measurement over the test duration and the Unsheddable Margin;
- For both injection and consumption, the sum of the absolute value of the Nominal Reference Power for the offtake (determined following bullet point n°2 above) and the Nominal Reference Power for the injection (determined following bullet point n°1 above).

5.6.1.1.1.1.4. Provisional Nominal Reference Power notification and contestation

98. The provisional Nominal Reference Power is the Nominal Reference Power resulting from one of the three previous methods (sections 5.6.1.1.1.1.1, 5.6.1.1.1.1.2 and 5.6.1.1.1.1.3 notified by ELIA (or the related DSO) as part of the Prequalification Process and before any contestation.

99. For TSO-connected Delivery Point, apart from the contestation part, this provisional Nominal Reference Power is notified per Delivery Point (or per CMU for the 2nd method) by ELIA to the CRM Actor via the CRM IT Interface, within forty-five Working Days starting from the submission date of the Prequalification File (change).

100. Such provisional Nominal Reference Power becomes the final Nominal Reference Power if no contestation is raised by the CRM Actor within five Working Days starting from the notification date.

101. In case of contestation, the CRM Actor, within the above mentioned time period:

- Notifies his contestation through the CRM IT Interface; and

- Indicates the reason of such contestation; and
- Requests a date for a prequalification test (following the same rules of section 5.6.1.1.1.1.3).

102. The CRM Actor can contest a provisional Nominal Reference Power only once per Delivery Point. In case the CRM Actor wishes to contest the final Nominal Reference Power, he follows the generic contestation process described in the chapter 13.

103. Such new prequalification test is needed only in case the CRM Candidate intends to obtain a higher Nominal Reference Power. The updated Nominal Reference Power resulting from the second test – if higher than the initial one – is considered as the final Nominal Reference Power and notified to the CRM Actor during the prequalification results notification (section 5.7.1.1 if submission of a Prequalification File and section 5.8.6.2 if submission of a change in a Prequalification File).

104. To reach a lower volume, the process of section 5.6.1.1.1.4 is followed.

5.6.1.1.1.2. For DSO-connected Delivery Points

5.6.1.1.1.2.1. Nominal Reference Power determination

105. For DSO connected Delivery Points, the Nominal Reference Power is determined and made available by the related DSO to ELIA through adequate communication channels and within thirty-five Working Days starting from the submission date of the Prequalification File (change).

    To evaluate the Nominal Reference Power of a Delivery Point, the DSO uses the same methods as ELIA:

    - 1st method described in section 5.6.1.1.1.1.1;
    - 3rd method described in section 5.6.1.1.1.1.3.

    The compliance of a Delivery Point with the metering requirements (as described in annexes 17.1.1 and 17.1.2) is also checked by the DSO.

5.6.1.1.1.2.2. Final Nominal Reference Power notification and contestation

106. The Nominal Reference Power is notified per Delivery Point by ELIA to the CRM Actor via the CRM IT Interface, within five Working Days starting from the notification of the Nominal Reference Power by the DSO to ELIA (paragraph 105).

107. Such notified Nominal Reference Power is the final Nominal Reference Power. Indeed, the contestation scheme (following the same rules as per section 5.6.1.1.1.1.4) is to be followed by the CRM Actor and the DSO prior to the communication of the Nominal Reference Power by the DSO to ELIA (according to paragraph 105). The submitted value is therefore deemed final and used by ELIA in the determination of the (Secondary Market) Eligible Volume.

5.6.1.1.1.3. For CDS-connected Delivery Points

108. CDS connected Delivery Points are either part of the TSO Grid or the DSO Grid and respect therefore the same conditions as respectively described in sections 5.6.1.1.1.1 ((for TSO-connected point) or 5.6.1.1.1.2 (for DSO-connected point).

5.6.1.1.1.4. Adaptation of the Opt-Out Volume

109. If the CRM Actor considers that the Nominal Reference Power of one (or more) of his Delivery Point(s) too high, he may do a new Opt-Out Notification based on ELIA's notification of the final Nominal Reference Power of each Delivery Point part of the CMU. This notification follows the rules of section 5.6.2 and annexes 17.1.11 and 17.1.12. To do so, The CRM Actor comes back to ELIA with his Opt-Out Notification within five Working Days starting from the notification of such final Nominal Reference Power(s). In absence of reaction from the CRM Candidate, the initial Opt-Out Notification (communicated to ELIA when submitting the Prequalification File) is considered as valid and used by ELIA as input to determine the related Eligible Volume. Another update of the Opt-Out Volume is still possible after the notification of the Eligible Volume as per section 5.7.

5.6.1.1.2. Nominal Reference Power determination for Additional Delivery Points

110. For Additional Capacities, the CRM Actor is invited to timely (timing specified in section 5.4.1.1.1) declare, as part of his Prequalification File submission, a Declared Nominal Reference Power for each Additional Delivery Point. This volume serves as a basis to calculate later on the Reference Power (section 5.6.3) and the Eligible Volume (section 5.6.4.1). For Delivery Points connected to the DSO-grid, this latter confirms to ELIA the Declared Nominal Reference Power by the CRM Actor, within the same time constraints than for the determination of the Nominal Reference Power of an Existing Delivery Point.

5.6.1.1.3. Nominal Reference Power determination for CMUs

111. As soon as the Nominal Reference Power of all Delivery Point(s) part of a CMU has been validated by the CRM Actor following the rules of section 5.6.1.1.1.4 for TSO-connected Existing Delivery Point, of 5.6.1.1.2.2 for DSO-connected Existing Delivery Point and of section 5.6.1.1.2 for Additional Delivery Point, the Nominal Reference Power of the CMU can be determined by ELIA.

112. To evaluate such Nominal Reference Power, ELIA sums up:

- The Nominal Reference Power of each Existing Delivery Point part of the CMU if the CMU is an Existing CMU; or
- The Nominal Reference Power of each Existing Delivery Point part of the CMU with the Declared Nominal Reference Power for each Additional Delivery Point part of the CMU if the CMU is an Additional CMU.

All of the above is represented in the following formula:

$$[Nominal\ Reference\ Power]_{CMU}$$
$$= \sum_{i=1}^{n} [Declared\ Nominal\ Reference\ Power]_{\ Additional\ DP\ i} + \sum_{i=1}^{n} [Nominal\ Reference\ Power]_{\ Existing\ DP\ i}$$

113. The Nominal Reference Power of CMU is also called the Aggregated Nominal Reference Power in case of aggregated CMU.

5.6.1.2. Specific Prequalification Process

114. As, at the time of the Prequalification Process, the Virtual Capacity Market Unit cannot be associated to one or several Delivery Point(s), no Nominal Reference Power can be

calculated by ELIA or the concerned DSO. ELIA only uses the Declared Eligible Volume given by the CRM Candidate as part of his Prequalification File submission (as per section 5.6.4.2).

5.6.1.3. Fast track Prequalification Process

115. In the event that a CRM Candidate goes through the fast track Prequalification Process, he is invited to timely (timing specified in section 5.4.2) declare, as part of his Prequalification File submission, a Fast Track Nominal Reference Power for the Delivery Point being part of the fast track Prequalification File. This volume serves as a basis to determine later on the Fast Track Volume (section 5.6.6).

116. The accuracy of the Fast Track Nominal Reference Power is not checked during the Prequalification Process but may be subject to some audits (following the rules of section 5.5.3).

5.6.2. Opt-Out Volume

5.6.2.1. Opt-Out Notification

5.6.2.1.1. Standard Prequalification Process

117. Each time a CRM Actor wants to declare an Opt-Out Volume for a CMU that goes through a standard Prequalification Process, an Opt-Out Notification related to this CMU is provided for each Auction.

    To be considered for the forthcoming Auction, an Opt-Out Notification is done by the CRM Actor sent to ELIA either:

    - As part of the Prequalification File submission submission (section 5.4.1.1.2) if the submission respects the timings defined in paragraph 141; or
    - As part of the submission of a Prequalification File change (section 5.8.2) if the submission respects the timings defined in paragraph 141; or
    - Within five Working Days starting from the notification of the final Nominal Reference Power(s) of each Delivery Point part of the CMU by ELIA (sections 5.6.1.1.1.4 and 5.6.1.1.2.2); or
    - Between the prequalification results notification (section 5.7.1.2) and five Working Days after September 15 of the Auction year.

118. The CRM Actor submits this notification to ELIA via the CRM IT Interface according to the templates provided in annexes 17.1.11 and 17.1.12.

119. An Opt-Out Notification is renewed each year following the rules and timing of section 5.8.3.

5.6.2.1.2. Specific Prequalification Process

120. The Opt-Out Notification is not applicable to a Virtual CMU that goes through a specific Prequalification Process.

5.6.2.1.3. Fast track Prequalification Process

121. As in a fast track Prequalification Process, the Opt-Out Volume for a CMU is equal to the Fast Track Nominal Reference Power (defined in section 5.6.1.3), the CRM Actor related to the CMU provides an Opt-Out Notification for each Auction.

    This Opt-Out Notification is submitted to ELIA via the CRM IT Interface as part of the Prequalification File submission (section 5.4.2) and and then each year following the rules of section 5.8.3. The notification also follows the templates provided in annexes 17.1.11 and 17.1.12.

5.6.2.2. Treatment of Opt-Out Volume

122. The rules of this section are valid in case of standard Prequalification Process and fast track Prequalification Process.

123. Based on the information provided in the Opt-Out Notification, an Opt-Out Volume is considered as contributing to adequacy (category IN) or not (category OUT), and consequently the derated Opt-Out Volume is eligible or not to participate to the Secondary Market and the Dummy Bid is increased or not by a derated Opt-Out Volume. This contribution depends in particular on whether:

    - The Opt-Out Notification relates to a Y-4 or a Y-1 Auction; and
    - The Opt-Out Volume concerns Existing and/or Additional Capacities; and
    - The Opt-Out Volume is grid-related, either:
        - Related to the non-firm capacity as part of a G-Flex connection contract; or
        - To be decommissioned as a condition in a conditional signed technical agreement of another CMU that participates in the Auction.
    - The Opt-Out Volume is associated to (according to article 4bis of the Electricity Act) either:
        - A definitive closure ; or
        - A definitive structural capacity reduction; or
        - A temporary closure; or
        - A temporary structural reduction of capacity; or
        - No notification.

124. This categorization between IN and OUT is gathered in Table 5 and Table 6. Table 6 also illustrates the fact that, in the specific case – marked as (*) – when an Opt-Out Notification for a Y-1 Auction relates to an Opt-Out Volume with a status of Existing and is not associated with a closure or structural capacity reduction notification as referred to in Art. 4bis of the Electricity Act, the CRM Actor shall choose between the category IN or OUT.

125. In some cases, following Table 5 and Table 6 below, the derated Opt-Out Volume can be traded in the Secondary Market or the Dummy Bid is increased by the derated Opt-Out Volume. The derated Opt-Out Volume is equal to the Opt-Out Volume multiplied by the Derating Factor. This is to be found in the following formula:

$$Derated\ OptOut\ Volume = [OptOut\ Volume\ ] \times Derating\ Factor$$

Where the Derating Factor corresponds to the Derating Factor provided by the CRM Candidate as part of the Prequalification File submission.

126. The definition of the final volume available to trade in the Secondary Market is detailed in section 5.6.5 and in the chapter 9.

127. According to Table 5 and Table 6 (below) again, in some situations, the Opt-Out Volume results in a reduction of the volume to be procured in an Auction. Such reduction is done by a Dummy Bid, introduced by ELIA in an Auction at a Bid Price of 0 €/MW/year, with a Bid volume equal to the total reduction of the volume to be procured in that Auction, resulting from the Opt-Out Volumes related to that Auction and in accordance with the rules defined in this section. The Dummy Bid is further detailed in section 6.3.1.

The two tables below (Table 5 and Table 6) summarize the treatment of the Opt-Out Volumes following an Opt-Out Notification towards respectively a Y-4 and Y-1 Auction.

- Y-4 Auction:

Status of the Opt-Out Volume	Grid-related or closure notification	Category	Can the derated Opt-Out Volume be traded on the Secondary Market for a Transaction Period in the Delivery Period to which the Opt-Out Notification relates?	Is the Dummy Bid increased with the derated Opt-Out Volume?
Existing	**G-flex**	**OUT**	Yes	No
	Conditional technical agreement	**IN (default)**	No	Yes
		OUT[1]	Yes	No
	Definitive	**OUT**	Yes	No
	Temporary	**IN**	No	Yes
	No notification	**IN**	No	Yes
Additional	**Definitive**	**NA**	NA	NA
	Temporary	**NA**	NA	NA
	No notification	**OUT**	No	No

[1]Only in case a bid is selected in the Auction that relates to a CMU with a conditional signed technical agreement that includes as condition that the CMU to which the Opt-Out Volume relates has to be decommissioned.

Table 5: Opt-Out Volume treatment related to a Y-4 Auction

- Y-1 Auction:

Status of the Opt-Out Volume	Grid related or closure notification	Category	Can the derated Opt-Out Volume be traded on the Secondary Market for a Transaction Period in the Delivery Period to which the Auction relates?	Is the Dummy Bid increased with the derated Opt-Out Volume?
Existing	**Conditional technical agreement**	**IN (default)**	No	Yes
		OUT[1]	Yes	No
	Definitive	**OUT**	Yes	No
	Temporary	**OUT**	Yes	No
	No notification*	**IN***	No	Yes
		OUT*	Yes	No
Additional	**Definitive**	**NA**	NA	NA
	Temporary	**NA**	NA	NA
	No notification	**OUT**	NA	NA

[1]Only in case a bid is selected in the Auction that relates to a CMU with a conditional signed technical agreement that includes as condition that the CMU to which the Opt-Out Volume relates has to be decommissioned

Table 6: Opt-Out Volume treatment related to a Y-1 Auction

5.6.3. Reference Power

128. The Reference Power of a CMU corresponds to the difference between the (final) Nominal Reference Power linked to this CMU and the notified related Opt-Out Volume declared at the CMU level, if any. This is represented in the following formula:

$$Reference\ Power_{CMU} = [Nominal\ Reference\ Power]_{CMU} - [Opt\ Out\ Volume]_{CMU}$$

Such volume is made available on the CRM IT Interface as part of the prequalification results notification (section 5.7.1.1 if submission of a Prequalification File and section 5.8.6.2 if submission of a change in a Prequalification File).

129. ELIA does not determine a Reference Power for:

- Virtual CMUs because the CRM Candidate declares himself an Eligible Volume (as per section 5.6.4.2); and
- CMUs that goes through the fast track Prequalification Process as there is no Opt-Out Volume to declare (as per section 5.6.2.1.3).

5.6.4. Eligible Volume

130. The following sections (5.6.4.1, 5.6.4.2 and 5.6.4.3) describe how ELIA determines the Eligible Volume on CMU level.

5.6.4.1. Standard Prequalification Process

131. The Eligible Volume results from the application of a Derating Factor on the Reference Power of the CMU, as indicated in the following formula:

$$Eligible\ Volume = [Reference\ Power]_{CMU} \times [\text{Derating Factor}]$$

As reminded in annex 17.1.13, such Derating Factor is defined by:

- The CRM Candidate if needed as part of the Prequalification File (section 5.4.1 for standard Prequalification Process and section 5.4.2 for fast track Prequalification Process); or
- ELIA if it is needed as part of the evolution in time (paragraph 158);

132. During the Prequalification Process, the Eligible Volume is communicated as part of the prequalification result notification (section 5.7.1.1 if submission of a Prequalification File and section 5.8.6.2 if submission of a change in a Prequalification File). This Eligible Volume is also subject to evolution in time as per section 5.8.

5.6.4.2. Specific Prequalification Process

133. A CRM Candidate who is prequalifying a Virtual CMU is invited to declare an Eligible Volume (referred to as Declared Eligible Volume as per section 5.6.4.2) through the CRM IT Interface, as part of the Prequalification File submission.

5.6.4.3. Fast track Prequalification Process

134. There is no Eligible Volume to determine for a CMU which goes through a fast track Prequalification Process as there is no Reference Power for the CMU.

5.6.5. Secondary Market Eligible Volume

135. The Secondary Market Eligible Volume of a CMU for a specific Delivery Period is defined by the volume which is available for a Transaction on the Secondary Market at the time of the Prequalification File submission in case no Transaction has yet been made by the CRM Candidate during this Delivery Period. It is the Secondary Market Remaining Eligible Volume for a certain Delivery Period when the maximum Total Contracted Capacity over this period is equal to zero. This is the maximum volume of an obligation related to a CMU that can be bought by the CRM Actor in the Secondary Market. This volume is only determined for Prequalified CMUs which have a status of Existing. However, all kind of CMUs and Virtual CMUs which have been contracted consecutive to an Auction can participate to the Secondary Market as a Seller of Obligation.

136. As detailed in section 5.7, The Secondary Market Eligible Volume is also communicated to the CRM Actor via the CRM IT Interface as part of a prequalification result notification

(section 5.7.1.1 if submission of a Prequalification File and section 5.8.6.2 if submission of a change in a Prequalification File).

5.6.6. Fast Track volume

137. The Fast Track Volume results from the application of a Derating Factor (chosen by the CRM Candidate during the Prequalification Process according to the section 5.4.2) on the Fast Track Nominal Reference Power (provided by the CRM Candidate during the Prequalification Process according to the section 5.4.2) as defined in the following formula:

$$Fast\ track\ volume = [Fast\ Track\ Nominal\ Reference\ Power]\ \text{X}\ [\text{Derating Factor}]$$

Such volume is communicated as part of the prequalification result notification (section 5.7.2 and used by ELIA for the determination of the Opt-Out Volume (section 5.6.2.1.3).

5.7. PREQUALIFICATION RESULTS NOTIFICATION

5.7.1. Standard & specific Prequalification Processes

5.7.1.1. Results notification

138. A notification providing the results linked to a standard or a specific Prequalification Process or to a change impacting the Prequalification File of an Existing, an Additional or a Virtual CMU is provided by ELIA to the CRM Actor, only when the Prequalification File is considered as "approved" (according to section 5.5.2).

139. In case of "rejected" Prequalification File, the rules of section 5.5.2 apply.

140. In case of "approved" Prequalification File (according to section 5.5.2), the notification is expected to contain the following data depending on the CMU status:

	Status of the CMU		
	Existing	Additional	Virtual
The Nominal Reference Power of the CMU	X	X	
The Reference Power of the CMU	X	X	
The Opt-Out Volume of the CMU	X	X	
The Eligible Volume of the CMU	X	X	
The Declared Eligible Volume of the VCMU			X
The Secondary Market Eligible Volume of the CMU	X		
The date of the first quarterly report that is to be sent to ELIA (in case of awarded volume at forthcoming Auction)		X	X

Table 7: Information communicated during the Prequalification results notification

141. The results are communicated by ELIA to the CRM Actor, via the CRM IT Interface:

- Within maximum seventy Working Days starting from the submission date of the Prequalification File (change) in case of standard Prequalification Process; or
- Within maximum thirty-five Working Days starting from the submission date of the Prequalification File (change)in case of specific Prequalification Process; or
- Within maximum fourty-five Working Days starting from the submission date of the Prequalification File (change)in case of fast track Prequalification Process; or
- Within maximum ten Working Days starting from the confirmation of the final Nominal Reference Power of each Delivery Point by the CRM Actor in case a Nominal Reference Power has been determined for at least one Delivery Point (and therefore only in case of standard Prequalification Process); or
- Within maximum ten Working Days starting from the notification by ELIA of the "approved" status for the Prequalification File in case no Nominal Reference Power has been determined for all Delivery Points (and therefore only in case of standard or fast track Prequalification Process); or
- As of the the notification by ELIA of the "approved" status for the Prequalification File in case of specific Prequalification Process.

Moreover, in case the Prequalification File (change) has been submitted to ELIA by 15 June of a year at the latest, ELIA notifies the prequalificatuin results at least 15 days before the start of the Auction of the same year.

142. From the moment at least one CMU is successfully prequalified (meaning that the related Prequalification File is "approved" and the prequalification results have been communicated to the CRM Candidate), the CRM Candidate becomes a Prequalified CRM Candidate with access to Primary Market and Secondary Market.

143. As per Service Time Schedule, to be able to participate to an Auction of a year A with a (Virtual) CMU, this (Virtual) CMU shall have obtained the "prequalified" status before:

- September 15 of this year A when no investment file has been submitted to CREG;
- September 1st of this year A when an investment file has been submitted to CREG.

144. In case of contestation of the prequalification result, the procedure described in the chapter 13 applies.

5.7.1.2. Opt-Out Volume adaptation

145. From the moment the CRM Candidate has participated to a standard Prequalification Process, receives the results of his Prequalification Process and obtains the status of "Prequalified CRM Candidate", he gets the possibility to adapt his Opt-Out Volume. This adaptation is done via the CRM IT Interface but no later than five Working Days after September 15 so that the Opt-Out Volume is taken into account for the forthcoming Auction. As a consequence, the Eligible Volume (section 5.6.4 and the Secondary Market Eligible Volume (section 5.6.5) are adapted accordingly and notified to the Prequalified CRM Candidate via the CRM IT Interface.

5.7.2. Fast track Prequalification Process

146. A notification providing the results linked to a fast track Prequalification Process, in case of "approved" Prequalification File only (see section 5.5.2), is provided by ELIA to the CRM Candidate, as per Service Time Schedule and annex 17.1.7, and is expected to contain the following data:

- The Fast Track Nominal Reference Power of the CMU;
- The Fast Track Volume of the CMU;

147. This notification does not grant the CRM Candidate with a "Prequalified" status. Indeed, his CMU cannot participate in the Primary Market or the Secondary Market for the Delivery Period to which this notification relates.

148. In case the CRM Candidate wants to participate to the Primary Market or the Secondary Market with his CMU, he shall go through the entire standard Prequalification Process with this related CMU.

5.8. EVOLUTION IN TIME

149. Prequalification is an on-going process for which data or status, and more specifically the Eligible Volume, could evolve in time, influenced by different factors. Some of these factors are yearly updated (e.g. update of Derating Factors), some happen periodically (e.g. Availability Monitoring of the Nominal Reference Power) and others appear occasionally (e.g. update of the Grid User Declaration).

To ensure clear understanding on how such data could influence a Prequalification File, the sections here below identifiy the related process to follow in order to remain compliant at all times with contractual requirements.

5.8.1. General principles

150. The following principles, relevant for (Prequalified) CMUs with a status of Existing, Additional or Virtual and for CMUs having successfully going through the fast track Prequalification Process, are applicable to the sections below (5.8.2, 5.8.3, 5.8.4, 5.8.5 and 5.8.6):

- Any change related to the information included in a Prequalification File is introduced by a CRM Actor through the CRM IT Interface only.
- An application form cannot be directly updated via the CRM IT Interface (as per section 5.8.5.1)
- The maximum timing to consider in order to be able to participate to a Transaction with a change – introduced for a Prequalification File – taken into account, is described in section 5.8.6.
- A change made to a Prequalification File, does not in any way impact the obligations linked to a Contracted Capacity, whatever the Capacity Category.
- ELIA may inform about some updates (as per sections 5.8.4 and 5.8.5.3) to be considered – via a notification in the CRM IT Interface – but it is however the CRM Actor's own responsibility to timely update the required data and to keep being compliant with laws, regulations and the like:

- Such notification as issued by ELIA is for information and could not be considered as a way for ELIA to endorse CRM Actor's own responsibility;
- Such notification is subject to the acceptance by the CRM Actior in order to grant him access to the forthcoming Transaction;

- For the sake of audit or legal obligations, any changes submitted via the CRM IT Interface are stored by ELIA for at least fifteen years starting from the Prequalification File submission date.
- Unless notified by the CRM Actor when the change is registered in the CRM IT Interface (as per detailed in section 5.8.5, a date of entry into force may be provided), a change only applies for the forthcoming Transactions.
- The CRM Actor ensures that the data included in his application form and his Prequalification File(s) remain complete and accurate over time. Otherwise, penalties may apply as per section 5.5.3.
- The NEMO and the Declared Day-Ahead Price, not being a requirement for a CMU to be prequalified, do not follow the rules of evolution in time defined in this section 5.8 but the ones described in section 11.3.2. The NEMO and the ones described in section 8.4.2.1.2 for the Declared Day-Ahead Price.

5.8.2. Renewal of CMU's prequalification

151. The Prequalification File of a (Virtual) CMU (related to a standard, a specific or a fast track Prequalification Process) is yearly subject to a validation by ELIA and the CRM Actor. Each year, five Working Days after the publication of the Functioning Rules for the Capacity Remuneration Mechanism, ELIA sends therefore a notification to the CRM Actor asking him to validate that his Prequalification File is still compliant with the obligations of section 5.3 and that the information (in accordance with section 5.4) it contains, are still accurate. This validation is done within five Working Days starting from ELIA's notification. Within these five Working Days, the CRM Actor either:

    - Confirms that his Prequalification File is still compliant; or
    - Indicates that his Prequalification File is no longer compliant by updating the required data and documents (hence submitting an updated Prequalification File) following the process of section 5.8.5 and the timing of section 5.8.6.

    In the event that no answer is provided by the CRM Actor to ELIA via the CRM IT Interface within these five Working Days, ELIA considers the file as "rejected" (as defined in section 5.5.2) and blocks the access to the Primary Market and the Secondary Market for the related CMU.

152. Finally, if a CRM Actor or the Capacity Provider does not want his (Virtual) CMU to be prequalified any more, the possibility is always given:

    - To delete the related (Virtual) CMU (following the rules of section 5.8.5.2.2) regardless of the Prequalification Process through which the CMU has passed; or
    - To go through the fast track Prequalification Process with the related CMU (following the rules of section 5.8.5.2.2) for CMUs with a status of Existing only.

5.8.3. Renewal of the Opt-Out Notification

153. An Opt-Out Notification related to a CMU (related to a standard or a fast track Prequalification Process) is submitted on a yearly basis by the CRM Actor. Each year, following the same timing as for the renewal of the prequalification of a CMU (section 5.8.2), ELIA sends two notifications related to each Auction (Y-4 and Y-1) to the CRM Actor asking him:

- To provide a new Opt-Out Notification or to state that he does not want to declare (any more) an Opt-Out Volume for CMUs prequalified from the standard Prequalification Process; or
- To provide a new Opt-Out Notification for CMUs that have successfully gone through the fast track Prequalification Process.

154. The Opt-Out Notification follows the template of annexes 17.1.11 and 17.1.12 and the rules defined in section 5.6.2.

155. This answer from the CRM Actor is provided within five Working Days starting from ELIA's notification. In the event that no answer is provided to ELIA via the CRM IT Interface within the five Working Days, ELIA considers:

- The Opt-Out Volume as equal to zero for CMUs prequalified from the standard Prequalification Process; or
- The related fast track Prequalification File as "rejected" (see section 5.5.2).

5.8.4. Automatic update(s) performed by ELIA

156. The situations below (sections 5.8.4.1 and 5.8.4.2) describe how a Prequalification File can be automatically updated by ELIA. In case of adaptation the CRM Actor is notified by ELIA via the CRM IT Interface. This notification is done within twenty Working Days starting from the official publication of the change from the related entity. From this notification, the CRM Actor has five Working Days to confirm his agreement with the change. Such change becomes valid for the forthcoming Transaction(s) if he confirms his agreement or if no contestation is raised by him within these five Working Days. If he contests the change, ELIA invites him to either do a fast track Prequalification Proces with the CMU(s) concerned by this change or delete the content of the CMU(s) (as per section 5.8.5.2.2).

5.8.4.1. Volumes update

5.8.4.1.1. Volumes related to a CMU

157. Each volume (Eligible Volume, Remaining Eligible Volume, Secondary Market Eligible Volume and Secondary Market Remaining Eligible Volume) related to a Prequalified CMU is automatically updated by ELIA following the rules of:

- Section 5.6.4 for the Eligible Volume;
- Section 5.6.5. for the Secondary Market Eligible Volume;
- Section 5.8.4.1.2 for the Remaining Eligible Volume;
- Sections 5.8.4.1.3 for the Secondary Market Remaining Eligible Volume.

158. The three following possibilities illustrates how these four types of volume may be impacted over time:

- An **evolution of the Derating Factors**:

  The volumes (Eligible Volume, Remaining Eligible Volume, Secondary Market Eligible Volume and Secondary Market Remaining Eligible Volume) are automatically updated for the forthcoming Auctions based on the yearly Derating Factors publication.

- An **adaptation of the DSO-CRM Candidate Agreement** by the DSO:

  For DSO-connected Delivery Points, the DSO-CRM Candidate Agreement signed before the Prequalification Process as per section 5.3.2.1.3 may be adapted by the DSO in time. In such circumstances, the Nominal Reference Power communicated to ELIA during the Prequalification Process may be updated according to the new version of the DSO-CRM Candidate Agreement. In this situation, the concerned DSO contacts ELIA through the adequate communication channel to notify an update of the Delivery Point's Nominal Reference Power. The different volumes (Eligible Volume, Remaining Eligible Volume, Secondary Market Eligible Volume and Secondary Market Remaining Eligible Volume) are therefore adapted by ELIA accordingly.
  In the specific case where a Delivery Point is no longer tied to a CRM Candidate-DSO Agreement or where the related Nominal reference Power becomes equal to zero, the related Delivery Point is automatically removed from the Prequalification File (following the rules or section 5.8.5.2.1).

- The **determination** by ELIA **of a Missing Capacity**:

  The availability monitoring results, described in the chapter 8, may result in the determination of a Missing Capacity. Such Missing Capacity may sometimes lead to a downward revision of the Nominal Reference Power, and in consequence an automatic adaptation of the different volumes (Eligible Volume, Remaining Eligible Volume, Secondary Market Eligible Volume and Secondary Market Remaining Eligible Volume) in accordance with the rules of the chapter 8.

5.8.4.1.2. Remaining Eligible Volume

159. The Remaining Eligible Volume of a CMU represents the maximum capacity of a Transaction on the Primary Market that a Capacity Provider can contract for a specific Delivery Period in case this Capacity Provider already contracted one or more Capacities for the same Delivery Period. It is timely (as soon as a new Transaction related to this CMU is made) determined by ELIA following the formula below (paragraph 160) and as a consequence of one or more of the following:

- A Capacity Provider may be contracted for a volume lower than his Eligible Volume in the Primary Market; and/or
- The Derating Factors can be updated on a yearly basis; and/or
- A Capacity Provider may be contracted in the Primary Market for a Capacity Contract Duration lower than the Capacity Category he was assigned to by CREG.

Therefore, as soon as a Transaction has been made with a CMU, there is no longer an Eligible Volume and it is the Remaining Eligible Volume that defines the maximum volume to be contracted in an Auction.

160. The Remaining Eligible Volume related to a CMU is the volume available to be bided in the Primary Market for a specific Transaction Period of one or more Delivery Period(s). It

represents the maximum between zero and the difference between the last updated Eligible Volume of the CMU and the maximum Total Contracted Capacity of this CMU over the related Delivery Period(s). These elements are to be found in the following formula:

$$[Remaining\ Eligible\ Volume]_{CMU,TP}$$

$$= Max\left(0\ ;\ [Eligible\ Volume]_{CMU} - [Total\ Contracted\ Capacity]_{CMU,TP}\right)$$

$$= Max\left(0\ ;\ ([Reference\ Power]_{CMU} \times [Derating\ Factor]_{CMU}) - [Total\ Contracted\ Capacity]_{CMU,TP}\right)$$

Where:

- $[Remaining\ Eligible\ Volume]_{CMU,TP}$ is the Remaining Eligible Volume of the CMU for the Transaction Period TP (defined by one or more a Delivery Periods);
- $[Total\ Contracted\ Capacity]_{CMU,TP}$ is the maximal Total Contracted Capacity of the CMU over the Transaction Period TP (defined by one or more Delivery Periods);
- $[Eligible\ Volume]_{CMU}$ is the most recently updated Eligible Volume for the CMU at the time the Remaining Eligible Volume is evaluated;
- $[Reference\ Power]_{CMU}$ is the most recently updated Reference Power for the CMU at the time the Remaining Eligible Volume is evaluated;
- $[Derating\ Factor]_{CMU}$ is the most recently updated Derating Factor for the CMU at the time the Remaining Eligible Volume is evaluated;
- $[TP]$ is the Transaction Period proposed by the Capacity Provider in the Auction for which he used the related Remaining Eligible Volume.

161. Each time a Transaction is made via the Primary Market, the Capacity Provider is notified of his updated Remaining Eligible Volume, through the CRM IT Interface and for information only. No contestation step is thus foreseen for such update. This automatic update becomes effective as of ELIA's notification to the Capacity Provider. From that moment on, the updated Remaining Eligible Volume is considered as the reference and used as parameter for any future Transaction in the Primary Market. It does not influence an on-going Capacity Contract.

162. Some explanatory diagrams can be found in annex 17.1.18 to give more clarification about the Remaining Eligible Volume.

5.8.4.1.3. Secondary Market Remaining Eligible Volume

163. As a Capacity Provider may be contracted for a volume lower than his Secondary Market Eligible Volume in the Secondary Market, a Secondary Market Remaining Eligible Volume has been created. The Secondary Market Remaining Eligible Volume is timely (each time a Transaction is made via the Secondary Market) evaluated by ELIA.

164. The Capacity Provider is notified of the updated Secondary Market Remaining Eligible Volume, through the CRM IT Interface and for information only. No contestation step is thus foreseen for such update.

165. This automatic update becomes effective as of ELIA's notification to the Capacity Provider. From that moment on, the updated Secondary Market Remaining Eligible Volume is considered as the reference and used as parameter for any future Transaction. It does not influence an on-going Capacity Contract.

5.8.4.2. Capacity Category update

166. As stated in the Royal Decree on Investment Thresholds and Eligible Investment Costs meant in art. 7undecies §5 of the Electricity Act, the regulator is entitled to timely require a decrease of the Capacity Category compared to the ones initially granted by the regulator in the event that the Capacity Provider entered into a Capacity Contract Duration higher than 1 year.

    Once the updated Capacity Category has been communicated by CREG to ELIA, the Capacity Category and the Capacity Contract Duration is adapted accordingly and notified to the contractual counterparty.

5.8.5. Update(s) to be performed by the CRM Candidate

167. Any change of the Prequalification File submitted by a CRM Actor is provided with a date of entry into force. Indeed, the CRM Actor chooses from which date the change applies. A Capacity Provider can therefore decide whether the change influences an on-going Capacity Contract or not.

168. However, as per section 5.8.1, whatever the decision, the Total Contracted Capacity and the obligations related to one or more Contracted Capacity(ies) are never impacted by a change of the Prequalification File.

169. In the event of a change submission, the Prequalification Process is triggered accordingly, in order to ensure that the change is compliant with the conditions detailed in section 5.3 and the requirements of section 5.4. Any change influencing the Eligible Volume also leads to a relaunch of the process for calculating the different Eligible Volumes (Eligible Volume, Secondary Market Eligible Volume, Remaining Eligible Volume & Secondary Market Remaining Eligible Volume – as detailed in section 5.6). These new Eligible Volumes are considered as valid only for any future Transactions taking place after the date of entry into force (as defined in paragraph 167).

170. Regardless of when and which change is to be applied and in addition to the general principles of section 5.8.1, the following general conditions shall be respected:

    - A CRM Actor remains compliant with section 5.3.1.2; and
    - A change of the application form respects all conditions as detailed in section 5.3.1.1; and
    - A Delivery Point(s) added to a CMU or modified respect(s) all conditions as detailed in section 5.3.2; and
    - An added or a modified CMU respects all conditions as detailed in section 5.3.2 for standard and specific Prequalification Files and section 5.3.3 for a fast track Prequalification File; and
    - Whatever the change submitted, the Prequalification Process is triggered accordingly.

171. In addition of the above, ELIA accepts a change impacting an on-going contract related to a CMU, provided that the following conditions are respected:

    - A Delivery Point(s) added to a CMU has an Existing status; and
    - The energy constraint declared by the Capacity Provider for the (aggregated) CMU

remains valid and is not influenced by one or more new Delivery Point(s); and

- No Delivery Point can be added into the CMU if it is linked to an investment file with the regulator; and
- As per Royal Decree on Investment Thresholds and Eligible Investment Costs meant in art.7undecies, §5 of the Electricity Act, a Delivery Point can replace another one into a CMU that has been contracted for a multi-year contract as long as:
  - The Capacity Category of this new Delivery Point is not lower than the remaining Capacity Contract Duration of the already prequalified CMU at the time of the change submission; and
  - The replacement Delivery Point is not subject of a current Capacity Contract; and
- The CO_2 emission of the new (aggregated) CMU does not exceed the CO_2 emission calculated (as per Regulation (EU) 2019/943) for the related CMU during the Prequalification Process; and
- The current status of the CMU remains and is not be subject to change; and
- The suppression of a Delivery Point part of the CMU, in case it is linked to an investment file with CREG, is only possible within 5 Working Days starting from CREG's notification (September 15 of the prequalification year at the latest) of the Capacity Category to the Capacity Provider; and
- No change is accepted by ELIA on an on-going contract related to a VCMU..

5.8.5.1. Evolution of CRM Candidate's application form

172. A Prequalified CRM Candidate is entitled, at any time and through the CRM IT Interface, to modify data or documents as initially provided in his application form (section 5.3.1.1, annexes 17.1.4 and 17.1.5). To do so, the CRM Actor is asked to directly contact ELIA by e-mail.

    The updated data is timely reviewed by ELIA as per section 5.5.1.

5.8.5.2. Evolution of CRM Candidate's Prequalification File

173. A Prequalification File could be modified upon different circumstances. Here below a detailed list of the changes which may be considered by ELIA as part of the Prequalification File.

5.8.5.2.1. Update linked to a Delivery Point

174. A CRM Actor may ask for an update linked to a Delivery Point, whenever needed, via the CRM IT Interface, as long as he respects the conditions of section 5.8.1. The possible updates for a Delivery Point are detailed below:

    - **Delivery Point addition:** The CRM Actor may decide to add one or more Delivery Point(s) into a CMU, regardless of its status (Existing Delivery Point or Additional Delivery Point) as long as the rules of paragraph 171 are respected.
    - **Delivery Point deletion:** The CRM Actor has the possibility to delete one or more Delivery Point(s) from a CMU, regardless of its status (Existing or Additional Delivery Point). However, in the event that the CMU is related to a Capacity Contract, the deletion of all Delivery Points part of this CMU never leads to a deletion of the CMU (section

5.8.5.2.2).

- **Delivery Point transfer:** In the event a CRM Actor plans to transfer his prequalified Delivery Point to another CRM Actor or to another of his CMUs, the related Delivery Point is added to the CMU of its new owner once deleted by the current one. The transfer is therefore the combination of two actions: first the Delivery Point deletion from a Prequalification File and then his re-creation in a new one.
- **Delivery Point modification:** The CRM Actor may modify the data related to a Delivery Point. The data that may be edited are those listed in the table of section 5.4.1.1.1 for standard and specific Prequalification Files and section 5.4.2 for fast track Prequalification Files.

5.8.5.2.2. Update linked to a CMU

175. A CRM Actor may ask for an update linked to a CMU via the CRM IT Interface, as long as he respects the conditions of section 5.8.1. The possible updates for a CMU are detailed below:

- **CMU creation**: The CRM Actor may decide to add one or more CMU(s), regardless of its status (Existing, Adiitional or Virtual CMU). The creation of a CMU consists of the creation of a new Prequalification File.
- **CMU deletion**: The CRM Actor has the possibility to delete one or more CMU(s), regardless of its status (Existing, Adiitional or Virtual CMU). In the event that the CRM Actor deletes his CMU because he does not want to participate to the Service anymore, ELIA also offers the possibility to follow a fast track Prequalification Process with the related CMU. In this way, the CRM Candidate remains compliant with the law.
  In the event that a CMU is associated to an on-going Capacity Contract, such CMU always remains into the CRM IT Interface even if it does not include any Delivery Point (section 5.8.5.2.1). Indeed, the Capacity Provider always remains subject to the control during the Pre-delivery Period and the Availability Monitoring during the Delivery Period.
- **CMU transfer:** In the event a CRM Actor plans to transfer its Prequalified CMU to another CRM Actor, the related CMU shall enter the full Prequalification Process again with its new owner once deleted by the current one. The transfer is therefore the combination of two actions: first the CMU deletion from a Prequalification File and then his re-creation in a new one.
- **CMU modification:** The CRM Actor may modify the data related to a CMU listed in the table of section 5.4.1.1.2 for standard and specific Prequalification Files and section 5.4.2 for fast track Prequalification Files.
  The CRM Actor has also the possibility to do a fast track Prequalification Process with a (Prequalified) CMU which has the status of Existing or with a (prequalified) Delivery Point. This is an automatic procedure which is done via the CRM IT Interface. As the fast track Prequalification Process can only include one Delivery Point, each Delivery Point part of the CMU that follows the fast track Prequalification Process is split into different fast track Prequalification Files.
  In contrast, a CMU which followed a fast track Prequalification Process cannot follow a standard Prequalification Process automatically. The CRM Candidate deletes his fast track Prequalification File and creates a new CMU following the standard Prequalification Process.

5.8.5.3. Evolution due to legal updates

176. By default, any change issued by a legal institution is considered and implicitly endorsed by the CRM Actor. ELIA may notify about these potential changes. However, following section 5.8.1, it is the responsibility of the CRM Actor to timely update the required data and to remain compliant.

177. Starting from the change notification, the CRM Actor has twenty Working Days to adapt his Prequalification File. This adaptation therefore triggers accordingly the Prequalification Process, in order to consider such update for future Transactions.

A non-exhaustive list of legal updates which may impact in some way a Prequalification File is given below:

- Update of the Functioning Rules for the Capacity Remuneration Mechanism;
- Update of the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Threshold meant in art. 7undecies. §4 of the Electricity Act;
- Update of the Regulation (EU) 2019/943;
- Update of the Electricity Act of April 29, 1999;
- Update of the Royal Decree on Methodology meant art. 7undecies, §2 of the Electricity Act;
- Update of the Royal Decree on Investment Thresholds and Eligible Investment Costs meant in art.7undecies, §5 of the Electricity Act.

5.8.6. Results notification of a change related to a Prequalification File

178. The following sections (5.8.6.1 and 5.8.6.2) describes what ELIA does – in terms of process and timing – in case one or more changes are made to a Prequalification File via the CRM IT Interface. The first section is when the change(s) has(have) no impact of the volumes (Eligible Volume, Remaining Eligible Volume, Secondary Market Eligible Volume and Secondary Market Remaining Eligible Volume) and on the contrary, the second one is when the change(s) has(have) an impact on these volumes.

5.8.6.1. No impact on the volumes

179. In the event that the change(s) submitted by the CRM Actor has(have) no impact on the volumes (e.g. the CRM Actor wants to update the Grid User Declaration of one of his Delivery Points), the Prequalification File review process follows the same procedure and timing as defined from paragraph 73 to paragraph 76. Indeed, the purpose for ELIA is to check that the Prequalification File can still be considered as "approved" after the implementation of the change(s).

180. For a CMU related to a standard or a specific Prequalification Process, as soon as the Prequalification File is considered as "approved" by ELIA, it automatically gets back his "prequalified" status and the related CRM Actor is granted access to Primary and/or Secondary Market(s) with this CMU. This "prequalified" status is notified together with the "approved" status.

181. For a CMU related to a fast track Prequalification Process, only the "approved" status is sufficient to be considered as compliant regarding the law.

5.8.6.2. Impact on the volumes

182. In the event that the change(s) submitted by the CRM Actor has(have) an impact on the volumes (e.g. the CRM Actor asks for an update of the Nominal Reference Power for one or his Delivery Points), the first step for ELIA is to review the change(s) implemented by the CRM Actor in the Prequalification File by following the same process and timing as defined from paragraph 73 to paragraph 76. The purpose of this first step is to know if the Prequalification File can be considered as "approved" after the implementation of the change(s).

183. Then, as soon as the Prequalification File gets its "approved" status, the second step for ELIA starts with the volumes determination process. This process follows the below paths depending on the status of the CMU and for Existing or an Additional CMUs only, whether the Nominal Reference Power is impacted or not:

- For a CMU related to a **standard Prequalification Process**:in case (at least one of) the change(s) requires a new Nominal Reference Power for one or more Existing Delivery Point(s), ELIA starts by determining this(these) Nominal References Power(s). To do so, the rules and timings of section 5.6.1 apply. Then, the rules of sections 5.6.1.1.3, 5.6.2, 5.6.3, 5.6.4 and 5.6.5, apply to respectively calculate – by taking the change(s) into account – the Nominal Reference Power of the CMU, Opt-Out Volume, the Reference Power, the Eligible Volume and the Secondary Market Eligible Volume. The results notification of these volumes by ELIA to the Capacity Provider follows the same timing as in section 5.7.1.1.

  In case the change(s) do(es) not induce any new Nominal Reference Power for the Existing Delivery Point(s), ELIA starts directly to determine the different volumes by also applying the rules of sections 5.6.1.1.3, 5.6.2, 5.6.3, 5.6.4 and 5.6.5. The results notification of these volumes by ELIA to the Capacity Provider follows the same timing as in section 5.7.1.1.

- For a CMU related to a **specific Prequalification Process**:

  As there is no volumes to calculate for a VCMU, this section does not apply.

- For a CMU related to a **fast track Prequalification Process**: in case a CRM Actor changes his Fast Track Nominal Reference Power, ELIA will launch the process to determine the new Fast Track Volume (as per Section 5.6.6) within ten Working Days starting from the notification of the "approved" status of the fast track Prequalification File by ELIA to the CRM Actor.

184. When the volumes determination is over and when the Prequalification File is considered as "approved", the notification by ELIA to the CRM Actor is expected to contain the same information as that found in Table 7.

5.9. CRM IT INTERFACE

5.9.1. Requirements prior to prequalification

185. From the moment a Capacity Holder becomes a CRM Candidate, ELIA needs to check the good access, functioning and understanding of the CRM IT interface for the CRM Candidate.

The CRM IT Interface is a web based application. It therefore does not require specific development from the CRM Candidate's side. Access to the prequalification module of the CRM IT Interface is granted to the Capacity Holder at the latest by 1st June, 2021.

5.9.2. Requirements prior to Transaction Period

186. Some additional information – being not mandatory to have a compliant Prequalification File – are yet be realized by the CRM Actor for a CMU related to a Capacity Contract at least twenty Working Days prior to the start of the Transaction Period linked to this Capacity Contract:

- To succeed the Availability Test trigger;
- To communicate a Declared Day-Ahead Price of a CMU (according to sections 5.4.1.2 and 8.4.2.1.2);
- To indicate a NEMO for a CMU to be used by ELIA as reference in the context of Payback Obligation (according to sections 5.4.1.2 and 8.4.2.1.2).

For some requirements (e.g: Availability Test trigger), actions might be needed on CRM Actor's side. In such case, ELIA shares the IT specifications no later than six months prior to the expected go live of the related requirement.

If these requirements have not been implemented or communicated by the Prequalified CRM Candidate or the Capacity Provider in time, the corresponding Contracted Capacity is considered as unavailable in the context of the Availability Monitoring as described in section 8.4.2 and face the corresponding penalties.

5.9.3. Auction Demo

187. As part of the Prequalification Process and once the application form has been approved by ELIA, access to the Auction demo platform (as also defined in section 6.5) is granted to the CRM Candidate. The purpose of this Auction demo interface is for the CRM Candidate to demonstrate his good understanding of the bidding requirements. In this way, ELIA advises the CRM Candidate to successfully pass the tests foreseen in this Auction demo tool prior to the prequalification result notification in order to facilitate the submission of the bids before the Auction.

5.9.4. CRM IT Interface problems

188. In the event that the CRM Actor identifies a problem when submitting information to ELIA via the CRM IT Interface during a Prequalification Process, the procedures detailed in 14.3 Processes apply.

5.10. NOTIFICATION TO THE REGULATOR

5.10.1. Project ID definition

189. As soon as a CRM Candidate indicates to ELIA in his Prequalification File that he submitted an investment file to CREG for (one of) his CMU(s), ELIA generates a project ID on the CRM IT Interface. As a project ID can be used as reference for more than one CMU, if relevant to him, the CRM Candidate may indicate by himself the reference to an already existing project ID in his Prequalification File. As a CMU can also be linked to more than one investment file, the CRM Candidate can ask ELIA to generate or provide more than one project ID for a same CMU.

190. The purpose of a project ID is to guarantee a single reference to be used in communication between CRM Candidate, ELIA and CREG.

5.10.2. Communication with CREG

191. During a Prequalification Process and in the event that the CRM Candidate notified ELIA about his intention to introduce an investment file, ELIA communicates specific information to CREG at three different times:

- Within three Working Days starting from the submission date of the Prequalification File in which it is indicated that the CMU is linked to an investment file (or more);
- Within three Working Days starting from the notification of the final Nominal Reference Power of each Delivery Point part of the CMU to the CRM Candidate;
- Within three Working Days starting from the results notification of the Prequalification Process by ELIA to the CRM Candidate – but no later than September 1st of the year in which an Auction is organized for a Prequalification File submitted before June 15 of the same year.

The information communicated by ELIA per CMU during these three moments are summarized in the following table:

	From the prequalification File submission date	From the final Nominal Reference Power notification	From the Prequalification results notification
ID of the CRM Candidate	X	X	X
ID of the CMU	X	X	X
ID of the Delivery Point(s)	X	X	X
Project ID	X	X	X
The Declared Nominal Reference Power of each Additional Delivery Point related to the CMU	X	-	-

The Expected Nominal Reference Power of each Existing Delivery Point related to the CMU	X	-	-
The Nominal Reference Power (determined by ELIA) of each Existing Delivery Point related to the CMU	-	X	-
The prequalification results	-	-	X

Table 8: Information communicated by ELIA to CREG during the Prequalification Process

192. With the information in the table above, CREG is able to allocate a Capacity Category for each Delivery Point and for the CMU. The Capacity Category of a CMU is defined by the smallest Capacity Category among all Delivery Points part of the CMU – regardless of their status. However, in the specific case of Linked Capacities, the Capacity Category is not assign to each Delivery Point but to the entire capacity of the Linked Capacities.

193. This capacity category is communicated to the Prequalified CRM Candidate after the prequalification results notification but, as stated in art.7undecies §5, not later than fifteen days before the start of the Auction gate opening time (as defined in the Service Time Schedule).

194. As long as the CRM Candidate has not won an Auction, has not change his CMU and has not asked to CREG for a new classification, a Capacity Category remains valid over time and therefore for all Auctions. Any evolution or change related to a CMU (e.g. the suppression of a Delivery Point described in section 5.8.5.2.1) linked to an investment file is notified by ELIA to CREG without undue delay. Indeed, if the information, on which the classification decision was based, changes, the Capacity Provider is penalized ex post.

195. More information on the Capacity Category can be found in the Royal Decree on Investment Thresholds and Eligible Investment Costs meant in art.7undecies, §5 of the Electricity Act.

6. AUCTION

6.1. INTRODUCTION

196. The purpose of the Auction process is to determine the Contracted Capacities through the Primary Market, by means of the selection of Bids submitted in the Auction by Prequalified CRM Candidates for their respective Prequalified CMU(s) and after signing of the Capacity Contract.

197. This document is structured around four sections.

Section 6.2 provides several general principles regarding the organization of the Auction and the roles and responsibilities of the actors involved in the Auction process.

Section 6.3 elaborates on the submission of Bids in the Auction, firstly outlining the possibilities available for a Prequalified CRM Candidate to express its preferences by defining general bid characteristics. Next, this chapter specifies the conditions each Bid should respect in order to be compliant, which is a prerequisite for the submission of a Bid. The chapter further details the Bid submission process and finally describes a requirement regarding the Remaining Eligible Volume of a Prequalified CMU that the combination of Bids related to each CMU should comply with.

Section 6.4 specifies the clearing of the Auction. After defining the Auction parameters and grid constraints that serve as input to an Auction, the chapter elaborates on the Auction clearing methodology and the pricing rule implemented in the Auction. Finally, the Auction results are described.

Section 6.5 entails the CRM IT Interface that will be used in order to enable amongst others Bid(s) submission.

6.2. GENERAL PRINCIPLES

198. In accordance with art. 7undecies, §6 of the Electricity Act, conditional upon the instruction of the Minister provided on a yearly basis at the latest on March 31 as referred to in art. 7undecies, §2, 2°, ELIA shall organize two Auctions for each Delivery Period:

- A first Auction four years ahead of the Delivery Period (hereafter referred to as Y-4 Auction)
- A second Auction one year ahead of the Delivery Period (hereafter referred to as Y-1 Auction)

199. ELIA shall provide the CRM IT Interface for the submission of Bids in the Auction, according to section 6.4.5.

200. Only Prequalified CRM Candidates are allowed to submit Bids and only via the CRM IT Interface, to which Prequalified CRM Candidates shall be given access by ELIA. Bids can be submitted from 9:00 CET on the first Working Day after September 15 – until the Auction gate closure time – at 17:00 CET, three Working Days before September 30 according to the Service Time Schedule as detailed in paragraph 232.

201. Prequalified CRM Candidates are responsible for the information provided in a Bid. ELIA does not bear any liability in respect of the content – i.e. correct or incorrect, complete or incomplete, reflecting the Prequalified CRM Candidate's intentions or not – of any submitted Bid, even if this Bid is compliant according to paragraph 211, as per chapter 2.

202. ELIA starts the clearing of the Auction starting on October 1. The Auction concludes, in accordance with art. 7undecies, §6 of the Electricity Act, on October 31 with the publication of Auction results.

203. CREG monitors the proper functioning of the CRM, including the Auction process and the determination of the Auction results, as it is duly empowered thereto pursuant to art. 26, §1bis of the Electricity Act and subject to the rules established in the Royal Decree on Control, without prejudice to the CREG's powers under article 23 §2 of the Electricity Act.

204. Following the selection of a submitted Bid in the Auction, at the moment Elia publishes the Auction results:

- The financial security provided by the Prequalified CRM Candidate for the Prequalified CMU to which this Bid relates, shall become effective immediately, according to paragraph 600; and
- A Capacity Contract is to be signed within forty Working Days after the publication of the Auction results, based on the information provided in the Bid and the applicable Auction pricing rule, according to paragraph 283; and
- Following the selection of a submitted Bid related to a CMU that is subject to a signed technical agreement and for which a connection contract has not been signed yet prior to the Auction, such connection contract is to be signed within forty Working Days after the publication of the Auction results.

6.3. BIDDING IN THE AUCTION

6.3.1. General bid characteristics

205. Each Bid is indivisible, meaning that it can only be selected in its entirety or not at all.

206. Subject to the conditions as detailed in paragraphs 222 and 223, a Prequalified CRM Candidate can label a Bid as being part of a set of Linked Bids together with one or more other Bids. Obviously, following this action, the latter Bid(s) are automatically also labeled together with the former Bid as part of the same set of Linked Bids. A Bid within a set of Linked Bids can only be selected when all other Bids within this set of Linked Bids are selected as well.

207. A Prequalified CRM Candidate can label a Bid as being part of a set of mutually exclusive Bids together with one or more other Bids. Obviously, following this action, the latter Bid(s) are automatically also labeled together with the former Bid as part of the same set of mutually exclusive Bids.

208. When a Bid that is labeled as being part of a set of Linked Bids is labeled as being part of a set of mutually exclusive Bids, all other Bids that are part of the set of Linked Bids are labeled as being part of this set of mutually exclusive Bids as well.

209. From a set of mutually exclusive Bids, maximally the following Bid(s) can be selected:

- One Bid that is not labeled as being part of a set of Linked Bids; or
- All Bids that are labeled as being part of one common set of Linked Bids.

210. A Bid can only be labeled as being part of a set of Linked Bids together with other Bids that relate to the same Auction. Likewise, a Bid can only be labeled as being part of a set of mutually exclusive Bids together with other Bids that relate to the same Auction.

6.3.2. Bid conditions

211. A Bid is compliant only if it respects all conditions, if applicable, as detailed in sections 6.3.2.1, 6.3.2.2 and 6.3.2.3. Only compliant Bids can be submitted by Prequalified CRM Candidates in the CRM IT Interface, according to paragraph 232.

6.3.2.1. General Bid conditions

212. A Bid relates to a single Prequalified CMU.

213. No more than five Bids relate to the same CMU.

214. A Bid in a Y-1 Auction does not relate to a virtual CMU.

215. A Bid includes:

- One single Bid Price, expressed in EUR/MW/year with a granularity of 0,01 EUR/MW/year, subject to the conditions as detailed in paragraphs 216 and 217; and
- One single positive volume, expressed in MW with a granularity of 0,01 MW, subject to the conditions as detailed in paragraphs 218 and 219; and
- One single positive Capacity Contract Duration, expressed in number of years with a granularity of one year, subject to the conditions as detailed in paragraphs 220 and 221.

6.3.2.1.1. Bid Price

216. The Bid Price of a Bid is limited to the Global Auction Price Cap.

217. The Bid Price of a Bid related to a CMU in the one year Capacity Category, is limited to the Intermediate Price Cap. The Bid Price of a Bid related to a CMU that is assigned to a Capacity Category of more than one year with a Capacity Contract Duration of one year is not limited to the Intermediate Price Cap, but only to the Global Auction Price Cap.

6.3.2.1.2. Bid volume

218. The volume of a Bid is limited to the Remaining Eligible Volume, or the Eligible Volume in case no prior Transactions have taken place, of the related CMU.

219. The volume of a Bid that is related to a CMU with a Capacity Contract Duration of more than one year, is equal to the Remaining Eligible Volume, or the Eligible Volume in case no prior Transactions have taken place, of the related CMU.

6.3.2.1.3. Capacity Contract Duration

220. The Capacity Contract Duration of a Bid is limited to the Capacity Category to which the CMU is assigned by CREG.

221. The Capacity Contract Duration of a Bid that is related to a Virtual CMU is equal to 1 year.

6.3.2.2. Conditions regarding Linked Bids

222. A Bid that is labeled as being part of a set of Linked Bids together with another Bid:

- Does not relate to the same CMU as the latter Bid;
- Includes a Bid Price that is equal to the Bid Price of the latter Bid;
- Is related to a CMU that consists of only one Delivery Point;
- Is related to a CMU that is located on the same geographical location as the CMU to which the latter Bid relates, as indicated in the Prequalification File in accordance with chapter 5;
- Is related to a CMU that is technically dependent with the CMU to which the latter Bid relates, as indicated in the Prequalification File in accordance with chapter 5;

223. A Bid is labeled as being part of no more than one set of Linked Bids.

6.3.2.3. Conditions regarding Bids related to Additional CMUs that are part of a signed technical agreement

224. An Additional CMU can be part of one or more signed technical agreements, as detailed in Table 2 of section 5.4.1.1.2. Furthermore, a signed technical agreement may cover one or more Additional CMUs.

225. The volume of a Bid that is related to an Additional CMU that is part of a signed technical agreement, is equal to the Eligible Volume of the CMU.

226. The Bids that are related to Additional CMUs that are part of a signed technical agreement, are to be consistent with a signed technical agreement provided by ELIA:

- To be consistent with a signed technical agreement that covers one Additional CMU, a Bid is to be submitted related to this Additional CMU.
- To be consistent with a signed technical agreement that covers more than one Additional CMU, a Bid is to be submitted related to each of these Additional CMUs. Furthermore, each of these Bids is to be labeled as being part of a set of Linked Bids together with all other Bids that are related to other Additional CMUs included in the same signed technical agreement.

6.3.3. Bid submission

227. Prequalified CRM Candidates submit Bids exclusively via the CRM IT Interface, in which different statuses are assigned to the Bids, as detailed in section 6.3.3.1. Section 6.3.3.2 describes the rules regarding the Auction gate closure time.

228. Bids relating to a different Auction shall be submitted separately and independently.

6.3.3.1. Bid status

229. As detailed in paragraphs 230, 231 and 232, a Bid in the CRM IT Interface can have the status "saved as draft," "saved as draft & compliant" or "submitted."

6.3.3.1.1. Saved as draft

230. A Prequalified CRM Candidate can store Bids temporarily in the CRM IT Interface from September 1, 9:00 CET until the Auction gate closure time, as detailed in chapter 4. When storing (a) Bid(s) in the CRM IT Interface, the Bid(s) get(s) the status "saved as draft" in the CRM IT Interface.

    Bids with the status "saved as draft" by the Auction gate closure time, are not considered during the clearing of the Auction, as detailed in paragraph 240.

6.3.3.1.2. Saved as draft & compliant

231. On its own initiative and optionally as a compliancy check is anyway performed upon submission of a Bid according to paragraph 232, a Prequalified CRM Candidate can verify whether one or more Bids with the status "saved as draft" are compliant, via the CRM IT Interface from September 1, 9:00 CET until the Auction gate closure time, as detailed in chapter 4. ELIA verifies via checks incorporated in the CRM IT Interface, whether the Bids are compliant according to paragraph 211. In case of successful verification, the Bid(s) get(s) the status "save as draft & compliant."

    Bids with the status "saved as draft & compliant" by the Auction gate closure time, are not considered during the clearing of the Auction, as detailed in paragraph 240.

6.3.3.1.3. Submitted

232. A Prequalified CRM Candidate can submit (a) Bid(s) in the CRM IT Interface during the Bid submission period as detailed in chapter 4. ELIA verifies, immediately upon submission via checks incorporated in the CRM IT Interface, whether the Bids are compliant according to paragraph 211. In case of successful verification, the Bid(s) get(s) the status "submitted." Bids with the status "submitted" can be updated or withdrawn until the Auction gate closure time. When a Bid is updated, it replaces the previously submitted Bid.

    Bids with the status "submitted" by the Auction gate closure time are taken into account during the clearing of the Auction, as detailed in paragraph 240. A Prequalified CRM Candidate cannot update nor withdraw Bids with the status "submitted" after the Auction gate closure time.

6.3.3.2. Auction gate closure time

233. ELIA automatically reminds Prequalified CRM Candidates about the upcoming Auction gate closure time, at least one week and twenty-four hours before the Auction gate closure time.

234. In case of concerns implying that a Prequalified CRM Candidate is not able to submit its Bids in time, a fallback procedure as described in section 14.4, is provided for if this problem is attributable to ELIA.

235. Upon the Auction gate closure time, an automatic confirmation is provided to Prequalified CRM Candidates via the CRM IT Interface, confirming the successful submission of Bids.

6.3.4. Remaining Eligible Volume requirement

236. A Prequalified CRM Candidate that does not want to offer part of the capacity, or no capacity at all, of a Prequalified CMU in an Auction, has the possibility to do so on the condition that ELIA is notified of such decision prior to the Auction by means of an Opt-Out Notification, according to paragraph 117117. Consequently, the Remaining Eligible Volume of each Prequalified CMU, which is equal to the Eligible Volume in case no prior Transactions have taken place, is to be offered by the Prequalified CRM Candidate in the Auction.

237. To offer the Remaining Eligible Volume of a CMU in an Auction, the Prequalified CRM Candidate submits one or more Bids in the Auction such that the maximum capacity volume – as detailed in paragraph 238 – which can be selected, is equal to the Remaining Eligible Volume of this CMU.

238. Considering all submitted Bids related to a CMU, the maximum capacity volume that can be selected taking into account the rules as detailed in paragraphs 206 and 209 is equal to the sum of:

- The Bid volume of all Bids that are not labelled as being part of a set of mutually exclusive Bids; and
- Per set of mutually exclusive Bids, the maximum of the Bid volumes of the Bids that are labelled as being part of a set of mutually exclusive Bids.

239. ELIA communicates/reports to the relevant authorities whenever a Prequalified CRM Candidate does not respect this requirement.

6.4. AUCTION CLEARING

240. Starting on October 1, in accordance with the Auction clearing period as detailed in chapter 4, ELIA clears the Auction according to paragraph 254 in function of the pricing rule as detailed in section 6.4.4 and taking into account the parameters as detailed in paragraph 243, the grid constraints as detailed in section 6.4.2 and all submitted Bids by the Auction gate closure time according to paragraph 232.

6.4.1. Auction parameters

241. ELIA takes into account each of the following parameters during the clearing of the Auction:

- The Demand Curve, including the Global Auction Price Cap, in accordance with art. 7undecies, §2, 2° of the Electricity Act determined by means of Ministerial Decree at the latest on March 31 prior to the Auction;
- The Intermediate Price Cap, in accordance with art. 7undecies, §2, 2° of the Electricity Act determined by means of Ministerial Decree at the latest on March 31 prior to the Auction;
- The Dummy Bid, with a Bid volume equal to the derated Opt-Out Volumes that result in a reduction of the volume to be procured in the Auction, according to paragraph 125. For a Y-4 Auction, the Bid volume of the Dummy Bid is increased by the volume equal to the sum of the Bid volumes of the Bids with a Capacity Contract Duration of more than three years that have been selected in the Y-1 Auction that is cleared in the same year as the Y-4 Auction, in accordance with the principles of clearing two Auctions that take place in the same year according to paragraph 247.

6.4.2. Grid constraints

6.4.2.1. Process

242. As specified in the Electricity Act art.7undecies §8, an Auction respects the technical capabilities of the electrical transmission grid and is in line with the connection process as defined in the Federal Grid Code. For this purpose, a yearly calculation and application phase for grid constraints for the Primary Market for the Delivery Period of the considered Auction is defined as follows.

Calculation phase

- During the calculation phase, which starts on 15th of June until 15th of September of the year in which the Auction takes place (as detailed in section 6.4.2.6), ELIA shall identify the public electrical transmission grid constraints of the expected grid infrastructure for the Delivery Period for the considered Auction to be taken into account during the Auction clearing. Infeasible combinations of CMU(s) – only for additional connection capacity following the status obtained in the standard Prequalification Process and which is subject to a signed technical agreement with ELIA – originating from public electrical transmission grid perspective can occur and constitute grid constraints by ELIA, if they exert an unacceptable mutual influence or if too many CMU(s) want to connect within the same region. The drivers that can be used for determination of grid constraints are described in section 6.4.2.3 and the calculation methodology itself in section 6.4.2.2. The individual feasibility of CMU(s) with the need for additional connection capacity, is determined by ELIA through the Prequalification Process which need no separate grid constraints, whereas the feasibility of combining multiple CMU(s) is only verified through the calculation phase of grid constraints.
- ELIA does not calculate any external constraints, but may receive this information from third party system operators, provided all validation conditions for external constraints have been positively verified by ELIA (timing & format) and that those constraints have been provided according to the relevant legal and regulatory framework (according to section 6.4.2.4).

Application phase

- During the application phase (as detailed in section 6.4.2.6), ELIA provides the calculated grid constraints for public electrical transmission grid and any received external constraints to the CREG and all relevant regulatory bodies for information as well as to a 3rd party validator designated by the CREG if relevant for auditability of the Auction (as detailed in section 6.4.2.6).
- During the application phase, which starts on 15th of September of the year where the considered Auction takes place, ELIA applies the determined grid constraints (incl. validated external constraints) and implement those accordingly into the Auction algorithm used for the Auction clearing.
- In a year in which both a Y-1 and Y-4 Auction are organized (according to paragraph 198), ELIA determines the separate grid constraints for each Auction. In order to avoid a re-calculation of the grid constraints of the Y-4 auction, after the Y-1 Auction clearing, ELIA also takes into account the CMU(s) of the Y-1 auction for the calculation of the Y-

4 auction grid constraints during the calculation phase in order to ensure that the results of the Y-1 Auction can subsequently be used to update the grid constraints for the Y-4 auction clearing.

6.4.2.2. Methodology for Electrical Transmission Grid Constraints

243. Grid constraints are limitations on the combination of CMU(s) for additional connection capacity within the CRM-framework following the status obtained in the standard Prequalification Process and which are subject to a signed technical agreement with ELIA, based on the expected grid infrastructure for the considered Delivery Period and based on the reference scenario used to calibrate the demand curve following the Royal Decree on Methodology to set the auction parameters as meant by Art. 7undecies §2 of the Electricity Act, in order to ensure that all operational & market criteria are respected.

244. ELIA does not calculate grid constraints for CMU(s) with existing capacity connections – meaning with capacity already allocated at the time the Prequalification Process takes place in the Auction algorithm. Such existing capacity connections are hence not influenced by the Auction results. ELIA only calculates grid constraints based on the drivers mentioned in the Functioning rules (as detailed in section 6.4.2.3) – except if prior validation has been obtained by ELIA from CREG. No further restrictions apply to give maximum freedom of selection for the Auction algorithm.

ELIA calculates and applies the grid constraints within the Auction algorithm for Auction clearing following European and Belgian rules addressing the power system planning and addressing the future power system operation which are technology neutral. Any technology for additional connection capacity in the framework of the CRM must therefore be part of the grid constraint calculation phase & no specific technology is exempted from potential grid constraints.

ELIA applies a step-wise methodology to determine the grid constraints in the calculation phase, the results of which are communicated to the CREG and all relevant regulatory bodies for information at the start of the application phase. This step-wise methodology is described below in four steps:

Step 1) The grid constraints are determined based on ELIA's information of future conditions of the reference grid for the Delivery Period of the considered Auction, according to the following principles:

- ELIA only assumes decommissioning (or capacity reductions) of existing capacity connections, known on the 15th of June of the year in which the considered Auction takes place - prior to the grid constraint calculation phase, in case they were officially announced via a definitive notification for closure (or capacity reduction) as referred to in Art. 4bis of the Electricity Act or if there are any specific legal requirements for decommissioning or phase-out of existing power units. In case a CMU has conditions specified in its technical agreement, then ELIA takes those conditions into account in the reference grid for determination of grid constraints, if applicable.
- ELIA uses the most recent status and anticipation (on the 15th of June of the year in which the considered Auction takes place) of the planned & approved grid infrastructure projects as listed in the latest Federal Development Plan & Regional Investment Plans, including potential new Grid Users resulting from specific client connection requests for which the Connection Contracts have been signed and which have confirmed their intention not to participate to the forthcoming Auction prior to the 1st June of the same

year. Indeed, such new Grid Users would have obtained firm grid connection capacity and are hence not subject to grid constraints within the framework of the Auction. ELIA also uses the most recent available information regarding external grids in the vicinity of the Belgian borders.

- ELIA foresees a communication for information to the CREG prior to the grid calculation phase which lists any grid infrastructure projects relevant to the grid constraints with a delayed planning compared to the planning from the Federal Development Plan, if any, which would affect the reference grid & related grid constraints.
- In case a grid infrastructure project –with a delay known prior to the grid calculation phase – would be a necessary precondition for a combination of multiple CMU(s) at the start of the Delivery Period of the considered Auction, then this is reflected in the reference grid accordingly – meaning such CMU(s) combination cannot be selected in the Auction clearing. In case a grid infrastructure project – with a delay known prior to the grid calculation phase – would not be a strict precondition for a combination of multiple CMU(s) at the start of the Delivery Period of the considered Auction, then such CMU(s) combination can be selected in the Auction clearing for as long as the feasibility of the grid infrastructure project itself in a later stage remains warranted.
- ELIA uses as condition of the reference grid the reference scenario to calibrate the volume to be procured through CRM, as defined in the Royal Decree under art. 7undecies §2 of the Electricity Act – together with some specific sensitivities whenever relevant.

Step 2) ELIA applies a combinatory methodology which consists of verifying the grid feasibility – according to the drivers for the public electrical transmission grid constraints (as detailed in section 6.4.2.3) and in line with the connection process as defined in the Federal Grid Code – of all relevant combinations of successfully Prequalified CMU(s) for additional connection capacity within the reference grid for the concerned Delivery Period of the considered Auction. In essence, ELIA performs grid feasibility studies in the same way as the standard connection process defined in the Federal Grid Code for individual CMU for additional connection capacity but now with CMU combinations for additional connection capacity.

Step 3) ELIA sets up a combination matrix, which explicitly enumerates all infeasible combinations between CMU(s). The matrix summarizes and combines all information from each individual grid constraint (both those calculated by ELIA and potentially received from external parties) in a tabular format (according to section 6.4.2.5). For each infeasible combination within the public electrical transmission grid, ELIA indicates the technical reason for non-acceptance based on the drivers for grid constraints (as detailed in section 6.4.2.3). ELIA communicates the complete combination matrix to CREG and all relevant regulatory bodies for information as well as to a designated 3rd party validator if relevant in order to ensure auditability of the grid constraints.

Step 4) In the application phase, ELIA shall apply all valid grid constraints (according to section 6.4.2.4) & implement those accordingly into the auction algorithm.

6.4.2.3. Drivers for Electrical Transmission Grid Constraints

245. The technical drivers for electrical transmission grid constraints for the Delivery Period of the considered Auction can be categorized as:

- System security: ELIA applies rules to ensure security of the overall electricity grid without structurally requiring re-dispatch – which respect all relevant European & Belgian legislation addressing power system planning & future power system & market operation.

- Physical spacing limitations: ELIA determines any known limitations related to available physical space within the available terrains at the relevant substations, which are required for the anticipated connection of Additional Capacity for Prequalified CRM Candidates.

6.4.2.4. External constraints

246. ELIA does not calculate itself any external constraints, but shall take them into account during the application phase for a specific Auction, provided they are validated based on the subsequently described validation process.

247. External constraints are constraints from third party system operators (Fluxys and DSOs), other than those calculated by ELIA. External constraints can originate from Fluxys or DSO grids when multiple CMU(s) for additional connection capacity would be combined in a potential outcome of the Auction clearing causing an infeasible outcome in their grids, which is not related to the public electricity transmission grid. ELIA can accommodate in the Auction external constraints to the extent they are defined by the third party system operator within the appropriate legal & regulatory framework and they are provided on time & following the format specified in relation to the Auction process & rules.

248. In any case, ELIA cannot be held liable for the correctness of these external constraints.

249. The validation process for external constraints – prior to any application by ELIA within the application phase for a specific Auction - can in this respect be separated in two parts:

    - The third party system operator informs ELIA in advance whether any distinct external constraint type can be accepted by the 15th of June of the year where the considered Auction takes place at the latest. The third party system operator provides the written confirmation from the relevant regulatory authority that such constraints can be applied in the Auction. ELIA does not bear any liability for the acceptance of the calculation methodology, nor for the calculated results nor for the acceptance of their application within the Auction algorithm during the application phase. Elia is only responsible for the correct handling of the received information.
    - ELIA verifies whether the received external constraints on time by the 15th of September of the year where the considered Auction takes place respect the required formatting (according to section 6.4.2.5). ELIA notifies & informs the relevant regulatory bodies, as well as to a 3rd party validator designated by the CREG if relevant for auditability of the Auction, with the received proposals for external constraints as soon as possible after the 15th of September but no later than the 30th of September. ELIA includes in the combination matrix (as detailed in section 6.4.2.2) any valid external constraint – which were received on time & which respect the grid constraint format.

250. In case the need for specific external constraints by third party system operators would be recurrent, they can be formalized by inclusion into the Functioning rules.

6.4.2.5. Grid constraints format

251. In case a grid constraint needs to be imposed within the Auction algorithm, it shall take the following form. The table below illustrates the case, listing the non-acceptable combinations for 3 CMUs:

CMU 1	CMU 2	CMU 3	Reason for non-acceptable combination
1	1	0	Eg. overload of line X
1	0	1	Eg. no sufficient space at substation X

Table 9: Illustration which summarizes 2 grid constraints for 3 CMUs in a table format

In case of external constraints, they shall take the same format as specified above and need to be provided to ELIA by the relevant third party system operators according to section 6.4.2.4. All grid constraints in such table format will be combined into a combination matrix as detailed in section 6.4.2.2.

6.4.2.6. Grid Constraints timings

Calculation phase

252. Third party system operators providing external constraints notify ELIA of the approval by the relevant regulatory authority of any distinct external constraint type at the latest by the 15th of June of the year where the considered Auction takes place, unless those external constraint types would already be included in the Functioning Rules since a recurrent need has been identified (according to section 6.4.2.4). ELIA is not responsible for the determination of the calculation for any external constraints.

ELIA determines the public electrical transmission grid constraints (if any) applicable to the respective Auction between the 15th of June and the 15th of September of the year where the considered Auction takes place.

All external grid constraints to be taken into account for the Auction are communicated to ELIA until the 15th of September of the year where the considered Auction takes place.

Application phase

253. As soon as possible after the 15th of September but no later than the Auction gate closure time of the year where the considered Auction takes place, ELIA submits the combination matrix including any external constraints as detailed in section 6.4.2.2 - to the CREG and other relevant regulators (if applicable) as well as to a 3rd party validator designated by the CREG if relevant for auditability of the Auction.

From 15th of September of the year where the considered Auction takes place, ELIA processes the information from the calculation phase into mathematical constraints needed within the Auction algorithm and implements those accordingly – based on the combination matrix and received external constraints.

6.4.3. Auction clearing methodology

254. The Auction clearing methodology consists of two phases. The optimization phase as detailed in section 6.4.3.1, is performed in any case. The tie-breaking phase as detailed in section 6.4.2.2 though, is performed only in case multiple equivalent combinations of Bids result from the optimization phase.

255. In a year in which both a Y-1 and Y-4 Auction are organized, ELIA first applies the Auction clearing methodology for the Y-1 Auction and afterwards for the Y-4 Auction.

6.4.3.1. Optimization phase

256. The purpose of the optimization phase is to identify the combination of Bids or multiple equivalent combinations of Bids that best meet the objective as described in this section.

257. All auction parameters as detailed in paragraph 243 are approximated by ELIA in the optimization phase, to achieve a granularity of 0,01 EUR/MW/year and 0,01 MW.

258. In the optimization phase:

- ELIA pursues the combination of Bids that maximizes the economic surplus, which is equal to the difference between:
  - The willingness-to-pay for a capacity volume equal to the sum of the Bid volumes of all Bids, calculated as the area under the Demand Curve up to this capacity volume; and
  - The cost for offering a capacity volume equal to the sum of the Bid volumes of all Bids, calculated as the Bid volume multiplied by the Bid Price, over all Bids;
- In case multiple combinations of Bids are equivalent in terms of economic surplus, ELIA pursues the combination of Bids that results in the highest capacity volume calculated as the sum of the Bid volumes of all Bids;
- In case multiple combinations of Bids are equivalent in terms of economic surplus and capacity volume equal to the sum of the Bid volumes of all Bids, and only in case a *pay-as-cleared* pricing rule according to paragraph 269 applies, ELIA pursues the combination of Bids that results in the lowest Auction clearing price, as detailed in paragraph 270

In the optimization phase, ELIA only considers those combinations of Bids that respect all of the following requirements:

- The combination of Bids includes the Dummy Bid;
- The combination of Bids only includes submitted Bids according to paragraph 232;
- The combination of Bids respects all general Bid characteristics as detailed in section 6.3.1; and
- The combination of Bids – for a Y-4 Auction following a Y-1 Auction in the same year, including the Bids related to Additional CMUs that are subject to a signed technical agreement that have been selected in the Y-1 Auction – does not violate any grid constraint, the grid constraints being determined according to section 6.4.2;
- The sum of the Bid volumes of the Bids related to Virtual CMUs within the combination of Bids is not higher than 400 MW in a Y-4 Auction and 0 MW in a Y-1 Auction.

259. In the optimization phase, ELIA applies a branch and bound algorithm

260. In case the optimization phase results in one unique combination of Bids that is superior to all other considered combinations of Bids, the Auction clearing is finished and all Bids within this unique combination of Bids are selected.

261. Only in case the optimization phase results in multiple equivalent combinations of Bids, the tie-breaking phase as detailed in paragraph 267, is performed.

6.4.3.2. Tie-breaking rules

262. The following tie-breaking rules are applied sequentially, until one unique combination of Bids is retained. From the moment a unique combination is found, the Auction clearing is finished and all Bids within this unique combination of Bids are selected.

6.4.3.2.1. Tie-breaking rule 1: Carbon dioxide emissions

263. Preference shall be given to the combination of Bids that is characterized by the lowest carbon dioxide emissions (CO2), calculated as the Bid volume (in kW) multiplied by the emission factor (in gCO2/kWh) derived from the information provided by the Prequalified CRM Candidate on CO2 emissions for the concerned Delivery Points as detailed in Table 1 of section 5.4.1.1.1, summed over all Bids.

6.4.3.2.2. Tie-breaking rule 2: Capacity Contract Duration

264. Preference shall be given to the combination of Bids that is characterized by the shortest Capacity Contract Duration, calculated as the Bid volume (in MW) multiplied by the Capacity Contract Duration (in number of years), summed over all Bids.

6.4.3.2.3. Tie-breaking rule 3: First come, first served

265. The following "first come, first served" principle applies:

a) Sort all Bids within all remaining combinations of Bids according to their Bid submission time;

b) Loop through the sorted list of Bids, from the first submitted Bid to the last submitted Bid:

i. Check if the Bid is included in a combination of Bids. If not, discard this combination of Bids;

ii. Continue until only one combination of Bids remains.

6.4.4. Auction pricing rule

266. In each Auction that is related to a Delivery Period starting in 2025 or 2026, ELIA applies a pay-as-bid pricing rule, meaning that the price allocated to a selected Bid is equal to its Bid Price.

267. In each Auction that is related to a Delivery Period starting in 2027 or later, ELIA applies a pay-as-cleared pricing rule, meaning that the price allocated to a selected Bid is equal to:

- The minimum of the Auction clearing price and the Intermediate Price Cap, for Bids of which the Bid price is subject to the Intermediate Price Cap according to paragraph 217; or
- The Auction clearing price for all other Bids.

268. The Auction clearing price (in EUR/MW/year) is equal to the highest Bid Price among all selected Bids.

269. The price allocated to a selected Bid shall not be indexed nor revised over the course of the Capacity Contract Duration.

6.4.5. Auction results

270. Upon the end of each Auction clearing phase, and in line with the Service Time Schedule, the list of selected Bids are submitted to the CREG for validation, in accordance with the modalities set by the Royal Decree on the control, referred to in art. 7undecies, §9 of the Electricity Act.

271. Once the results are validated, each Prequalified CRM Candidate is notified of the official selection of its submitted Bid(s). In parallel, selected Bids get the status "selected" in the CRM IT Interface.

272. Auction results will be officially published according to paragraph 823.

273. In the event that a Prequalified CRM Candidate intends to contest the Auction results as timely notified by ELIA and verified by CREG, the latter is invited to proceed as per chapter 13.

6.5. CRM IT INTERFACE

274. By law, ELIA has to provide an IT interface – referred to as CRM IT Interface – to enable each Prequalified CRM Candidate to submit Bids to participate to the Auction organized within the CRM framework. The access to this CRM IT Interface is web-based and does not require any other software than commonly-used internet browsers. Access rights to this CRM IT Interface are granted once the standard or the specific Prequalification Process is successfully completed. The Prequalified CRM Candidate is authorized to access it only between the Auction gate opening time and the Auction gate closure time. However, ELIA will put an 'Auction Demo" platform at disposal of CRM Candidates and Prequalified CRM Candidates to facilitate their preparation. Such platform will be accessible anytime from June 2021.

275. The CRM IT Interface performs automatic checks in order to validate the compliancy of Bids submitted (according to paragraph 211) and in this context also informs the Prequalified CRM Candidate when and why some of their Bids are considered as non-compliant.

276. Encryption of prices submitted by the Prequalified CRM Candidate is ensured as from submission of the Bid in the CRM IT Interface.

7. PRE-DELIVERY CONTROL

7.1. INTRODUCTION

277. This document respectively describes the pre-delivery control(s) that Existing, Additional and Virtual CMUs face from the moment they are associated to one or more Contracted Capacity(ies).

This document is divided in two main sections. Section 7.2 aims to define the general principles used all along the document while the section 7.3 describes all requirements to be respected and all processes to be followed during a Pre-delivery Period by respectively Existing CMUs, Additional CMUs and Virtual CMUs. In addition, the second section depicts also the impacts and/or penalties possibly incurred by the Capacity Provider in case a positive Missing Volume is determined.

7.2. GENERAL PRINCIPLES

278. The purposes of the pre-delivery control is to ensure that a Contracted Capacity becomes (for Contracted Capacity related to an Additional or a Virtual CMU) or remains (for Contracted Capacity related to an Existing CMU) effectively available as of start of the first Delivery Period related to the Transaction Period of this Contracted Capacity.

7.2.1. Pre-Delivery Period

7.2.1.1. Start and end dates

279. A Pre-delivery Period is related to one (Virtual) CMU and one Delivery Period. This Delivery Period – referred to hereafter as Delivery Period DP – is related to at least one Transaction provided that such Transaction(s):

- Result(s) from one or more selection(s) in the Primary Market; or
- Correspond(s) to one or more validated Secondary Market Transaction(s) but only if the related Transaction Date takes place before the start of the Delivery Period containing the Transaction Period start date.

More information about the Pre-delivery Period characteristics can be found in annex 17.2.1.

280. A Pre-delivery Period related to a CMU starts from the first Transaction Validation Date linked to the Delivery Period DP corresponding to this Pre-delivery Period and ends when one of the two following obligations are met:

- The DP Delivery Period has started and the Contracted Capacity related to the CMU is Existing Capacity (the process for Additional CMU or Virtual CMU to get this Existing status is described in annexes 17.1.19 and 17.1.20); or
- The related Transaction(s) is(are) not associated anymore to a Contracted Capacity.

7.2.1.2. The two phases

281. Provided that the CMU is an Additional or a Virtual CMU and provided that the Contracted Capacity(ies) is(are) issued from a Y-4 Auction, the Pre-delivery Period is divided in two phases defined by the following rules:

- The Delivery Period DP related to this Pre-delivery Period goes from November 1st of the year X to October 31st of the year X+1;
- The phase 1 starts with the Pre-delivery Period start date and ends on October 31st of the year X-2;
- The phase 2 starts with the end of the phase 1 and ends with the Pre-delivery Period end date.

282. In the event that the Contracted Capacity(ies) is(are) issued from a Y-1 Auction, the Pre-delivery Period cannot be divided into two phases. There is therefore only a phase 2 during the related Pre-delivery Period.

7.2.2. Capacity Contract signature

283. From the moment a Transaction is confirmed (either consecutive to a selection in an Auction or following a validated transfer of obligations via the Secondary Market), a Capacity Contract is signed between the Capacity Provider and ELIA/Contractual Counterparty. Such signature occurs within forty Working Days from the Transaction Validation Date.

284. In case no Capacity Contract is signed within this period of time, the following amount is called upon as penalty: 10 000 € per number of awarded MW for which no Capacity Contract is signed.

285. The possible actions for ELIA/Contractual Counterparty consecutive to the non-payment of the financial penalty are described in section 10.2.3.

7.3. PRE-DELIVERY CONTROL

7.3.1. Pre-delivery control for Existing CMU

7.3.1.1. Pre-delivery control

286. The purpose of the pre-delivery control on an Existing CMU (or on an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements – as detailed in annex 17.1.1) is to ensure the effective availability of the Contracted Capacities related to this CMU in a period of time close to the start date of the Delivery Period DP.

287. Such CMU is subject to a control following the 5-step process detailed from section 7.3.1.1.1 to 7.3.1.1.5 and according to the test modalities described hereunder:

- The pre-delivery control is realized at CMU level (one CMU at a time);
- The pre-delivery control is related to one Delivery Period DP;
- For an Existing CMU only, ELIA is entitled to perform a pre-delivery control at any time – without notifying the Capacity Provider in advance – provided that:

- A maximum of 1 successful pre-delivery control is performed by ELIA per Delivery Period DP for CMUs that change from an Additional/Virtual status to an Existing status during phase 2 (section 7.2.1.2 for the definition of phase 2);
- At least 1 and no more than 2 successful pre-delivery controls are performed by ELIA per Delivery Period DP for CMUs that change from an Additional/Virtual status to an Existing status during phase 1 (section 7.2.1.2 for the definition of phase 1);
- At least 1 and no more than 2 successful pre-delivery controls are performed by ELIA per Delivery Period DP for CMUs with an Existing status at the Transaction Validation Date.

The time requirements for the pre-delivery control of an Existing CMU (or on an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements – as detailed in annex 17.1.1) is represented in annex 17.2.3.

7.3.1.1.1. Step 1: Determination of the Pre-delivery Obligation

288. A pre-delivery control takes place at a specific time, hereinafter referred to as $t_{control}$.

289. The determination of the Pre-delivery Obligation depends on whether the CMU is an Energy Constrained CMU or not:

- If the CMU is a **Non-Energy Constrained CMU**, the Pre-delivery Obligation is equal to eighty percent[10] of the difference between the maximum Total Contracted Capacity over the Delivery Period DP, and the sum of the Contracted Capacities for which the Transaction Period overlaps the time $t_{control}$ and the time t_{TCC}. This is represented by the following formula:

$$[Pre-delivery\ Obligation] = 80\% \times \left(Total\ Contracted\ Capacity_{max}(CMU, DP) - \sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})] \right)$$

- If the CMU is an **Energy Constrained CMU**, the Pre-delivery Obligation is equal to 80 percent[11] of the difference between the maximum Total Contracted Capacity over the Delivery Period DP, divided by a Derating Factor (detailed in paragraph 290) and the sum of the Contracted Capacities for which the Transaction period overlaps the time $t_{control}$ and the time t_{TCC}, divided by another Derating Factor (detailed in paragraph 290). This is represented by the following formula:

$$[Pre-delivery\ Obligation] = 80\% \times \left(\frac{Total\ Contracted\ Capacity_{max}(CMU, DP)}{Derating\ Factor\ (CMU, t_{TCC})} - \sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})]}{Derating\ Factor\ (CMU, Transaction_i)} \right)$$

290. The Derating Factor (CMU,t) – where t can be replaced by t_{TCC} for the previous formulas – is expressed as follows:

$$Derating\ Factor\ (CMU, t) = \frac{\sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t) * Derating\ Factor(CMU, Transaction_i)]}{Total\ Contracted\ Capacity_{max}(CMU, DP)}$$

[10] The eighty percent is a margin of tolerance.
[11] The eighty percent is a margin of tolerance.

Each element of the formulas above are defined as follows:

- t_{TCC} is defined by the time at which the maximal Total Contracted Capacity is identified over the Delivery Period DP;
- $t_{control}$ is the moment at which the pre-delivery control takes place;
- n represents the number of Contracted Capacities related to Transaction Period that overlaps the time t_{TCC} and $t_{control}$;
- $Transaction_i$ is one of the Transactions related to the CMU;
- $Derating\ Factor\ (CMU, Transaction_i,)$ is the Derating Factor contractually associated to $Transaction_i$ in the Capacity Contract:
- $Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})$ represents the Contracted Capacity associated to the Transaction i related to the CMU and to a Transaction Period that overlaps the time t_{TCC} and $t_{control}$;
- $Contracted\ Capacity\ (CMU, Transaction_i, t_{TCC})$ represents the Contracted Capacity associated to the Transaction i related to the CMU and to a Transaction Period that overlaps the time t_{TCCl};
- $Total\ Contracted\ Capacity_{max}\ (CMU, DP)$ is the maximum Total Contracted Capacity over the Delivery Period DP (which represents also the sum of all the Contracted Capacities at time t_{TCC}).

291. Some examples of Pre-delivery Obligation determination are given in annex 17.2.2.

7.3.1.1.2. Step 2: Determination of the Delivery Point's Pre-delivery Measured Power

292. In this step, ELIA determines the Pre-delivery Measured Power of each Delivery Point – hereinafter referred to as $[PreDelivery\ Measured\ Power]_{Delivery\ Point}$ – part of the CMU.

The Pre-delivery Measured Power of a Delivery Point results from the analysis of the 15-minutes measurements of the Delivery Point over a specific time series (this time frame is defined by the period of time over which ELIA has available data for this Delivery Point – as defined further in this section). Therefore, to determine it, ELIA uses the two following methods:

- **Method 1 – Use of historical data:**

  For Delivery Points for which historical data of the 15-minutes measurements are available for a period of at least ten consecutive calendar days during the year preceding the time $t_{control}$, ELIA uses the method 1. This method aims to minimize the impact on the Capacity Provider's operational processes. When the use of this method is impossible, ELIA applies method 2 defined right below.

  The time series used by ELIA for this method is defined as follows:

  - It starts with the first injection or offtake into the grid if the Delivery Point is connected to it since less than twelve months from the time $t_{control}$;
  - It starts twelve months before the the time $t_{control}$ if the Delivery Point is connected to the grid since more than twelve months from the time $t_{control}$;
  - It ends at time $t_{control}$;
  - In this times series, a range of thirty-six hours in rolling-window is considered (each

one starting from 12:00 until the following day at 23:45);

- On each of these 36 hours, the highest power variation is determined as below:
  - For injection, it consists in the difference between the highest and the lowest 15-minutes measurement;
  - For consumption, it corresponds to the difference between the highest 15-minutes measurement and the Unsheddable Margin communicated as part of the Prequalification File;
  - For Delivery Point with both injection and consumption, the methodology is applied for both offtake Delivery Points & injection Delivery Points in parallel. This means that the corresponding Pre-delivery Measured Power is equal to the sum of the absolute value of the Pre-delivery Measured Power from the offtake and the absolute value of the Pre-delivery Measured Power from the injection.

- **Method 2 – Organization of a pre-delivery test**

For Delivery Points for which no historical data of the 15-minutes measurements are available for a period of at least ten consecutive calendar days during the year preceding the time $t_{control}$, ELIA uses the method 2. This method is also used by ELIA in case the Capacity Provider contest the results of a pre-delivery control (according to section 7.3.1.1.5.2).

In case this method is used, ELIA sends a notification to the Capacity Provider via the CRM IT interface, asking him for a pre-delivery test date. This test date is located within twenty Working Days starting from ELIA's notification and also communicated to ELIA via the CRM IT interface within five Working Days starting from ELIA's notification. In case no date is communicated to ELIA by the Capacity Provider in the foreseen timeframe:

- For the determination of a provisional Pre-delivery Measured Power (according to section 7.3.1.1.5), ELIA applies by default the method 1 (use of historical data) to determine the Pre-delivery Measured Power for a period of twenty calendar days ending from ELIA's pre-delivery test notification;
- For the determination of final Pre-delivery Measured Power (according to section 7.3.1.1.5), ELIA stops the process and considers the provisional Pre-delivery Measured Power as the final Pre-delivery Measured Power.

The date of the pre-delivery test as communicated to ELIA by the Capacity Provider indicates the start of the test date; the test beginning at 12.00 and finishing the day after at 23.45.

To select the date of the pre-delivery control ($t_{control}$) and therefore the moment at which a pre-delivery test date is asked, ELIA takes into account unavailabilities (e.g.: outage) communicated by the Capacity Provider via other relevant processes (a.o: outage schedules).

The Pre-delivery Measured Power, as determined by this method, equals:

- For injection, the difference between the highest and the lowest 15-minutes measurement over the test duration;
- For consumption, the difference between the highest 15-minutes measurement over the test duration and the Unsheddable Margin;
- For both injection and consumption, the sum of the absolute value of the Pre-delivery Measured Power for the offtake (determined following bullet point n°2 above) and

the Pre-delivery Measured Power for the injection (determined following bullet point n°1 above).

7.3.1.1.3. Step 3: Determination of the CMU's pre-delivery Measured Power

293. The third step of the pre-delivery control is to determine the Pre-delivery Measured Power of the CMU, hereinafter referred to as $[PreDelivery\ Measured\ Power]_{CMU}$. As defined in the formula that follows, it is simply equal to the sum of the Pre-delivery Measured power of each Delivery Point part of this CMU:

$$[Pre-Delivery\ Measured\ Power]_{CMU} = \sum_{i=1}^{n} [PreDelivery\ Measured\ Power]_{Delivery\ Point\ i}$$

7.3.1.1.4. Step 4: Determination of the Missing Volume

294. The fourth step of the pre-delivery control is to evaluate the Missing Volume. Such volume is defined by the maximum between zero and the difference between the Pre-delivery Obligation defined at step 1 and the Pre-delivery Measured Power of the CMU determined at step 3.

$$Missing\ Volume = Max\left(0\ ;\ ([PreDelivery\ Obligation]_{CMU} - [PreDelivery\ Measured\ Power]_{CMU})\right)$$

As detailed later in section 7.3.1.2 for an Existing CMU and annex 17.1.1 for an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements), in case of positive Missing Volume, penalties apply to the Capacity Provider and the results of the pre-delivery control (as per section 7.3.1.1.5 for an Existing CMU and annex 17.1.1 for an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements) may be used by ELIA as an input to organize an audit in order to check if the Nominal Reference Power of the CMU is still valid.

7.3.1.1.5. Step 5: Pre-delivery control results notification

295. The last step of the pre-delivery control is the communication of the results related to such control. This section describes therefore how and when these results are notified by ELIA/Contractual Counterparty to the Capacity Provider as well as how the latter can contest them, if needed.

7.3.1.1.5.1. Report issuance

296. The (provisional) results of the pre-delivery control includes:

- The Pre-delivery Obligation of the CMU; and
- The (provisional) Pre-delivery Measured Power of each Delivery Point part of the CMU; and
- The (provisional) Pre-delivery Measured Power of the CMU; and
- The Missing Volume; and
- The penalties (as per section 7.3.1.2 for an Existing CMU and annex 17.1.1 for an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements).

The (provisional) results of the pre-delivery control are notified by ELIA/Contractual Counterparty to the Capacity Provider via the CRM IT within maximum ten Working Days from:

- The pre-delivery control date $(t_{control})$ for provisional results; or
- The new pre-delivery test date (in case of contestation – according to section 7.3.1.1.5.2) for final results

7.3.1.1.5.2. Contestation

297. The provisional results of the pre-delivery control are deemed final if no contestation is raised by the Capacity Provider within ten Working Days as from the provisional results notification date by ELIA/Contractual Counterparty (according to section 7.3.1.1.5.1 for an Existing CMU and annex 17.1.1 for an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements).

298. In case of contestation, the Capacity Provider:

- Notifies his contestation through the CRM IT interface, within the above mentioned time period; and
- Indicates the reason of such contestation; and
- Requests the organization of a (new) pre-delivery test (following the rules of method 2 described in section 7.3.2.1.1.2) to be performed along with one proposed date that is not later than fifteen Working Days from the provisional results notification date (section 7.3.1.1.5.1 for an Existing CMU and annex 17.1.1 for an Additional CMU which already includes Delivery Point(s) compliant with the metering requirements). The 5-step process detailed in section 7.3.1.1 is therefore restarted by ELIA.

299. The Capacity Provider can contest the results of a pre-delivery control only once per provisional results notification by ELIA/Contractual Counterparty. In case the Capacity Provider wishes to contest the final results of the pre-delivery control, he follows the generic contestation process described in the chapter 13.

300. The Pre-delivery Measured Power of the CMU obtained after contestation – if higher than the initial one – is considered as final and notified to the Capacity Provider following the process notification as per section 295. If it is lower, the provisional Pre-delivery Measured Power of the CMU is considered as valid and final.

7.3.1.2. Pre-delivery control penalties

301. In case of positive Missing Volume for an Existing CMU (as detailed in section 7.3.1.1.4), ELIA/Contractual Counterparty applies a financial penalty equivalent to 10.000 Euro divided by two[12] and multiplied by the percentage of Missing Volume and the maximum Total Contracted Capacity over the Delivery Period DP. This is expressed in the following formula:

$$Financial\ penalty\ (in\ EUR) = 10.000 \times \frac{1}{2} \times \%Missing\ Volume \times Total\ Contracted\ Capacity_{max}(CMU, DP)$$

[12] Two represents the maximum number of tests that ELIA can perform for a CMU and for a Delivery Period DP (as per paragraph 287)

Where the $Total\ Contracted\ Capacity_{max}(CMU, DP)$ is defined in paragraph 290 and the percentage of Missing Volume ($\%Missing\ Volume$) is equal to the ratio between the Missing Volume (as detailed in section 7.3.1.1.4) and the Pre-delivery Obligation (as detailed in section 7.3.1.1.1). This is expressed by the following formula:

$$\%Missing\ Volume = \frac{Missing\ Volume}{[PreDelivery\ Obligation]}$$

302. For sake of clarity and without prejudice to the above, a Capacity Provider remains always fully responsible to find by himself an alternative solution (e.g. the Secondary Market) in the event that he notices a Missing Volume in advance (Missing Volume on-going or to come).

7.3.2. Pre-delivery control for Additional and Virtual CMU

7.3.2.1. Pre-delivery control

303. The purpose of the pre-delivery control on an Additional/Virtual CMU is to ensure for ELIA that the CMU's Contracted Capacities become available before the start of the related Transaction Period(s).

To do so, the Capacity Provider is to respect the following rules:

- For an Additional CMU, all the Contracted Capacities are Existing Capacities (the process to be followed to change from an Additional Capacity to an Existing Capacity can be found in annex 17.1.19 related to the chapter Prequalification Processes) as from the start of their related Delivery Period DP;
- For a Virtual CMU:
  - 75 % of the maximum Total Contracted Capacity becomes Existing (the process to be followed to change from a Virtual CMU to Existing CMU(s) can be found in annex 17.1.20 related to the chapter Prequalification Processes) at latest five Working Days before the end of pre-delivery phase 1 (according to section 7.2.1.2 for the definition of the phase 1); and
  - The remaining 25 % of the maximum Total Contracted Capacity becomes Existing (the process to be followed to change from Virtual CMU to Existing CMU can be found in annex 17.1.20 related to the chapter Prequalification Processes) as from the start of their related Delivery Period DP.

304. The Contracted Capacity(ies) related to a Delivery Period DP is(are) subject to the pre-delivery control described in annex 17.2.7 (based on the rules of the pre-delivery control for an Existing CMU):

- As from the moment all the Contracted Capacities related to a Delivery Period DP are Existing Capacities; or
- As from the moment the Delivery Period DP starts.

An Additional/Virtual CMU is also subject to a specific pre-delivery control following the process detailed from section 7.3.2.1.1 to 7.3.2.1.4.2 and according to the test modalities described hereunder:

- The pre-delivery control is realized on the (Virtual) CMU level (one CMU at a time); and
- The pre-delivery control is related to one Delivery Period DP.

7.3.2.1.1. Determination of the Pre-delivery Obligation

305. The Pre-delivery Obligation is the volume of the CMU that may be subject to the pre-delivery control(s) performed by ELIA.

7.3.2.1.1.1. Additional CMU

306. The Pre-delivery Obligation for an Additional CMU depends on whether the CMU is an Energy Constrained CMU or not:

- If the Additional CMU is a **Non-Energy Constrained CMU**, the Pre-delivery Obligation corresponds to the difference between the maximum Total Contracted Capacity associated to this CMU over the Delivery Period DP at the time of the pre-delivery control[13] and the sum of the Contracted Capacities for which the Transaction Period overlaps the time $t_{control}$ and the time t_{TCC} :

$$[PreDelivery\ Obligation]$$
$$= Total\ Contracted\ Capacity_{max}(CMU, DP) - \sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})]$$

- If the Additional CMU is an **Energy Constrained CMU**, the Pre-delivery Obligation corresponds to the difference between the ratio between the maximum Total Contracted Capacity associated to this CMU over the Delivery Period DP and a Derating Factor (as detailed in paragraph 290 and the ratio between the sum of Contracted Capacities for which the Transaction Period overlaps the time $t_{control}$ and the time t_{TCC} , divided by another Derating Factor (as detailed in paragraph 290):

$$[PreDelivery\ Obligation]$$
$$= \frac{Total\ Contracted\ Capacity_{max}(CMU, DP)}{Derating\ Factor} - \sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})]}{Derating\ Factor\ (CMU, Transaction_i)}$$

Where,

- $Total\ Contracted\ Capacity_{max}(CMU, DP)$ is defined in paragraph 290;
- $Derating\ Factor(CMU, t_{TCC})$ is defined in paragraph 290;
- $Contracted\ Capacity\ (CMU, Transaction_i, t_{control}, t_{TCC})$ is defined in paragraph 290;
- $Derating\ Factor\ (CMU, Transaction_i)$ is defined in paragraph 290.
- t_{TCC} is defined in paragraph 290;
- $t_{control}$ is the moment at which the pre-delivery control takes place (the oment at which the quarterly report is anylzed by ELIA);
- n is defined in paragraph 290;

[13] In the event that a Capacity Contract(s) is(are) adapted, the maximum Total Contracted Capacity associated to the CMU over the Delivery Period DP at the time of the pre-delivery control is therefore evaluated with the volumes associated to the new Capacity Contract(s).

- $Transaction_i$ is defined in paragraph 290;

7.3.2.1.1.2. Virtual CMU

307. For a Virtual CMU, the Pre-delivery Obligation evolves in function of the moment of occurrence of the pre-delivery control ($t_{control\,1}$ or $t_{control\,2}$ – defined below in section 7.3.2.1.2.3)

- If the pre-delivery control takes place at $t_{control\,1}$, the Pre-Delivery Obligation is equal to seventy-five percent of the maximum Total Contracted Capacity of the Virtual CMU over the Delivery Period DP at the time of the pre-delivery control. This is represented by the following formula:

$$[PreDelivery\ Obligation]_1 = 75\% \times Total\ Contracted\ Capacity_{max}(VCMU, DP)$$

- If the pre-delivery control takes place at $t_{control\,2}$, the Pre-Delivery Obligation is equal to twenty-five percent of the maximum Total Contracted Capacity of the Virtual CMU over the Delivery Period DP at the time of the pre-delivery control. This is represented by the following formula:

$$[PreDelivery\ Obligation]_2 = 25\% \times Total\ Contracted\ Capacity_{max}(VCMU, DP)$$

7.3.2.1.2. Quarterly reports submission to ELIA

7.3.2.1.2.1. Timing

308. To support the pre-delivery controls, the Capacity Provider shares quarterly reports with ELIA via the CRM IT Interface. There are as many quarterly reports sent out every three months as there are Delivery Periods DP which are linked to the (V)CMU. However, if needed, the Capacity Provider is allowed to link a same quarterly report to more than one CMUs or to provide exactly the same quarterly report for different Delivery Periods DP. Such report is sent upon the following conditions (information related to this quarterly report can be found in annex 17.2.4):

- Quarterly reports are submitted on the following periods of time:
  - From December 15th to January 1st;
  - From March 15th to April 1st;
  - From June 15th to July 1st;
  - From September 15th to October 1st.
- The date of the first report corresponds to:
  - For an **Additional CMU**: The closest future period of time – amongst the 4 possibilities identified above – of the effective project's start date (Such date is communicated to ELIA as part of the Prequalification File – section 5.4.1.1.2;
  - For a **Virtual CMU**: A date located between December 15th and January 1st of the year right after the Auction result notification (defined in section 6.4.5).
- Quarterly reports are due for a CMU as long as:
  - All the Contracted Capacities linked to that CMU and related to a Transaction has not become Existing Capacities (see annexes 17.1.19 and 17.1.20); and

- This CMU remains associated to at least one Contracted Capacity[14].

7.3.2.1.2.2. Modalities

309. A quarterly report consists of a single document which evolves over time. Each time it is provided to ELIA, it includes at least the following information:

- For an Additional CMU:
  - An update of the project execution plan (including the update of the dates for the key milestones) provided as part of the Prequalification File (see section 5.4.1.1.2) related to the Additional CMU;
  - An identification of the (residual) delay(s) – if any - along with a mitigiation plan to cope with this(these) delay(s) (according to section 7.3.2.1.2.3);
  - A follow-up of the Infrastructure Works that could influence the on-going project realization and timing as identified in the project execution plan provided as part of the Prequalification File (see section 5.4.1.1.2), supported by a written confirmation from the concerned infrastructure operator (Fluxys or the DSOs).
- For a Virtual CMU:
  - An update of the project execution plan (including the update of the dates for the key milestones) provided as part of the Prequalification File (see 5.4.1.1.2);
  - An identification of the (residual) delay(s) – if any - along with a mitigiation plan to cope with this(these) delay(s) (according to section 7.3.2.1.2.3);

7.3.2.1.2.3. Delay identification

310. A delay is defined by a non-compliance with the timings defined during the Prequalification Process in the project execution plan (see annex 17.1.14) in:

311. A delay is identified by the Capacity Provider within his quarterly report(s) when:

- It is linked to Project Works or Infrastrcuture Works; and
- $Missing\ Volume \geq 1\ MW$; and
- It leads to an Unvailable Capacity for at least one month, starting from the first day of the first corresponding Delivery Period (Delivery Period DP); and

A declared delay is always linked to a Delivery Period DP. Furthermore, each delay is provided to ELIA along with the measures taken to cope with it in a mitigation plan.

312. For an Additional CMU, a delay declared in a quarterly report can be linked to Project Works or to Infrastructure Works. However, the modalities above and below (according to section 7.3.2) only apply for Project Works. Modalities and processes associated to a delay on Infrastructure Works are further described in section 14.9.

[14] A Contracted Capacity associated to an Additional/Virtual CMU can indeed – via the Secondary Market (as per chapter 9) – be transferred to an Existing CMU.

7.3.2.1.3. Quarterly report analysis and Missing Volume determination

313. Based on the elements provided by the Capacity Provider in his quarterly reports, ELIA may require additional information, explanation or details to the Capacity Provider. Such request is sent from the CRM IT interface and answered to by the Capacity Provider within a period of twenty Working Days starting from ELIA's request. In the event that the Capacity Provider does not come back to ELIA within the foreseen timeframe, ELIA considers the $\%\text{Missing Volume}$ (as defined in the following sections 7.3.2.1.3.1 and 7.3.2.1.3.2) as equal to 100%.

314. To determine if the Contracted Capacities will become available before the start of the related Transaction Period(s), ELIA realizes a pre-delivery control at two specific times during each Pre-delivery Period linked to the (V)CMU:

- At $\boldsymbol{t_{control\,1}}$ which is 1 Working Day before the end of the phase 1 (section 7.2.1.2);
- At $\boldsymbol{t_{control\,2}}$ which is the start date of the Delivery Period DP.

315. During these two pre-delivery controls, ELIA analyzes the received quarterly reports to identify a Missing Volume. The way to determine this Missing Volume is described in the two sections below.

7.3.2.1.3.1. Additional CMU

316. For an Additional CMU, the Missing Volume is determined by the Capacity Provider himself in one of his quarterly report twice per Delivery Period DP:

- Any time before the time $\boldsymbol{t_{control\,1}}$;
- Any time betwee the time $\boldsymbol{t_{control\,1}}$ and the time $\boldsymbol{t_{control\,2}}$.

317. This Missing Volume represents the part of the maximum Total Contracted Capacity for which a residual delay is identified. A residual delay – related to a specific Delivery Period DP – is a delay (according to section 7.3.2.1.2.3) linked to the Project Works and for which no solution (no mitigation plan) to compensate it, has been found by the Capacity Provider. Therefore, because of a residual delay, all the Contracted Capacities do not become Existing Capacities as from the start of the Delivery Period DP. For the sake of clarity, a mitigation plan is communicated to ELIA at the latest via the last quarterly report sent before the start of the Delivery Period DP. In absence of mitigation plan at $\boldsymbol{t_{control\,2}}$, ELIA applies the financial penalties corresponding to the Missing Volume related to this residual delay (as per section 7.3.2.2.1.1).

318. When the Capacity Provider declares a Missing Volume in a quarterly report, he is also invited to declare (as stated in annex 17.2.4) to which Transaction(s) – among the Transactions linked to the Additional CMU – it is related to as well as the period referred to hereafter as "unavailability period" impacted by this Missing Volume. The period is defined by a specific start and end date both included in the Delivery Period DP and higher than or equal to one month.

7.3.2.1.3.2. Virtual CMU

319. For a Virtual CMU, a Missing Volume is identified by ELIA and the way to determine it depends on the moment at which the pre-delivery control takes place:

- **At $\boldsymbol{t_{control\,1}}$:**

  The Missing Volume corresponds to the maximum between zero and the

$PreDelivery\ Obligation_1$ (according to section 7.3.2.1.1.1) reduced by the $prequalified\ volume_1$, which is represented by the following formula:

$$Missing\ Volume_1 = Max\ (0\ ;\ [PreDelivery\ Obligation_1 - prequalified\ volume_1\ ])$$

$[prequalified\ volume_1\ ]$ represents the volume share of the Virtual CMU which has followed the required process (as per annex 17.1.20) to get the "Existing" status at time $t_{control\ 1}$. It is espressed in the following formula:

$$prequalified\ volume_1 = \sum_{i=1}^{n} [Reference\ Power\ (CMU_i) \times Derating\ Factor(CMU_i; t_{bid})]$$

- **At $t_{control\ 2}$:**

The Missing Volume corresponds to the maximum between zero and the $PreDelivery\ Obligation_2$ reduced by the $[prequalified\ volume_2\ ]$, which is represented by the following formula:

$$Missing\ Volume_2 = Max\ (0\ ;\ [PreDelivery\ Obligation_2 - prequalified\ volume_2\ ])$$

$[prequalified\ volume_2\ ]$ represents the additional part of the volume share of the Virtual CMU which has followed the required process (as per annex 17.1.20) to get the "Existing" status between $t_{control\ 1}$ and $t_{control\ 2}$. It is expressed in the following formula:

$$prequalified\ volume_2 = \sum_{i=1}^{n} [Reference\ Power\ (CMU_i) \times DeratingFactor(CMU_i; t_{bid})]$$

Each element of the formulas above are defined as follows:

- n is the number of Existing CMU_i linked to the Virtual CMU that the Capacity Provider has created at time $t_{control\ 1}$ for the $prequalified\ volume_1$ and between $t_{control\ 1}$ and $t_{control\ 2}$ for the $prequalified\ volume_2$;
- t_{bid} is the moment in time at which the Capacity Provider made one (or more) bid(s) with his VCMU;
- CMU_i is one of the Existing CMUs related to the Virtual CMU and created by the Capacity Provider;
- $DeratingFactor(CMU_i; t_{bid})$ represents the Derating Factor related to the Existing CMU_i and considered as valid at the time t_{bid};
- $Reference\ Power\ (CMU_i)$ is the Reference Power of the Existing CMU_i related to the Virtual CMU.

320. For sake of clarity and without prejudice to the above, it is the Capacity Provider's responsibility to include the time needed by ELIA to validate the change from a Virtual CMU to an Existing CMU (as per annex 17.1.20). Therefore, ELIA cannot be held responsible in case the CMU does not get his Existing status prior to the two targets above (at time $t_{control\ 1}$ and $t_{control\ 2}$).

7.3.2.1.4. Pre-delivery control results notification

321. This section describes the communication of the results related to the pre-delivery control. It describes therefore how and when these results are notified by ELIA/Contractual Counterparty to the Capacity Provider.

7.3.2.1.4.1. Report issuance

322. ELIA/Contractual Counterparty notifies the pre-delivery control results to the Capacity Provider twice per Delivery Period DP. Both notifications occur within a period of twenty Working Days starting from $t_{control\,1}$ or $t_{control\,2}$.

323. The results of the pre-delivery control notified by ELIA/Contractual Counterparty to the Capacity Provider for an Additional and a Virtual CMU includes:

- The Pre-delivery Obligation (as per section 7.3.2.1.1); and
- The Missing Volume as per section 7.3.2.1.3; and
- The financial penalties as per section 7.3.2.2.1; and
- The impact on its related Capacity Contract as per section 7.3.2.2.2.

7.3.2.1.4.2. Contestation

324. No contestation scheme is foreseen here by ELIA following a pre-delivery control results notification for an Additional and a Virtual CMU. However, in case the Capacity Provider still wishes to contest the results, he can follow the generic contestation process described in the chapter 13.

7.3.2.2. Pre-delivery control penalties

7.3.2.2.1. Financial penalties

325. A financial penalty is due from the moment a Missing Volume is notified to the Capacity Provider (as per section 7.3.2.1.3) and payable after the potential contestation (according to section 7.3.2.1.4.2) is over. The possible actions for ELIA consecutive to the non-payment of a financial penalty are described in the chapter 10.

7.3.2.2.1.1. Additional CMU

326. For an Additional CMU, the financial penalty depends on when[15] the residual delay is declared to ELIA. It is represented in the following formulas:

- If the Missing Volume is determined at $t_{control\,1}$:

$$Financial\ penalty\ (in\ EUR) = \frac{1}{2} \times \beta \times \%Missing\ Volume \times Total\ Contracted\ Capacity_{max}(CMU, DP)$$

- If the Missing Volume is determined at $t_{control\,2}$:

$$Financial\ penalty\ (in\ EUR) = \beta \times \%Missing\ Volume \times Total\ Contracted\ Capacity_{max}(CMU, DP)$$

The elements part of the above formulas are defined as follows:

- $\%\boldsymbol{Missing\ Volume}$

  $\%Missing\ Volume$ is the ratio between the Missing Volume (according to section 7.3.2.1.3.1) and the Pre-delivery Obligation (according to section 7.3.2.1.1.1). The

[15] This is an incentive for Capacity Provider to declare honestly a residual delay before $t_{control\,1}$: (so it can be replaced by ELIA by an additional volume to procure in the forthcoming Y-1 Auction).

foregoing is represented in the following formula:

$$\%Missing\ Volume\ (\boldsymbol{in}\ \%) = \frac{Missing\ Volume}{[PreDelivery\ Obligation]}$$

- $\boldsymbol{Total\ Contracted\ Capacity_{max}(CMU, DP)}$

  $Total\ Contracted\ Capacity_{max}(CMU, DP)$ is here the maximum Total Contracted Capacity over the Delivery Period DP before any adaptation of one more Capacity Contracts (as per section 7.3.2.2.2).

- **Amount β**

  $\boldsymbol{\beta}$ represents an amount (in EUR per MW) evolving with the quarterly report submission date and depends on whether or not one of the key milestones provided by the Capacity Provider during his Prequalification Process (according to annex 17.1.14) is reached at the time of quarterly report submission. The amount β is therefore equal to:

  - 15.000 EUR/MW if the key milestone #3 (according to annex 17.1.14) is either:
    - Relevant for the concerned project and reached by the Capacity Provider prior to $t_{control\ 1}$ when performing the pre-delivery control at $t_{control\ 1}$ and prior to $t_{control\ 2}$ when performing the pre-delivery control at $t_{control\ 2}$; or
    - Not relevant for the concerned project.
  - 20.000 EUR/MW if the key milestone #3 (according to annex 17.1.14) is not reached yet prior to $t_{control\ 1}$ when performing the pre-delivery control at $t_{control\ 1}$ and prior to $t_{control\ 2}$ when performing the pre-delivery control at $t_{control\ 2}$.

7.3.2.2.1.2. Virtual CMU

327. For a Virtual CMU, the financial penalty depends on when the pre-delivery control is performed by ELIA:

- When the pre-delivery control is performed at $t_{control\ 1}$ (as detailed in section 7.3.2.1.3.2), the financial penalty is proportional to the percentage of Missing Volume as represented in the following formula:

$$Financial\ penalty_{\ 1}(in\ EUR)$$

$$= 75\% \times 20.000\ (^{EUR}/_{MW}) \times \%Missing\ Volume_1 \times\ Total\ Contracted\ Capacity_{max}(CMU, DP)_{CMU}$$

  Such percentage of Missing Volume is equal to the ratio between the $Missing\ volume_1$ (as detailed in section 7.3.2.1.3.2) and the $PreDelivery\ Obligation_1$ (as detailed in section 7.3.2.1.3.2) as expressed in the below formula:

$$\%\text{Missing Volume}_1\ (\text{in }\%) = \frac{Missing\ volume_1}{PreDelivery\ Obligation_1}$$

- When the pre-delivery is performed at $t_{control\ 2}$ (as detailed in section 7.3.2.1.3.2), the financial penalty is proportional to the percentage of Missing volume as represented in the following formula:

$$Financial\ penalty_{\ 2}\ (in\ EUR)$$

$$= 25\% \times 20.000(^{EUR}/_{MW}) \times \%Missing\ Volume_2 \times\ Total\ Contracted\ Capacity_{max}(CMU, DP)_{CMU}$$

  Such percentage of Missing Volume is equal to the ratio between the $Missing\ volume_2$ (as detailed in section 7.3.2.1.3.2) and the $PreDelivery\ Obligation_2$ (as detailed in section 7.3.2.1.1.2) and as expressed in the below formula:

$$\%\text{Missing Volume}_2(\text{in }\%) = \frac{Missing\ Volume_2}{PreDelivery\ Obligation_2}$$

7.3.2.2.2. Impact on Contracted Capacity

328. In addition to the financial penalty calculated as per section 7.3.2.2.1, a Missing Volume may also impact the Contracted Capacity(ies).

    If a Missing Volume is identified for a specific Delivery Period DP during the phase 1 (as detailed in section 7.2.1.2), the initial Contracted Capacity(ies) related to the Delivery Period is(are) reduced by the Missing Volume for their entire related Transaction Period and the Capacity Contract(s) is(are) therefore adapted accordingly. The adaptation of the Contracted Capacity(ies) is done pro rata between:

    - All the remaining Contracted Capacity(ies) related to the Delivery Period DP in case of Virtual CMU (as illustrated in annex 17.2.5);
    - All the Contracted Capacity(ies) linked to a residual delay and chosen by the Capacity Provider as part of the last quarterly report (as defined in paragraph 316) sent before $t_{control\ 1}$ in case of Additional CMU (as illustrated in annex 17.2.5).

    The Capacity Contract(s) is(are) also terminated in case:

    - The Capacity Contract Duration(s) left is(are) equal to one year; and
    - One of the following conditions are met:
        - $[PreDelivery\ Obligation] = Missing\ Volume$ for an Additional CMU; or
        - $[PreDelivery\ Obligation_1] = Missing\ volume_1$ for a Virtual CMU.

329. On the contrary, a Contracted Capacity is not impacted if the Missing Volume is identified during phase 2 (as detailed in section 7.2.1.2).

8. AVAILABILITY MONITORING AND TESTING

8.1. INTRODUCTION

330. This document describes the Availability Obligation of every Capacity Provider throughout the Delivery Period for which they have Contracted Capacity for their Capacity Market Unit(s) (CMU(s)). It explains in detail the principles, conditions and processes regarding the Availability Obligation of a Capacity Provider. The purpose of this obligation is to ensure the availability of the Contracted Capacity in the Auctions during the Delivery Period, including those transferred via the Secondary Market.

    Section 8.2 lists the general principles, providing the basis for more elaborated rules in the subsequent chapters.

    Section 8.3 describes the obligation for a Capacity Provider to notify ELIA of temporary limitations on the capacity of their CMUs, as well as the modalities for this notification.

    Section 8.4 describes the Availability Monitoring. It comprises the identification of the precise moments during the Delivery Period relevant for this mechanism as well as how ELIA verifies whether the Capacity Provider has committed to the obligation.

    Section 8.5 describes the modalities for Availability Tests, as a complementary tool to the Availability Monitoring to verify whether the Capacity Provider has committed to the obligation.

    Section 8.6 describes the rules to determine a penalty if the Capacity Provider has been found, through Availability Monitoring or Availability Test, to have violated their Availability Obligation.

8.2. GENERAL PRINCIPLES

331. This section describes the general principles applicable to every Capacity Market Unit (CMU) with Contracted Capacity as part of the Availability Obligation throughout the Delivery Period 'Y'.

332. For the sake of clarity, a CMU as specified in this section of the functioning rules corresponds to a 'CMU with Contracted Capacity'.

333. ELIA verifies the Capacity Provider's commitment to the Availability Obligation, through either Availability Monitoring (as detailed in section 8.4) or Availability Tests (as detailed in section 8.5). Both take into account Unavailable Capacity declared by the Capacity Provider (as detailed in section 8.3). ELIA notifies the Capacity Provider, and the Contractual Counterparty, if ELIA is not the Contractual Counterparty, of any violations and consequential Unavailability Penalties (as detailed in section 8.6). The Contractual Counterparty includes any due Unavailability Penalty an invoice towards the Capacity Provider.

334. The Capacity Provider is at all times responsible for the provision of correct, complete and up to date information to ELIA for the purpose of the Availability Obligation. ELIA and the

Contractual Counterparty are not liable for penalties incurred by the Capacity Provider as a result of incorrect, incomplete or out of date information.

8.3. LIMITATIONS ON AVAILABLE CAPACITY

335. In case the Capacity Provider is aware of a limitation on the Capacity of their CMU, the Capacity Provider notifies ELIA via the CRM IT interface by providing the following information:

- The CMU ID; and
- The Remaining Maximum Capacity; and
- The start date and time of the unavailability; and
- The end date and time of the unavailability; and
- The reason for the unavailability, being one of the following:
  - Planned Outage; or
  - Forced Outage; or
  - Other limitation, with description provided by the Capacity Provider.

ELIA only accepts such a notification if:

- It contains all above information; and
- The Remaining Maximum Capacity does not surpass the last updated Nominal Reference Power of the CMU, according to section 5.8; and
- If notified after 9:00 CET the day before the start date of the unavailability, does not state a higher Remaining Maximum Capacity than the last notified Remaining Maximum Capacity.

336. At any date and time 't' during the Delivery Period 'Y' and for any CMU, ELIA applies the Remaining Maximum Capacity in the last notification by the Capacity Provider applying for a period covering 't'. In case no limitations were declared for date and time 't', the Remaining Available Capacity is equal to the Nominal Reference Power of the CMU.

337. The Capacity Provider performs this notification as soon as possible and at the latest 9:00 CET the day before the start date of the unavailability. ELIA registers the unavailability communicated in this way as Announced Unavailable Capacity, equal to the last updated Nominal Reference Power minus the Remaining Maximum Capacity in the notification. This is represented by the following formula:

$$P_{Announced,Unavailable}(CMU,t) = NRP(CMU,t) - P_{Max,Remaining}(CMU,t)$$

Where:

- $P_{Max,Remaining}(CMU,t)$ is the Remaining Maximum Capacity in the notification
- $NRP(CMU,t)$ is the last updated Nominal Reference Power for the CMU
- $'t'$ represents any date and time within the Delivery Period and the start and end date in the notification.
- Every day during the Delivery Period, Elia notes the last accepted Maximum Remaining

Capacity notified before 9:00 CET for each CMU as Maximum Remaining Capacity DA(CMU,t) applying to each AMT Hour in the following day. This quantity is used for the settlement of the Payback Obligation (as detailed in chapter 11).

338. ELIA uses Announced Unavailable Capacity when establishing the Unavailability Penalty (according to section 8.6), as well as determining the Obligated Capacity for Availability Tests (according to section 8.5). A Capacity Provider can declare Announced Unavailability for a maximum of sixty calendar days cumulatively over a single Delivery Period. Once this limit is reached, the abovementioned obligations to notify limitations on the Capacity persist but ELIA no longer registers Announced Unavailable Capacity. Any limitations at this point result in unannounced unavailable capacity.

339. ELIA monitors the declaration of Announced Unavailable Capacity for a CMU with respect to indicators of presence in the market, such as provision of other services to ELIA or the CMU's scheduling information.

    In case of evidence that the CMU was present in the market, in contradiction with the Announced Unavailable Capacity, ELIA notifies the Capacity Provider and requests explanation for the inconsistency. ELIA notifies the CREG of the evidence and response of the Capacity Provider.

340. In case the Capacity Provider becomes aware of any limitations on their CMU's Capacity after 9:00 CET the day before the start date of the unavailability, the Capacity Provider notifies ELIA as soon as possible. Such a limitation results in unannounced unavailable capacity rather than Announced Unavailable Capacity.

341. Announced Unavailable Capacity is used to determine the Announced Missing Capacity in section 8.6. It is subject to a lower penalty factor for the Unavailability Penalty. Unannounced unavailable capacity is treated in the same fashion as any other form of Unannounced Missing Capacity.

8.4. AVAILABILITY MONITORING

342. The purpose of this section is to describe the Availability Monitoring Mechanism which aim is to determine whether or not the Capacity Provider has committed to their Availability Obligations.

343. This mechanism only applies during specific moments throughout the Delivery Period, more precisely at Availability Monitoring Trigger Moments (AMT Moments) – composed of Availability Monitoring Trigger Hours (AMT Hours) – as identified by ELIA according to a set of rules according to section 8.4.1.

344. When applicable and for the purpose of performing the Availability Monitoring, ELIA requires specific information, in particular but not limited to:

    - The Declared Prices for CMU without Daily Schedule obligations, according to section 8.4.2; and/or
    - Any limitation on CMU's capacity the Capacity Provider may be aware of, upon certain conditions and modalities according to section 8.3.

345. This section contains all the information to be provided for Availability Monitoring by the Capacity Provider, including the modalities.

346. Finally, ELIA verifies on an ad hoc basis and during AMT Moments if the Available Capacity equals the Obligated Capacity for each CMU, to ensure compliance with the Availability Obligation. The applied method depends on the CMU's obligations to communicate information to ELIA outside of the CRM context and potential energy constraints indicated by the Capacity Provider during the Prequalification Process. Section 8.4.3 gives more information about the procedure ELIA applies to determine these quantities.

8.4.1. AMT Moments identification

8.4.1.1. AMT Moments and AMT Hours

347. Throughout the Delivery Period, the Capacity Provider has to make the capacity of their CMU's available, in particular during specific moments called 'Availability Monitoring Trigger Moments' (AMT Moments).

348. Such AMT Moments consist of a string of consecutive Availability Monitoring Trigger Hours (AMT Hours) which are themselves triggered when the Day-Ahead Market Price exceeds the AMT Price (according to section 8.4.1.2).

349. An AMT Moment is either a single AMT Hour or a set of consecutive AMT Hours. Two consecutive AMT Hours cannot be considered as two different AMT Moments unless they are not occurring the same calendar day. ELIA always performs the Availability Monitoring over a complete AMT Moment.

350. The Capacity Provider inquires about the identified AMT Hours and AMT Moments, according to the publication modalities in section 8.4.1.3, and cannot contest them. The notification of the AMT Hours and AMT Moments serve to signal to the Capacity Provider when their Availability Obligation is due (other than an Availability Test instruction, according to section 8.5).

8.4.1.2. AMT Price determination

351. ELIA determines the AMT Price for Delivery Period 'Y' as the minimum of:

- In the median values of prices over all simulated years of Delivery Period 'Y', the price that is surpassed during 100 hours in the latest reference scenario defined in chapter 2, article 4, §1-7 of the on the Methodology to set the auction parameters as meant by art. 7undecies §2 of the Electricity Act, amended with the CMUs cleared in the Y-1 Auction;
- The 10% lowest simulated value of the price that is surpassed during tewnty hours in the simulated years of Delivery Period 'Y', according to the latest reference scenario defined in chapter 2 Article 4, §1-7 of the on the methodology to set the auction parameters as meant by art. 7undecies §2 of the Electricity Act, amended with the CMUs cleared in the Y-1 Auction.

352. ELIA performs the higher-listed amendment of the reference scenario with the CMU's and associate Contracted Capacities cleared in the Y-1 Auction by replacing hypotheses on the type of capacity installed in the reference scenario for the Y-1 Auction with the CMUs awarded Contracted Capacity for the Delivery Period in the Y-1 auction.

353. ELIA publishes the value of the AMT Price for Delivery Period 'Y' on its website by the May 15 prior to the Delivery Period. Prior to every Delivery Period, the Capacity Provider is responsible for monitoring the AMT Price.

8.4.1.3. Modalities

354. After every last Day-Ahead Market gate closure time of the NEMOs composing the Day-Ahead Market Price, ELIA verifies for every hour of the concerned day if the Day-Ahead Market Price exceeds the AMT Price.

- If the Day-Ahead Market Price is equal to or exceeds the AMT Price, the concerning market segment is identified by ELIA as an AMT Hour.
- If the Belgian Day-Ahead Market Price does not exceed the AMT Price, the concerning market segment is not identified as an AMT Hour.

355. ELIA publishes identified AMT Hours and AMT Moments on their website before 15:00 CET the day before the occurrence of the AMT Moments or no later than 18:00 CET in case a fallback procedure for the Day-Ahead Market clearing applies.

356. Section 14.6 on fallback procedure contains the complete set of information on the fallback procedures regarding the identification of AMT Moments.

8.4.1.4. Application of Availability Monitoring during AMT Moments

357. The Capacity Provider provides Available Capacity (determined according to section 8.4.3.2) equaling at least its Obligated Capacity (determined according to section 8.4.3.1) for any AMT Hour during the Delivery Period.

358. ELIA verifies the compliance to this rule on an ad hoc basis, each time over a complete AMT Moment and for all CMU's. ELIA selects the AMT Hours to be verified according to a procedure approved by the CREG. The procedure is not disclosed publically, as in any case the Availability Obligations apply during each AMT Hour and the purpose of Availability Monitoring is to perform a surprise check on the commitment to the obligations.

8.4.2. Declared Market Price and Required Volume

359. This section is only applicable to CMUs without Daily Schedule, as these parameters are not applicable in the Availability Monitoring of CMUs with Daily Schedule (according to section 8.4.3.2.2).

360. For any AMT Hour, ELIA determines the Declared Market Price (DMP) and the Required Volume (according to sections 8.4.2.3.3 and 8.4.2.3.2 respectively) of a CMU without Daily Schedule, based on all Declared Prices and Associated Volumes declared – according to the modalities in sections 8.4.2.1.2 and 8.4.2.2.2 – by the Capacity Provider, as well as the reference electricity market prices for the concerned AMT Hour. This section lists the reference explicitly for each.

361. The Declared Market Price can be summarized as follows:

- Prior to any AMT Moment and within a specific timeframe specified in section 8.4.2.1.2, the Capacity Provider communicates the (set of) Day-Ahead price(s) equal to or above which the Capacity Holder is willing to deliver energy on the Day-Ahead electricity market by dispatching at least its Obligated Capacity. The Capacity Provider may also communicate to ELIA Intraday or Balancing prices equal to or above which the Capacity Holder would be willing to deliver energy to the market by dispatching the CMU's capacity. These three types of prices are considered as Declared Prices according to

section 8.4.2.1.

- In addition to the Declared Prices and according to its real dispatching strategy, the Capacity Provider may provide multiple additional DAM/ID/Balancing price-Associated Volume pairs for a CMU, equal to or above which the Capacity Holder is willing to deliver energy on the Day-Ahead electricity markets for dispatching at least the Associated Volume. These prices are called 'Partial Declared Prices' and 'Associated Volumes' according to section 8.4.2.2.
- The Declared Market Price (DMP) represents the price among the (Partial) Declared Price(s) of the CMU that has been surpassed by the corresponding market price reference for the corresponding AMT Hours and for which the Associated Volume (according to sections 8.4.2.1.3 and 8.4.2.2.3) is the highest. The Declared Market Price (DMP) is used for settlement of the Payback Obligation for CMUs without Daily Schedule according to chapter 11.

362. The Required Volume or 'V_{req}' is the volume expected to be dispatched in reaction to the electricity market prices. ELIA determines it by comparing the Associated Volumes with the corresponding (Partial) Declared Price(s). This parameter is applied to establish Available Capacity during AMT Hours as defined in section 8.4.2.3.2.

363. Subsequently, the Declared Market Price (DMP) is determined according to section 8.4.2.3.3.

8.4.2.1. Declared Prices and Associated Volumes

8.4.2.1.1. Main principles

364. The Capacity Provider continuously notifies Declared Prices to ELIA for CMU(s) without Daily Schedule through declaration(s) whenever an update of this information is required by the Capacity Provider via the CRM IT interface and according to the modalities in section 8.4.2.1.2.

Every Declared Price relates to one of the three price references:

- Reference Price; and
- intraday reference price; and
- Positive Imbalance Price;

The Declared Price related to:

- The Reference Price is called the Declared Day-Ahead Price (DDAP),
- The intraday reference price is called the Declared Intraday Price (DIDP).
- The Positive Imbalance Price is called the Declared Balancing Price (DBALP).

The Capacity Provider can either declare one price per abovementioned electricity market, or a set of 'n' prices, where 'n' corresponds to the amount of market segments for that reference in one day. ELIA then applies each value of the set only during the corresponding market segment indicated by the Capacity Provider (according to section 8.4.2.1.2).

365. ELIA includes at the latest in the Functioning Rules approved before the Y-1 Auction in 2024 for Delivery Period 2025-2026 the intraday reference price(s) which a Capacity Provider is able to select as the reference for their Declared Intraday Price.

8.4.2.1.2. Declaration modalities

366. For each CMU without Daily Schedule, the Capacity Provider has to declare, in according to section 5.4.1.1.2, at least one DDAP or set of DDAPs to ELIA.

In case the Capacity Provider fails to provide such a price to ELIA before the start of a Delivery Period 'Y', ELIA applies a Remaining Maximum Capacity of 0 MW for the CMU, superseding any declarations made by the Capacity Provider according to section 8.3, until a (set of) DDAP(s) has been provided by the Capacity Provider for the CMU. No Announced Unavailable Capacity applies during this period.

367. When updating or declaring Declared Prices, the Capacity Provider includes in the notification:

- CMU ID to which the communicated (Partial) Declared Price(s) applies; and
- For each Declared Price the single value of the price in €/MWh; and
- In case of a set of 'n' prices, where 'n' corresponds to the amount of market segments (DA/ID/BAL, as applicable) for that reference in one day, the start and end time of the market segment for every Declared Price in the set of 'n'.

The notification can contain one or more (sets of) Declared Price(s) provided that it contains the complete information for each of these prices. ELIA accepts the notification under the following conditions:

- All above required information is present in the notification; and
- DDAP does not exceed the Day-Ahead price cap at the time of submission; and
- DIDP does not exceed the intraday reference price cap at the time of submission; and
- DBALP does not exceed the Positive Imbalance Price cap at the time of submission; and
- In case of a set of prices, there are 'n' values given, where 'n' corresponds to the amount of market segments (DA/ID/BAL, as applicable) for that reference in one day.

In case of rejection, the Capacity Provider automatically receives a notification of rejection along with the reasons for rejection. Without prejudice to any following accepted notifications by the Capacity Provider, Elia does not apply the rejected values and instead uses the last accepted ones in accordance with the below-listed timing.

In case of acceptance, the Capacity Provider automatically receives a notification of acceptance.

368. For any future AMT Hour, ELIA applies the last accepted value(s) of (the set of) Declared Day-Ahead Price(s) notified according to the above modalities before 9:00 CET the day before the occurrence of the AMT Hour.

369. For any future AMT Hour, ELIA applies the last accepted value(s) of (the set of) Declared Intraday or Balancing Price(s) notified according to the above modalities before two hours before the start of the AMT Hour.

370. Exclusive of the DDAP, the Capacity Provider may request, when they deem it relevant, ELIA to terminate the application of any of the above Declared Prices, applied according to the abovementioned timing.

8.4.2.1.3. Associated Volume

371. ELIA considers the Associated Volume of any Declared Price(s) as follows:

- For the DDAP, the Associated Volume for one Day-Ahead Market segment is the last updated Nominal Reference Power of the CMU, according to section 5.8
- For the DIDP or DBALP, the Associated Volume for one quarter hour market segment is the last updated Nominal Reference Power of the CMU , according to section 5.8

8.4.2.2. Partial Declared Price and Associated Volume

8.4.2.2.1. Main Principles

372. Partial Declared Prices can optionally be declared via the CRM IT interface, continuously and according to their need, by the Capacity Provider. They complement the Declared Prices, thus serving in no way as a substitute.

373. Multiple Partial Declared Prices (per below-mentioned reference) are allowed for one CMU.

374. Every Partial Declared Price is associated with a volume (Associated Volume) that represents a part of the CMU's capacity. The Capacity Provider therefore includes an Associated Volume for each Partial Declared Price of its CMU(s).

375. Every Partial Declared Prices is related to one of the three following references:

- Reference Price; and
- The reference intraday price; and
- Positive Imbalance Price;

The (set of) Partial Declared Price of CMU related to

- The Reference Price and with an Associated Volume 'x' is registered as a Partial Declared Day-Ahead Price (pDDAPx).
- The reference intraday price and with an Associated Volume 'x' is registered as a Partial Declared Intraday Price (pDIDPx).
- The Positive Imbalance Price and with an Associated Volume 'x' is registered as a Partial Declared Balancing Price (pDBALPx).

376. The Capacity Provider can either declare multiple prices per abovementioned electricity market, or multiple sets of 'n' prices, where 'n' corresponds to the amount of market segments for that reference in one day. ELIA then applies each value of the set only during the corresponding market segment as indicated in the set by the Capacity Provider (according to section 8.4.2.2.2).

377. ELIA includes at the latest in the Functioning Rules approved before the Y-1 Auction in 2024 for Delivery Period 2025-2026 the intraday reference price(s) a Capacity Provider is able to select as the reference for their Partial Declared Intraday Price(s).

378. The Capacity Provider is entitled to continuously update any Partial Declared Price(s) and the Associated Volume after the Capacity Contract signature and up to the end of Delivery Period, according to section 8.4.2.2.2.

8.4.2.2.2. Declaration modalities

379. When updating or declaring Declared Prices, the Capacity Provider includes in the notification:

- The identity of the CMU to which the communicated the (Partial) Declared Price(s) applies; and
- For each (Partial) Declared Price(s), the single value of the price in €/MWh with 0.01 €/MWh precision; and
- For each Partial Declared Price(s), the single value of the Associated Volume to this price in MW with 0.01 MW precision; and
- In case of a set of 'n' prices, where 'n' corresponds to the amount of market segments (DA/ID/BAL, as applicable) for that reference in one day, the start and end time of the market segment for every Declared Price in the set of 'n'.

The notification can contain one or more (sets of) Declared Price(s) provided that it contains the complete information for each of these prices. ELIA accepts the notification under the following conditions:

- Every Partial Declared Price has an Associated Volume; and
- None of the Associated Volumes exceed the Nominal Reference Power of the CMU; and
- For any Partial Declared Price, the CMU has a Declared Price for the corresponding reference; and
- For the same electricity market, any Partial Declared Price cannot be greater than or equal to its Declared Price; and
- For the same reference, two Partial Declared Prices cannot have the same Associated Volume; and
- For the same reference, two Partial Declared Prices cannot be equal; and
- For the same reference, one Partial Declared Price is greater than another Partial Declared Price if the former's Associated Volume is greater; and
- For any pDIDP or pDBALP, the CMU has pDDAP with the same Associated Volume; and
- In case of a set of prices, there are 'n' values given, where 'n' corresponds to the amount of market segments (DA/ID/BAL, as applicable) for that reference in one day.
- In case of a set of 'n' prices each price within the set corresponds to the same Associated Volume.

In case of rejection, the Capacity Provider automatically receives a notification of rejection along with the reasons for rejection. Without prejudice to any following accepted notifications by the Capacity Provider, Elia does not apply the rejected values and instead uses the last accepted ones in accordance with the below-listed timing.

In case of acceptance, the Capacity Provider automatically receives a notification of acceptance.

380. For any future AMT Hour, Elia applies the last accepted value(s) of (sets of) Partial Declared Day-Ahead Price(s) notified according to the above modalities before 9:00 CET the day before the occurrence of the AMT Hour.

381. For any future AMT Hour, Elia applies the last accepted value(s) of (sets of) Partial Declared Intraday or Balancing Price(s) notified according to the above modalities before two hours before the start of the AMT Hour.

382. The Capacity Provider may request ELIA to terminate at any moment and when they deem relevant the application of any of the above Partial Declared Prices, applied according to the aforementioned timing, with the exception of (sets of) Partial Declared Day-Ahead Prices that still have a (set of) Partial Intraday or Partial Declared Balancing Price(s) for the same Associated Volume. In this case the Capacity Provider terminates the latter prices jointly with or after the termination of the (set of) Partial Declared Day-Ahead Price(s).

8.4.2.2.3. Associated Volume

383. ELIA considers the Associated Volume of any (set of) Partial Declared Price(s) as follows:

- For the pDDAP, the Associated Volume for one AMT Hour is the volume listed in the last accepted notification from the Capacity Provider as above.
- For the pDIDP or pDBALP, the Associated Volume for one intraday or balancing market segment is the volume listed in the last accepted notification from the Capacity Provider as above.

8.4.2.3. Declared Market Price and the Required Volume determination

8.4.2.3.1. Inputs

384. ELIA determines the DMP and the Required Volume of a CMU for any AMT Hour. In order to do so, ELIA considers the required parameters as follows:

- For (Partial) Declared Price(s), ELIA uses the last notified and accepted value(s) according to the timings in sections 8.4.2.1.2 and 8.4.2.2.2; and
- The CMU's Reference Price, in application at the time of the AMT Hour; and
- The values of the CMU's choice of intraday reference price – to be included in the Functioning Rules approved before the Y-1 Auction in 2024 with Delivery Period 2025-2026 – occurring within the AMT Hour; and
- The values of the Positive Imbalance Price as published on ELIA's website, occurring within the AMT Hour; and
- The Associated Volumes, according to sections 8.4.2.1.3 and 8.4.2.2.3.

8.4.2.3.2. Required Volume determination

385. For a given AMT Hour, ELIA determines the Required Volume as the highest volume that is expected to react to the different reference price signals occurring over the AMT Hour. ELIA does so according to the following procedure:

a) For each Balancing Market segment occurring within the AMT Hour, ELIA retains the

highest Associated Volume for which the Positive Imbalance Price surpassed its (Partial) Declared Balancing Price (or 0 MW if no such price was surpassed). This results in a set of 'x' volumes, where 'x' is the number Balancing Market segments within an AMT Hour. Each volume relates to a specific Balancing -Market segment.

b) For the 'x' volumes determined in step 1, ELIA calculates the average within each Intraday Market segment occurring within the AMT Hour. This results in a set of 'y' volumes, where 'y' is the number Intraday Market segments within an AMT Hour. Each volume relates to a specific Intraday Market segment.

c) For each Intraday Market segment occurring within the AMT Hour, ELIA retains the maximum between the volume determined in step 2 and the highest Associated Volume for which the intraday reference price surpassed the (Partial) Declared Intraday Price (or 0 MW if no such price was surpassed). This results in a set of 'y' volumes, where 'y' is the number Intraday Market segments within an AMT Hour. Each volume relates to a specific Intraday Market segment.

d) ELIA calculates the average over all volumes in the set determined in step 3. This results in one value.

e) The Required Volume is the maximum of the volume determined in step 4 and the highest Associated Volume for which the Reference Price surpassed their (partial) Declared Day-Ahead Price during the AMT Hour (or 0 MW if no such price was surpassed).

ELIA uses the Required Volume for Availability Monitoring during AMT Hours where a Payback Obligation occurs.

8.4.2.3.3. Declared Market Price determination

386. For a given AMT Hour, ELIA determines the Declared Market Price as the equivalent price on the Day-Ahead Market to the in section 8.4.2.3.2 determined Required Volume.

387. If the Required Volume is equal in value to an Associated Volume to a Partial Declared Day-Ahead Price or the Declared Day-Ahead Price, the Declared Market Price is the associated price.

If the Required Volume equals 0 MW, the Declared Market Price is not applicable.

In all other cases, the Declared Market Price is a composition of (Partial) Declared Intraday or Balancing Prices. ELIA then determines it by applying exclusively the following procedure:

a) For each Balancing Market segment occurring within the AMT Hour, ELIA retains the pair of highest Associated Volume, for which the Positive Imbalance Price surpassed its (partial) Declared Balancing Price (or 0 MW if no such price was surpassed), and the (partial) Declared Day-Ahead Price corresponding to this Associated Volume. This results in a set of 'x' price-volume pairs, where 'x' is the number of Balancing Market segments within an AMT Hour. Each pair relates to a specific Balancing Market segment.

b) For the 'x' price-volume pairs determined in step 1, ELIA calculates the average volume and volume-weighted average price within each Intraday Market segment occurring within the AMT Hour. This results in a set of 'y' price-volume pairs, where 'y' is the number of Intraday Market segments within an AMT Hour. Each volume relates to a specific Intraday Market segment.

c) For each Intraday Market segment occurring within the AMT Hour, ELIA retains the pair

with the highest volume between the appropriate pair determined in step 2 and the highest Associated Volume for which the intraday reference price surpassed the (partial) Declared Intraday Price (or 0 MW if no such price was surpassed), matched with the Declared Day-Ahead Price corresponding to this Associated Volume. This results in a set of 'y' price-volume pairs, where 'y' is the number Intraday Market segments within an AMT Hour. Each pair relates to a specific Intraday Market segment.

d) ELIA calculates the Declared Market Price as the volume-weighted average over all pairs in the set obtained in step 3.

388. ELIA applies the Declared Market Price for a CMU and an AMT Hour 't' (DMP(CMU,t)) to determine the Payback Obligation (see chapter 11).

389. Elia notifies any declared prices and evolution thereof that could trigger doubts on anti-competitive behavior or on behavior aiming to avoid for instance Payback Obligations to the CREG. Particularly a consistent declaration of Declared or Partial Intraday or Balancing Prices lower than their Day-Ahead counterpart, can be reasonable grounds for such doubts.

8.4.3. Obligated Capacity and Available Capacity determination

8.4.3.1. Determination of the Obligated Capacity

8.4.3.1.1. General Principles

390. This section defines the capacity required to be available for each AMT Hour and for each CMU with Contracted Capacity.

391. The CMU has to make the Obligated Capacity available at every AMT Hour separately in order to ensure adequacy.

392. Generic rules, as described in this section, to define the Obligated Capacity apply to all CMUs. In order to ensure the availability of Total Contracted Capacity of all CMUs during the Delivery Period 'Y', the obligation needs to be consistent with how the determination of derating (as per chapter 5 in Royal Decree on Methodology to set the auction parameters as meant by art. 7undecies §2 of the Electricity Act) takes the CMUs into account. This is based on the CMU's Service Level Agreement, i.e. whether it provides a constant level of capacity on average for an unlimited duration (non-energy constrained) or a specific value of capacity for a limited time (energy constrained). For this reason, there is a difference in Obligated Capacity (according to section 8.4.3) between Non-Energy Constrained and Energy Constrained CMUs.

393. ELIA applies the Availability Monitoring to compare such Obligated Capacity with the measured Available Capacity (according to section 8.4.3.2). ELIA assesses any differences between Obligated and Available Capacity (Missing Capacity) that result(s) in an Unavailability Penalty (according to section 8.6).

8.4.3.1.2. Non-Energy Constrained CMU

394. For Non-Energy Constrained CMUs, the Obligated Capacity for every AMT Hour is equal to the Total Contracted Capacity(CMU,t), where 't' is a specific AMT Hour.

There is no limit on the number of AMT Hours per day or AMT Moment during which this level of capacity needs to be provided.

8.4.3.1.3. Energy Constrained CMU

395. For Energy Constrained CMU's have to provide the Service in accordance with their Service Level Agreement (SLA), i.e.:

- For the duration of the hours listed in the CMU's SLA ; and
- For one activation per day.

Therefore, the hours for one day during which the CMU provides its capacity in accordance with its SLA are defined as SLA Hours.

ELIA determines these hours for each day for which an Availability Monitoring Trigger occurs as the hours corresponding to the SLA's constraints during which the CMU has shown (ex-post) to have dispatched its capacity and in accordance with the (Partial) Declared Prices (applicable only to CMUs without Daily Schedule Obligation) according to section 8.4.2.

8.4.3.1.3.1. Determination of SLA Hours for CMUs with Daily Schedule

396. Daily schedule CMU's have no obligation or need to declare a Day-Ahead Market Price (according to section 8.4.2). Therefore the determination of SLA Hours for CMUs with Daily Schedule occurs on the basis of:

- When, during the day, an AMT Hour occurred; and
- When, during the AMT Hours, Measured Power has the highest value.

ELIA, in doing so, retains a set of hours that does not exceed the number of hours 'N' specified in the CMU's SLA and does not impose more than one activation per day. ELIA applies the following procedure to select the SLA Hours for a given day:

a) ELIA selects all AMT Hours occurring on the concerning day;

b) From the hours selected in step 1, ELIA retains

   i. All hours if their number is lower than 'N'; or

   ii. the 'N' hours with highest Measured Power, where 'N' is the number of hours specified in the CMU's SLA;

c) If after step 2:

   i. There are one or more AMT Moments for which all AMT Hours comprising the AMT Moment were retained, ELIA retains only the AMT Hours comprising the AMT Moment with highest Measured Power averaged over all AMT Hours within the concerning AMT Moment as SLA Hours; or

   ii. There are no AMT Moments for which all AMT Hours comprising the AMT Moment were retained, ELIA retains all hours selected in step 2 as SLA Hours.

8.4.3.1.3.2. Determination of SLA Hours for CMUs without Daily Schedule

397. CMUs without Daily Schedule are bound to the obligation of Declared Prices (see section 8.4.2) and have potentially declared Partial Declared Prices. Therefore the selection of SLA Hours occurs on the basis of:

- When, during the day, an AMT Hour occurred; and

- When Active Volume (according to section 8.4.3.2.3.1) has the highest value; and
- When at least one (Partial) Declared Price was surpassed on its respective market.

If no Declared Price was surpassed during any AMT Hour within the concerning day, the CMU is expected to be Unproven Available for all AMT Hours (according to section 8.4.3.2.3).

ELIA, in doing so, retains a set of hours that does not exceed the number of hours 'N' specified in the CMU's SLA and does not impose more than one activation per day. ELIA applies the following procedure to select the SLA Hours for a given day:

a) ELIA selects all AMT Hours occurring on the concerning day;

b) If none of the CMU's (Partial) Declared Prices were surpassed during any AMT Hours occurring within the concerning day, ELIA retains all hours selected in (1) as SLA Hours;

c) If at least one of the CMU's (Partial) Declared Prices was surpassed during at least one AMT Hour occurring within the concerning day, ELIA retains all AMT Hours for which at least one (Partial) Declared Price was surpassed;

d) From the hours selected in step 3:

   i. ELIA retains all hours if their number is lower than 'N'; or

   ii. ELIA retains the 'N' hours with highest Active Volume (according to section 8.4.3.2.3.1), where 'N' is the number of hours specified as the constraint in the CMU's SLA;

e) If after (d) there are

   i. One or more AMT Moments for which all AMT Hours within AMT Moment that were also selected in step 4 were retained, ELIA retains only the AMT Hours within the same AMT Moment with highest Measured Power averaged over all AMT Hours selected in step 4 within the concerning AMT Moment as SLA Hours; or

   ii. No AMT Moments for which all AMT Hours comprising the AMT Moment were retained, ELIA retains all hours selected in (4) as SLA Hours.

8.4.3.1.3.3. Determination of Obligated Capacity for Energy Constrained CMUs

398. ELIA determines the Obligated Capacity for every Energy-Constrained CMU for its SLA Hours as a non-derated quantity equivalent for adequacy purposes to provide the derated quantity for an unlimited number of hours. This equivalence is determined by dividing the ex-ante Total Contracted Capacity by the Derating Factor. ELIA equally takes into account ex-post acquisitions and sales of obligations on top of the ex-ante contracted SLA service (as ex-ante per hour trades are not permitted for energy constrained CMUs; according to section 9.4.3.9.2). This is defined by the following formula:

$$P_{Obligated}(CMU,t) = \frac{Total\ Contracted\ Capacity_{ex-ante}(CMU,t)}{Derating\ Factor\ (CMU,t)} + Contracted\ Capacity(CMU,t)_{ex-post}$$

Where:

- 't' is a measure for time expressed as an AMT Hour; and
- '$Total\ Contracted\ Capacity_{ex-ante}(CMU,t)$' is the Total Contracted Capacity established at the time of closure for the ex-ante Secondary Market trades; and

- $Contracted\ Capacity(CMU,t)_{ex-post}$ is the sum of contracted capacities bought or sold in ex-post on the Secondary Market, where sales count negatively and acquisitions count positively.

399. On AMT Hours which are Non-SLA Hours, ELIA counts for any obligations acquired by the CMU on the Secondary Market *ex post*, as a result of surpassing the SLA of its Service. The Obligated Capacity outside of SLA Hours is equal to the $Contracted\ Capacity(CMU,t)_{ex-post}$, where:

- 't' is a measure for time expressed as an AMT Hour; and
- $Contracted\ Capacity(CMU,t)_{ex-post}$ is the sum of Contracted Capacities bought or sold ex-post on the Secondary Market, where sales count negatively and acquisitions count positively.

8.4.3.2. Determination of the Available Capacity

8.4.3.2.1. General Principles

400. This section establishes the rules for determining Available Capacity. The information ELIA receives from CMUs with and without Daily Schedule differs. ELIA therefore applies different methods to determine Available Capacity for both CMU types.

401. When determining Available Capacity it can be either Proven or Unproven Availability. For each component in Available Capacity, this section explicitly states whether it counts as Proven or Unproven Availability. Both types are considered of equal value for the determination of Available Capacity, but ELIA uses this distinction when identifying the need for Availability Tests on CMU's (according to section 8.5).

8.4.3.2.2. Determination of the Available Capacity for CMU with Daily Schedule

402. ELIA determines Available Capacity for CMUs with Daily Schedule based on the information provided in their Daily Schedule, with the exception of Energy-Constrained CMU's outside of their SLA Hours. The latter require proof that they indeed surpassed delivery beyond their SLA. This information is not present in the Daily Schedules.

8.4.3.2.2.1. Available Capacity for Non-Energy Constrained Daily Schedule CMU's

403. For a Non-Energy Constrained Daily Schedule CMU, ELIA determines the Available Capacity as the minimum of:

- The last Pmax nominated in the Daily Schedule aggregated at the relevant level for the Non-Energy Constrained CMU with Daily Schedule; and
- The last established Remaining Maximum Capacity according to 8.3.

Available Capacity established in this way is Proven Availability.

8.4.3.2.2.2. Available Capacity for Energy Constrained CMUs with Daily Schedule

404. For an Energy Constrained Daily Schedule CMU during its SLA hours, ELIA determines the Available Capacity as the minimum of:

- The last Pmax nominated in the Daily Schedule aggregated at the relevant level for the Non-Energy Constrained Daily Schedule CMU; and
- The last established Remaining Maximum Capacity according to 8.3.

Available Capacity established in this way is Proven Availability.

Outside of the CMU's SLA Hours, Available Capacity is equal to the minimum of:

- The CMU's Measured Power during the concerned AMT Hour; and
- The last established Remaining Maximum Capacity according to 8.3.

Available Capacity established in this way is Proven Availability

8.4.3.2.3. Determination of the Available Capacity for CMUs without Daily Schedule

405. ELIA determines Available Capacity for CMUs without Daily Schedules on the basis of:

- The CMU's (Partial) Declared Prices (according to section 8.4.2); and
- The CMU's last updated Nominal Reference Power, according to section 5.8; and
- The CMU's Measured Power; and
- The CMU's Remaining Maximum Capacity (according to section 8.3) and;
- Any participation of the CMU's Delivery Points to Ancillary or Redispatching Service.

In doing so, ELIA always considers that the surpassing of the Declared Day-Ahead Price (DDAP) is associated with a delivery of Available Capacity through an Active Volume (according to section 8.4.3.2.3.1). Other Declared Prices do not impose delivery through Active Volume for the CMU, except for AMT Hours where the Reference Price surpasses the Strike Price (see chapter 11 in the Functioning Rules).

For Availability Monitoring during such AMT Hours, ELIA performs a stricter control than for AMT Hours without Payback Obligation on CMUs Declared Prices in order to ensure conformity with the Payback Obligation. This stricter control comprises a verification on both sufficient Active Volume and Passive Volume (according to section 8.4.3.2.3.2).

Following the abovementioned principles, the Availability Monitoring distinguishes three sets of conditions to determine the method of Monitoring: method 1, method 2 and method 3.

406. In case one or more Delivery Point(s) are prequalified in one or several reserved frequency related Ancillary Services or committed for Redispatching Service, the Capacity Provider identifies them during the Prequalification Process (as part of the Grid User Declaration; see 'Prequalification Processes' chapter of the Functioning Rules) or later via the CRM IT Interface. Under frequency related Ancillary Services, the following are included:

- Frequency Containment Reserve (FCR)
- Automatic Frequency Restoration Reserve (aFRR)
- Manual Frequency Restoration Reserve (mFRR)

ELIA includes any participation in such services in determining Available Capacity for Delivery Points for which the Capacity Provider has duly notified, according to the abovementioned process, ELIA of their successful prequalification for these services.

ELIA takes into account participation by the CMU in Redispatching and Ancillary Services, as from:

- The day after the notification of successful prequalification for the Redispatching or Ancillary Service, if the notification took place before 9:00 AM CET; or
- Two days after the notification of successful prequalification for the Redispatching or Ancillary Service, if the notification took place after 9:00 AM CET.

ELIA does so by according to the method set out in sections 8.4.3.2.3.1 and 8.4.3.2.3.2.

407. **Method 1:** to be applied when the CMU's Declared Day-Ahead Price is not surpassed by its Reference Price and the CMU's Reference Price does not surpass the Strike Price

Under these circumstances, according to the rules in section 8.4.2, the CMU is not expected to dispatch its full Obligated Capacity in reaction to the Reference Price. Its Available Capacity is determined according to the declaration of Unavailable Capacity (according to 8.3). ELIA applies the following formula to establish Available Capacity:

$$P_{Available}(CMU, t) = P_{Max,Remaining}(CMU, t)$$

Where:

- 't' is a measure of time expressed as an AMT Hour
- $P_{Max,Remaining}(CMU, t)$ is the Remaining Maximum Capacity defined in chapter 3

Available Capacity established in this way is Unproven Availability.

408. **Method 2:** to be applied when the CMU's Declared Day-Ahead Price is surpassed by its Reference Price and the CMU's Reference Price does not surpass the Strike Price

Under these circumstances, according to the rules in section 8.4.1, the CMU is expected to dispatch its full Obligated Capacity in reaction to the Day-Ahead market. ELIA determines Available Capacity as the volume of the CMU's capacity that reacted to the Declared Day-Ahead Price, in the form of an Active Volume (according to section 8.4.3.2.3.1). In doing so, ELIA takes into account Unavailable Capacity communicated by the Capacity Provider (according to 8.3). ELIA applies the following formula to establish Available Capacity:

$$P_{Available} = MIN(P_{Max,Remaining}(CMU, t); V_{Act}(CMU, t))$$

Where:

- 't' is a measure of time expressed as an AMT Hour
- $V_{Act}(CMU, t)$ is the Active volume corresponding to the part of the CMU's capacity that effectively reacted to its Reference Price, according to section 8.4.3.2.3.1
- $P_{Max,Remaining}(CMU, t)$ is the Remaining Maximum Capacity as defined in chapter 3

409. **Method 3:** to be applied when the CMU's Reference Price surpasses the Strike Price

Under these circumstances, the CMU is expected to dispatch its capacity according to the (Partial) Declared Prices according to section 8.4.2. ELIA verifies:

- whether the CMU has reacted to market price signals with at least an Active Volume or V_{Act} according to the Required Volume (according to section 8.4.2); and

- whether the CMU has retained sufficient Passive Volume or V_{Pas} as margin to Nominal Reference Power or Unsheddable Margin to not have reacted more than according to the Required Volume (according to section 8.4.2).

This set of verifications is applied to ensure the CMU's compliance with the Payback Obligation (see chapter 11) under these circumstances. In doing so, ELIA takes into account Unavailable Capacity communicated by the Capacity Provider (according to section 8.3) and the Nominal Reference Power of the CMU.

ELIA applies the following formula to establish Available Capacity:

$$P_{Available} = MIN(P_{Max,Remaining}(CMU,t); MIN(V_{Act}(CMU,t); V_{req}(CMU,t)) + MIN(V_{Pas(CMU,t)}; NRP(CMU,t) - V_{req}(CMU,t)))$$

Where:

- 't' is a measure of time expressed as an AMT Hour
- $V_{Act}(CMU,t)$ is the Active Volume corresponding to the part of the CMU's capacity that effectively reacted to market price signals, according to section 8.4.3.2.3.1
- $V_{Pas}(CMU,t)$ is the Passive Volume corresponding to the part of the CMU's capacity that did not react to market price signals, according to section 8.4.3.2.3.1
- $V_{req}(CMU,t)$ is the Required Volume according to section 8.4.3.2
- $P_{Max,Remaining}(CMU,t)$ is the Remaining Maximum Capacity as defined in chapter 3
- $NRP(CMU,t)$ is the CMU's last updated Nominal Reference Power, according to section 5.8

8.4.3.2.3.1. Determination of Active Volume or V_{act}(CMU,t)

410. The Active Volume measures the part of the CMU's capacity which has reacted to market price signals, in accordance with its (Partial) Declared Prices in section 8.4.2. The method of determination takes into account whether capacity is provided through reduction in offtake or injection into the electricity grid. The determination of this volume follows four steps:

a) Establishing the initial Active Volume for all Delivery Points

Firstly, ELIA establishes the initial Active Volume for each Delivery Point separately.

For a Delivery Point 'i' providing capacity by the potential for injecting energy into the electricity grid and an AMT hour 't', it is equal to the injection at the Delivery Point. It is determined according to the following formula:

$$V_{Act,Initial,i}(t) = P_{measured,i}(t)$$

Where

- '$P_{measured,i}(t)$' is the Measured Power for the Delivery Point 'i' during AMT hour 't'.

For a Delivery Point 'i' providing capacity by the potential for reduction of offtake from the electricity grid and an AMT Hour 't', it is equal to the reduction in offtake at the delivery point. It is determined according to the following formula:

$$V_{Act,Initial,i}(t) = P_{measured,i}(t) - \mathrm{P_{Baseline,i}(t)}$$

Where:

- '$P_{measured,i}(t)$' is the Measured Power for the Delivery Point 'i' and AMT Hour 't'
- $P_{Baseline,i}(t)$ is the Baseline for the Delivery Point 'i' and AMT Hour 't', determined according to section 8.4.3.2.3.3.

The CMU's initial Active Volume for AMT Hour 't' is established as the sum of the initial Active Volumes in the Delivery Points. It is calculated by the following formula:

$$V_{Act,Initial}(CMU,t) = \sum_{i=1}^{n_{DP}} V_{Act,Initial,i}(t)$$

Where :

- 'n_{DP}' is the number of Delivery Points for the CMU.

b) Correction for participation in reserved frequency-related Ancillary Services (if applicable)

When a CMU's Delivery Point has been contracted in frequency related Ancillary Services for a defined period, it has committed to be activated at instruction of ELIA up to a defined number of MW's capacity. This volume of capacity is not expected to react to market price signals, but to an instruction of ELIA. The Active Volume is corrected taking into account the reserved volume and potential activation instructions.

In case one or more duly notified – as stated at the beginning of section 8.4.3.2.3 – Delivery Point(s) is (are) reserved in one or several frequency related Ancillary Services for the period covered by the AMT Hour, ELIA considers the participation to Ancillary Service as the minimum of the following parameters:

- The volume of the accepted frequency-related Ancillary Services bid;
- The maximum volume the Delivery Point is allowed to deliver in these Ancillary Services as established in the related Ancillary Service contractual framework;
- The Nominal Reference Power of the Delivery Point.

The result is registered as '$V_{Pas,AS,i}(t)$' for Delivery Point 'i' and applying to any AMT Hour 't' within the reserved period and is the volume for the Delivery Point which is not supposed to react to market price signals but to an instruction from ELIA.

If one or more of the duly notified – as stated at the beginning of section 8.4.3.2.3 – and successfully in Ancillary Services contracted Delivery Point(s) participate in the provision of mFRR and are activated upon instruction of ELIA, ELIA registers '$V_{Act,AS,i}(t)$' as the average power provided for mFRR in Delivery Point 'i' during the AMT Hour 't'. This activation should be counted once, in the reserved band, and thus subtracted from the CMU's initial Active Volume.

In total the correction for the CMU's Active Volume as a result of participation to Ancillary Services, '$V_{Act,AS}(CMU,t)$' is determined as the sum of '$V_{Pas,AS,i}(t)$' for all Delivery Points 'i' for which such a volume was established, diminished with any activations at instruction of ELIA (the sum of '$V_{Act,AS,i}(t)$'). This total cannot surpass the margin remaining on those Delivery Points, any activations of mFRR ($V_{Act,AS,i}(t)$) notwithstanding. It is defined by the following formula:

$$V_{Act,AS}(CMU,t) = MIN(\sum_{i=1}^{n_{DP,AS}} NRP_i(t) - (V_{Act,initial,i}(t) - V_{Act,AS,i}(t)), \sum_{i=1}^{n_{DP,AS}} V_{Pas,AS,i}(t) - \sum_{i=1}^{n_{DP}} V_{Act,AS,i}(t))$$

Where:

- 'n_{DP},AS' is the number of Delivery Points for the CMU successfully reserved in Ancillary Services for the concerning period
- $NRP_i(t)$ is the Nominal Reference Power of the Delivery Point 'i'
- $V_{Act,initial,i}(t)$ is determined according to step 1
- '$V_{Act,AS,i}(t)$ as the average power provided for mFRR in Delivery Point 'i' during the AMT Hour 't'

c) Correction for participation in Redispatching Services (if applicable)

When a CMU's duly notified – as stated at the beginning of section 8.4.3.2.3 – Delivery Point has committed to Redispatching Services, it has committed to modify the output at the Delivery Point as instructed by ELIA. Upon such an instruction, measurements in the Delivery Point(s) may deviate from the expected reaction to market price signals (according to section 8.4.2).

ELIA corrects the CMU's initial Active Volume for any downward supplied Activation of Redispatching Service. The absolute value in MW of the average downward supplied activation for Delivery Point 'i' is registered as '$V_{Act,RD,i}(t)$' and counted positively. An upward Activation of Redispatching Service does not influence the Active Volume. In total, the CMU's Active Volume is corrected for the sum of '$V_{Act,RD,i}(CMU,t)$' over all Delivery Points. This is described by the following formula:

$$V_{Act,RD}(CMU,t) = \sum_{i=1}^{n_{DP}} V_{Act,RD,i}(t)$$

- 'n_{DP}' is the number of Delivery Points for the CMU
- $V_{Act,RD,i}(t)$ is absolute value in MW of the average downwards supplied Activation of Redispatching Service, upon instruction by ELIA, for Delivery Point 'i' and AMT Hour 't' as described in this step

d) Determining the Active Volume

e) The CMU's Active Volume is determined as the sum of initial Active Volume from step 1 and the correction components from steps 2 and 3. It is defined by the following formula for the CMU and AMT Hour 't' in question:

$$V_{Act}(CMU,t) = V_{Act,Initial}(CMU,t) + V_{Act,AS}(CMU,t) + V_{Act,RD}(CMU,t)$$

This result is integrated in the determination of the Available Capacity 't' according to the method applicable under the circumstances exhibited during the AMT Hour (see method 1, method 2 or method 3 as applicable).

Available Capacity as a result of the Active Volume is considered Proven Availability.

8.4.3.2.3.2. Determination of Passive Volume or $V_{pas}(CMU,t)$

411. The Passive Volume measures the part of the CMU's capacity which did not react to market price signals, in accordance with its (Partial) Declared Prices in section 8.4.2. The method

of determination takes into account whether capacity is provided through reduction in offtake from or injection into the electricity grid. The determination of this volume follows four steps:

a) Establishing the initial Passive Volume for all Delivery Points

Firstly, ELIA establishes the initial Passive Volume for each Delivery Point separately.

For a Delivery Point 'i' providing capacity by the potential for injecting energy into the electricity grid and an AMT Hour 't', it is equal to the remaining margin relative to the Nominal Reference Power of the Delivery Point. It is determined according to the following formula:

$$V_{Pas,Initial,i}(t) = NRP_i(t) - P_{measured,i}(t)$$

Where

- $NRP_i(t)$ is the Nominal Reference Power of the Delivery Point 'i'
- '$P_{measured,i}(t)$' is the Measured Power in Delivery Point 'i' during AMT Hour 't'

For a Delivery Point 'i' providing capacity by the potential for reduction of offtake from the electricity grid and an AMT Hour 't', it is equal to margin of offtake relative to Unsheddable Margin at the delivery point. It is determined according to the following formula:

$$V_{Pas,Initial,i}(t) = UM_i(t) - P_{measured,i}(t)$$

Where:

- $P_{measured,i}(t)$ is the Measured Power in Delivery Point 'i' during AMT Hour 't'
- $UM_i(t)$ is the Unsheddable Margin for the Delivery Point 'i'

The CMU's initial Passive Volume is established as the sum of the initial Passive Volumes in the Delivery Points. It is calculated by the following formula:

$$V_{Pas,Initial}(CMU,t) = \sum_{i=1}^{n_{DP}} V_{Pas,Initial,i}\,(t)$$

Where

- 'n_{DP}' is the number of Delivery Points for the CMU.

b) Correction for participation in reserved frequency-related Ancillary Services (if applicable)

In case one or more duly notified – as stated at the beginning of section 8.4.3.2.3 – Delivery Point(s) is (are) reserved in one or several frequency related Ancillary Services for the period covered by the AMT Hour, it has committed to be activated at instruction of ELIA up to a defined number of MW's capacity. This volume of capacity is not expected to react to market price signals, but to an instruction of ELIA. The Passive Volume is corrected for activation instructions of mFRR during the AMT Hour.

In total, the correction of the CMU's initial Passive Volume as a result of participation to Ancillary Services, '$V_{Pas,,AS}(CMU,t)$' is determined as the sum of '$V_{Act,AS,i}(t)$' for all Delivery Points 'i' for which such a volume was established.

$$V_{Pas,AS}(CMU,t) = \sum_{i=1}^{n_{DP}} V_{Act,AS,i}(t)$$

Where:

- 'n_{DP}, AS' is the number of Delivery Points for the CMU successfully reserved in Ancillary Services for the concerning period
- '$V_{Act,AS,i}(t)$' as the average power provided for mFRR in Delivery Point 'i' during the AMT Hour 't', according to step b of section 8.4.3.2.3.1

c) Correction for participation in Redispatching Services (if applicable)

When a CMU's Delivery Point committed to Redispatching Services, it has committed to modify the output at the Delivery Point as instructed by ELIA. Upon such an instruction the measurements at the Delivery Point(s) may deviate from the expected reaction to market price signals (according to section 8.4.2).

ELIA corrects the CMU's initial Passive Volume for any supplied upward Activation of Redispatching Service. The absolute value in MW of the average supplied upward activation over AMT Hour 't' for Delivery Point 'i' is registered as '$V_{Pas,RD,i}(t)$' and counted positively. A downward Activation of Redispatching Service does not influence the Passive Volume. In total, the CMU's Passive Volume is corrected for the sum of '$V_{Pas,RD,i}(t)$' over all Delivery Points. This is described by the following formula:

$$V_{Pas,RD}(CMU,t) = \sum_{i=1}^{n_{DP}} V_{Pas,RD,i}\,(t)$$

Where:

- 'n_{DP}' is the number of Delivery Points for the CMU
- $V_{Pas,CM,i}(t)$ is the value in MW of the upwards Activation of Redispatching Service, upon instruction by ELIA, for Delivery Point 'i' and AMT Hour 't'as described in this step

d) Determining the Passive Volume

The CMU's Passive Volume is determined as the sum of initial Passive Volume from step 1 and the correction components from steps 2 and 3. For the concerning CMU and AMT Hour 't', it is defined by the following formula:

$$V_{Pas}(CMU,t) = V_{Pas,Initial}(CMU,t) + V_{Pas,AS}(CMU,t) + V_{Pas,RD}(CMU,t)$$

This result is integrated in the determination of the Available Capacity according to the method applicable under the conditions exhibited during the AMT Hour (see sections method 1, method 2 or method 3 as applicable).

Available Capacity as a result of the Passive Volume is considered Unproven Availability.

8.4.3.2.3.3. Baseline for Delivery Points providing capacity through the potential for reduction of offtake from the electricity grids of a CMU

412. The determination of Available Capacity for Delivery Points providing capacity through the potential of reduction of offtake from the grid requires a Baseline. This section details how

the Baseline is determined for such a Delivery Point. The method is similar to the method for Day-Ahead/Intraday markets described in the rules for Transfer of Energy[16].

The Baseline methodology is based on a 'highest X of Y*' method. For every Delivery Point requiring a Baseline, ELIA calculates the Baseline based on historical consumption/injection for the considered Delivery Point. For each AMT Hour an AMT Moment covering a period 'P' on day 'A', the four steps described below are performed.

a) Selection of representative days

In this step, ELIA determines a set of Y representative days. In the next step, ELIA selects X reference days out of this set of Y representative days. The 15-minute measurement data of the Delivery point for those reference days are used to determine the Baseline.

The representative days are the last Y days preceding a day 'A' that are of the same category as day 'A', except for days that are excluded. The days that are excluded are:

- The day before day 'A';
- Days during which an activation of Redispatching or Ancillary Services upon request of the TSO has been made using this Delivery Point (provided the Delivery Point was duly notified; according to the beginning of section 8.4.3.2.3);
- The day(s) excluded by the Capacity Provider as described below.

The categories of representative days are:

- Category 1: Working Days;
- Category 2: Week-end days and bank holidays;
- Category 3: Monday or 1st Working Day following a holiday. This category is optional. In the absence of explicit request by the Capacity Provider to consider the days of this category as a separate category, all days are categorized as days of category 1 or 2. Thus, in absence of explicit mentioning of a desire to use this third category by the Capacity Provider, Mondays and first Working Day following a holiday are treated as regular Working Days (category 1).

Depending of the category to which day 'A' corresponds, X and Y for each category of representative days are defined as presented in the table below:

Category of day A	X	Y
Working day	4	5
Weekend day/bank holiday	2	3
Mondays (only applied in case of an explicit request by the Capacity Provider)	2	3

[16]As in the design note of 17/06/2019 available on: https://www.elia.be/en/public-consultation/20190617_public-consultation-designnote_toeidda

The Capacity Provider may exclude one or more representative day(s) following the condition that the request is reasoned and justified by the Capacity Provider. The justification must correspond to one of the elements in the following list:

- The Capacity Provider duly notified ELIA of Unavailable Capacity occurring on day A, according to section 8.3;
- Holidays, strike days or a closing period that differ from the past and that have an impact on the injection/offtake profile of the Delivery Point;
- One of the CMU's (Partial) Declared Prices (according to section 8.4.1) was surpassed;

b) Identification of reference days

This step consists of identifying X days for which 15-minute metering data of the Delivery Point are used to calculate the Baseline.

Those X days are retained from the Y representative days. They correspond to the X days for which the average net offtake of active power during the period corresponding to the period covered by the AMT Moment P of day A is the highest.

c) Baseline profile calculation.

This step is dedicated to the calculation of the Baseline value for each quarter hour in the AMT Moment(s) of day A. This value is the average of the X values of active power of the considered Delivery Point, measured at the same quarter hour of the X reference days.

d) Baseline for each AMT hour

The Baseline for each AMT Hour is equal to the average of the quarter-hourly baseline profile values within each AMT Hour as calculated according to step 3.

413. The Capacity Provider has the possibility to request, when relevant for them, via the CRM IT Interface the application of an adjustment in addition to steps a through d described above, per Delivery Point, by adding a fifth step 'adjustment of the Baseline level'.

ELIA only accepts such an adjustment under the following conditions.

- The request is reasoned and justified by the Capacity Provider ;
- The Baseline with adjustment gives better results than the Baseline without adjustment during a test period of ninety days prior to the Capacity Provider's request, excluding days during which the CMU's (Partial) Declared Price(s) was (were) surpassed or one of its duly notified – according to the beginning of section 8.4.3.2.3 – Delivery Points for Redispatching or frequency-related Ancillary Services was activated for this service;

To verify condition b above, the Root Mean Square Error (RMSE) values for Baseline with and without adjustment are compared on a daily basis for a ninety days period. The RMSE value for a given Baseline method on a given day is calculated as follows:

$$RMSE_{baseline} = \sqrt{\sum_{q=1}^{n}(bl_q - m_q)\text{^}2},$$

Where

- n: number of quarters of an hour over a period on a given day
- q: a given quarter of an hour
- blq: value of the Baseline in question obtained for the quarter hour q

- mq: measurement of the quarter-hourly power obtained at the Delivery Point in question for the quarter-hour q

The Baseline with adjustment is considered to give better results than Baseline without adjustment if the RMSE of Baseline (as defined above) with adjustment is lower than the RMSE of Baseline (as defined above) without adjustment for 75% of the days considered.

ELIA has the possibility to refuse the Baseline adjustment opted by the Capacity Provider with a reasoned justification. ELIA notifies such a refusal to the CREG.

In case the baseline is adjusted, the adjustment is an uncapped, constant, additive adjustment of the Baseline. An uncapped additive adjustment means that the adjustment is done by adding a 'correction value' (positive or negative) to every quarter-hourly value calculated in Step 3. This correction value is calculated as the difference between the average measured offtake of the Delivery Point during the adjustment period of day A (referred to as Padjust,A), and the average measured offtake of the Delivery Point during the period corresponding to the adjustment period of the X reference days (referred to as Padjust,X). The adjustment period is defined as the three hours before the start of the AMT Moment containing the AMT Hour.

ELIA monitors the adjustment when applied: if the adjustment factor is > + 15%, ELIA can request the Capacity Provider for a sound justification regarding the difference between the average active power measured during the adjustment period and the averaged measured power during period corresponding to the adjustment period during the X reference days. If such a justification cannot be provided or remains insufficient, ELIA reserves the right, after notification to the CREG, to no longer apply a Baseline adjustment for the concerned Delivery Point and instead apply the Baseline without adjustment. ELIA also informs the Capacity Provider of their decision in this case.

8.5. AVAILABILITY TESTS

8.5.1. Modalities

8.5.1.1. General Principles

414. ELIA can verify whether a Capacity Provider has committed to the Availability Obligation for any of its CMU's through unannounced Availability Tests.

415. ELIA can test a CMU up to three times successfully during the Winter Period and one time successfully outside of the Winter Period. Additionally, ELIA reserves the right to test at maximum one time the full duration of the SLA (if any) successfully. A test is successful if during each quarter hour between the test start and end time, 0 MW of Missing Capacity was determined. The limits do not apply to non-successful Availability Tests. As long as the limit of successful Availability Tests have not been reached, Elia can continue to issue Availability Tests for this CMU.

416. In case the Availability Test coincides with an AMT Moment, the Capacity Provider is not held and cannot opt to be held to the Obligated Capacity for the AMT Hours (according to section 8.4.3.1) occurring on the day of the Availability Test, but to the Obligated Capacity for the Availability Test in this section. This is the only possible case for which a Capacity Provider is not held to the Obligated Capacity for AMT Hours, according to section 8.4.3.1.

417. ELIA selects CMU's on which to perform Availability Tests according to an internal procedure, which is not disclosed publicly but which is however submitted to and approved by to the CREG.

Nevertheless, in accordance with the principle of non-discrimination and objectivity, ELIA bases their procedure on criteria including, but not limited to:

- The amount of Proven Availability of the CMUs relative to all other CMUs subject to a Capacity Contract for the current Delivery Period;
- Previously failed Availability Tests by the CMU;
- Missing Capacity during Availability Monitoring;
- Correlations of the CMUs outputs with the communicated prices according to section 8.4.2.

418. Any Missing Capacity during the period covered by an Availability Test is liable to an Unavailability Penalty (according to section 8.6).

419. The Capacity Provider can also request an Availability Test to ELIA in order to meet the conditions for reinstating the original remuneration after downwards revision due to three AMT Moments and/or Availability Tests during which Missing Capacity was established (according to section 8.6). These tests need operational approval by ELIA and follow the same procedure as an Availability Test at the initiative of Elia.

420. Different Availability Tests for the same CMU take place on different calendar days.

421. Any costs of Availability Tests are borne by the Capacity Provider.

8.5.1.2. Testing Notification

422. ELIA instructs the Capacity Provider to perform an Availability Test via the CRM IT interface at the latest before 15:00 CET the day before it is to take place. ELIA includes in their instruction an expected duration of the Availability Test. The expected duration can be one of two options:

- The full SLA duration (if applicable); or
- One quarter hour.

The notification contains a start and end time for the Availability Test. Start and end times determine the period during which the Obligated Capacity is verified by ELIA. The start- and end time covers a period of at least twenty-four hours. Within that period of time, the Capacity Provider has the freedom to perform the energy delivery as it suits them the best, with the aim to provide the Obligated Capacity as Available Capacity for the expected duration.

As from the time of notification, the Capacity Provider is restricted from trading obligations on the CMU in the Secondary Market for Transaction Periods falling within the start and end time of the Availability Test.

423. In case the CMU is technically dependent with one or more Delivery Point(s) from (a) different CMU(s), Elia instructs an Availability Test to each technically dependent CMU for the same start end time and test duration. As an exception to above paragraph, technically CMUs with technically dependent Delivery Points receiving a simultaneous instruction for

testing are permitted to exchange obligations on the secondary market, provided that both buyer and seller of the obligation are one of the technically dependent CMUs.

8.5.2. Capacity Determination

8.5.2.1. Determination of the Obligated Capacity

424. ELIA tests whether the CMU is able to provide an instantaneous level of capacity that ensures the structural availability of the Total Contracted Capacity (in accordance with the SLA if applicable) when taking into account derating. ELIA does not test volumes which are part of Announced Unavailable Capacity (according to section 8.3). The Obligated Capacity is determined by the following formula:

$$P_{Obligated}(CMU,t) = MIN(NRP(CMU,t) - P_{Unavailable,Announced}(CMU,t); \frac{Total\ Contracted\ Capacity(CMU,t)}{Derating(CMU,t)})$$

Where:

- 't' is a quarter hour within the start and end time of the Availability Test
- $NRP(CMU,t)$ is the CMU's last updated Nominal Reference Power, according to section 5.8
- $P_{Unavailable,Announced}(CMU,t)$ is the Announced Unavailable Capacity, determined according to according to section 8.3
- $Total\ Contracted\ Capacity(CMU,t)$ is the Total Contracted Capacity for the CMU established at the time of notification of the Availability Test
- $Derating(CMU,t)$ is the derating factor established at the time of notification of the Availability Test

This Obligated Capacity only applies during the consecutive quarter-hours spanning the expected duration of the test with highest Available Capacity (according to section 8.5.2.2) within the start and end time of the Availability Test. All other quarter-hours within start and end time have an Obligated Capacity of 0 MW.

8.5.2.2. Determination of the Available Capacity

425. Available Capacity during this start and end time is established as the share of the CMU's capacity that responded with delivery of energy to ELIA's test signal. ELIA establishes a contribution for each Delivery Point 'i' comprising the CMU. The method for determining Available Capacity differs for Delivery Points providing capacity by the potential for injecting energy into the electricity grid and Delivery Points providing capacity by the potential for reduction offtake from the electricity grid.

For a Delivery Point 'i' providing capacity by the potential for injecting energy into the electricity grid, it is equal to the injection at the Delivery Point. It is determined according to the following formula:

$$P_{Available,i}(t) = P_{measured,i}(t)$$

Where

- '$P_{measured,i}(t)$' is the 15-minute measurement in Delivery Point 'i' and quarter hour 't'.

For a Delivery Point 'i' providing capacity by the potential for reduction of offtake from the electricity grid, it is equal to the reduction in offtake at the Delivery Point. It is determined according to the following formula:

$$P_{Available,i}(t) = P_{measured,i}(t) - P_{Baseline,i}(t)$$

Where:

- '$P_{measured,i}(t)$' is the 15-minute measurement in Delivery Point 'i' and quarter hour 't'
- '$P_{Baseline,i}(t)$' is the quarter-hourly Baseline for the Delivery Point 'i' and quarter hour 't', determined at the end of step c as detailed in section 8.4.3.2.3.3

For the CMU, during a quarter hour 't', the Available Capacity is determined as the sum of the Available Capacity for its Delivery Points. This is defined by the following formula:

$$P_{Available}(CMU, t) = \sum_{i=1}^{n} P_{Available,i}\,(t)$$

Where:

- 'n' is the number of Delivery Points comprising the CMU
- '$P_{Available,i}(t)$' is Available Capacity for Delivery Point 'i' during quarter hour 't'

8.6. MISSING CAPACITY AND UNAVILABILITY PENALTY

426. The Missing Capacity of a CMU represents the amount of capacity that it fails to make available when needed with respect to its Availability Obligation.

ELIA determines a CMU's Missing Capacity based on the information collected during the Availability Monitoring and/or Availability Tests of the CMU. According to Section 8.6.1 gives more information about the determination of the Missing Capacity.

427. The Capacity Provider is sanctioned with an Unavailability Penalty for any Missing Capacity on their CMU(s). The Unavailability Penalty is calculated over an AMT Moment or Availability Test expected duration. The details about the calculation of the amount of Unavailability Penalty for a CMU are given in section 8.6.2.

428. ELIA notifies the Capacity Provider and Contractual Counterparty of any Missing Capacity and related Unavailability Penalty for its CMU. The Capacity Provider has the right to contest any Unavailability Penalty. The modalities of notification and contestation are explained in section 8.6.3.

429. In case of multiple Unavailability Penalties resulting from any kind of Missing Capacity for the same CMU, ELIA applies an escalation procedure for further penalty measures. The rules governing this escalation procedure can be found in section 8.6.4.

8.6.1. Determination of Missing Capacity

430. The Missing Capacity of a CMU is equal to the positive difference between Obligated and Available Capacity during an AMT Hour during Availability Monitoring (see section 8.4) or a quarter hour during an Availability Test (see section 8.5). As the Availability Obligation of the Capacity Provider requires that it makes available its Obligated Capacity at each AMT Hour or quarter hour, the amount of Available Capacity above the Obligated Capacity at any given moment is not taken into consideration in the determination of the Missing Capacity. This means that ELIA does not consider any negative value for the Missing Capacity. The Missing Capacity for time 't' is determined by the following formula:

$$MC(CMU,t) = \ Max(P_{Obligated}(CMU,t) - P_{Availaable}(CMU,t); 0)$$

Where:

- t is either an AMT Hour or quarter hour within an Availability Test
- $P_{Obligated}(CMU,t)$ is the Obligated Capacity of the CMU for time t
- $P_{Availaable}(CMU,t)$ is the Available Capacity of the CMU for time t

From this amount, ELIA differentiates two types of Missing Capacity:

- Announced Missing Capacity (AMC); and
- Unannounced Missing Capacity (UMC).

ELIA first determines the Announced Missing Capacity based on both the Missing Capacity for time *t*, and the Announced Unavailable Capacity communicated by the Capacity Provider that covers time *t*. The following formula defines how this amount is calculated:

$$AMC(CMU,t) = Min(P_{Unavailable,Announced}(CMU,t)\ ; MC(CMU,t))$$

Where:

- t is either an AMT Hour or quarter hour within an Availability Test
- $P_{Unavailable,Announced}(t)$ is the Announced Unavailable Capacity that covers the time t
- $MC(CMU,t)$ is the Missing Capacity of the CMU for time t

ELIA then determines the Unannounced Missing Capacity (UMC) based on both the Missing Capacity for time *t* and the Announced Missing Capacity for time *t* previously calculated. This amount represents the remaining Missing Capacity for time *t* and is calculated as follows:

$$UMC(CMU,t) = \ Max(MC(CMU,t) - \ AMC(CMU,t); 0)$$

Where:

- t is either an AMT Hour or quarter hour within an Availability Test
- $MC(CMU,t)$ is the Missing Capacity of the CMU for the moment t
- $AMC(CMU,t)$ is the Announced Missing Capacity for time t

Both values ($AMC(CMU,t)$;$MC(CMU,t)$) are used to calculate the amount of Unavailability Penalty in the next section.

8.6.2. Unavailability Penalty application and calculation

431. As explained above, the Capacity Provider is sanctioned with an Unavailability Penalty for any Missing Capacity on their CMU(s). This penalty is applicable over a complete AMT Moment or duration of Availability Test. Therefore, the Unavailability Penalty of a CMU is determined for the entire AMT Moment or Availability Test duration.

432. To calculate the amount of the Unavailability Penalty of a CMU, ELIA applies the following parameters according to this section:

- The penalty factor to be applied to the Missing Capacity; and
- The weighted average contracted value of the CMU at time 't' corresponding to the AMT Hour or quarter hour within the Availability Test during which the Missing Capacity was determined; and
- The number of hours or quarter hours, for AMT Moment and Availability Test expected duration respectively, for which the penalty applies; and
- A constant number, defined as 'UP', equivalent to ELIA's expectation of the number of AMT Moments during which availability is verified by ELIA.

433. ELIA applies the penalty factor depending on the Missing Capacity type and the time it occurs (time *t*). This factor aims at incentivizing the Capacity Provider to communicate the Unavailable Capacity in the correct timeframe. For Unannounced Missing Capacity, the penalty factor is equal to 1. For Announced Missing Capacity the penalty factor is set according to the season where the Missing Capacity was detected. The following table summarizes the value of the penalty factor X:

	Unannounced Missing Capacity	**Announced Missing Capacity** **01/04/20xx-1 – 31/10/20xx**	**Announced Missing Capacity** **01/11/20xx-1 – 31/03/20xx**
Penalty factor (X)	1	0	0,9

Table 10 value of the Penalty factor (X)

434. The weighted contracted value of a CMU at time *t* corresponds to the Capacity Remuneration of each Transaction of the CMU with a Transaction Period covering time '*t*' weighted by the amount of Contracted Capacity in the Transaction. The value expressed in EURO [€] per MW is determined by the following formula:

$$weighted\ contracted\ value(CMU,t) = \frac{\sum_{i=1}^{N} Capacity\ Remuneration_i * Contracted\ Capacity_i}{\sum_{i=1}^{N} Contracted\ Capacity_i}$$

Where:

- *N* is the number of Transactions (in Primary or Secondary Market) with a transaction period covering time *t*, being the AMT Hour for Availability Monitoring (see section 8.4) or quarter hour during an Availability Test (see section 8.5) during which Missing Capacity was determined.

435. The period of time for which the Unavailability Penalty applies is determined according to the case where Missing Capacity was established:

- In case Missing Capacity was established during an Availability Test, the number of quarter hours spanning the expected duration of the Availability Test (see section 8.5); or
- In case of an Energy-Constrained CMU, the number of SLA Hours; or
- In all other cases, the number of AMT Hours in the considered AMT Moment.

UP is set at fifteen. It is an order of magnitude and in no way a limitation nor a minimum number of AMT Moments during which ELIA effectively verifies availability.

436. According to the parameters above-mentioned and the Missing Capacity, ELIA calculates the Unavailability Penalty with the following formula:

$$Unavailability\ Penalty\ [€] = \frac{1}{T * UP}[\sum_{t=1}^{T}(1+X) * Weigthed\ Contract\ Value(CMU,t) * UMC(CMU,t) + \sum_{t=1}^{T}(1+X) * Weighted\ Contract\ Value(CMU,t) * AMC(CMU,t)]$$

Where:

- T is the number of hours or quarter hours (as applicable) for which the penalty applies (as described above)
- X is the penalty factor to be applied to the Missing Capacity for time 't' (as in Table 10Table 10)
- $UMC(CMU,t)$is the Unannounced Missing Capacity at time t according to section 8.6.1
- $AMC(CMU,t)$ is the Announced Missing Capacity for time t according to section 8.6.1
- UP is the anticipated number of AMT Moments where availability is verified, equal to 15
- $Weigthed\ Contract\ Value(CMU,t)$ is as described above

437. The total amount of the Unavailability Penalty a Capacity Provider can receive for one CMU, for one Delivery Period and for Missing Capacity for a Primary Market obligation or a Secondary Market Obligation for which the Transaction Period covers one or more full Delivery Periods, is limited to the sum of the awarded Capacity Remunerations for the Delivery Period multiplied with their respective Contracted Capacities.

The total amount of the Unavailability Penalty a Capacity Provider can receive for one CMU, for one month and for Missing Capacity for a Primary Market obligation or a Secondary Market Obligation for which the Transaction Period covers one or more full Delivery Periods, is limited to 20% of the sum of the awarded Capacity Remunerations for the Delivery Period multiplied with their respective Contracted Capacities.

Once the above-defined Delivery Period or monthly cap is reached for the concerning Transaction on a Non-Energy Constrained CMU, Elia limits the Missing Capacity solely for the purposes of calculating the Unavailability Penalty to the difference between the Nominal Reference Power and the Contracted Capacity for the Transaction. This is defined by the following formula:

$$MC(CMU,t) = MIN\big(NRP(CMU,t) - Contracted\ Capacity_i(CMU,t)\big); Max(P_{Obligated}(CMU,t) - P_{Availaable}(CMU,t); 0))$$

Where:

- 'i' represents the transaction for which the Delivery Period or monthly cap has been reached. This applies until the end of the Delivery Period or month for the Delivery Period or monthly cap respectively.

Once the above-defined Delivery Period or monthly cap is reached for the concerning Transaction on an Energy Constrained CMU, Elia limits the Missing Capacity solely for the purposes of calculating the Unavailability Penalty to the difference between the Nominal Reference Power and the Contracted Capacity divided by the Derating Factor for the Transaction. This is defined by the following formula:

$$MC(CMU,t) = MIN\left(NRP(CMU,t) - \frac{Contracted\ Capacity_i(CMU,t)}{Derating\ Factor(CMU,t)}\right); Max(P_{Obligated}(CMU,t) - P_{Availaable}(CMU,t); 0))$$

Where:

- 'i' represents the transaction to which the Delivery Period or monthly cap has been reached. This applies until the end of the Delivery Period or month for the Delivery Period or monthly cap respectively.

In addition, the transaction is no longer included in the above calculation of the Weighted Contract Value for the remainder of the Delivery Period or month for the Delivery Period or monthly cap respectively.

The limitation on Missing Capacity during this period is solely for the calculation of the Unavailability Penalty value and among others does not impact the conditions necessary for escalation (according to section 8.6.4), factors taken into account for Availability Tests or any other processes using Missing Capacity as input other than the calculation of the Unavailability Penalty value.

8.6.3. Notification and Contestation

438. After determining the Missing Capacity of a CMU and establishing the related Unavailability Penalty, ELIA must provide the Contractual Counterparty with a monthly performance report. This report covers an entire month, from the first day of the month at 00:00 until the last day of the month at 23:59. The report contains the following information for any AMT Hour in an AMT Moment or for each quarter hour of Availability Test where Missing Capacity has been detected by ELIA:

- Date and time; and
- The value in MW of the CMU's Available Capacity; and
- The value in MW of the CMU's Obligated Capacity; and
- The value in MW of the CMU's Missing Capacity; and
- The value in EURO [€] of the CMU's Unavailability Penalty.

439. ELIA provides the report before the 15th of month M+2 at the latest to the Contractual Counterparty for AMT Moments and Availability Tests occurring during month M. Upon receipt of this report, the Contractual Counterparty has until the end of month M+2 to notify the Capacity Provider of any Unavailability Penalty and include the monthly performance report in the notification.

If the Capacity Provider contests any parameters or calculation leading to an incorrect Unavailability Penalty, they have twenty Working Days from the date of notification to

contest it with the Contractual Counterparty. In such a case, the Capacity Provider and the Contractual Counterparty must enter into negotiations in order to reach an amicable agreement within thirty Working Days. The Contractual Counterparty and Capacity Provider may request additional information from ELIA on the parameters in the monthly report if needed.

If within thirty Working Days no such agreement is found, the Capacity Provider pays the Unavailability Penalty and both parties continue to find an amicable solution within sixty working days. The agreement can be settled in a future invoice to the Capacity Provider.

If within sixty Working Days still no such agreement has been reached, the parties commence the litigation procedure in accordance with chapter 13.

8.6.4. Penalty escalation procedure

440. A Capacity Provider with a CMU for which ELIA has determined multiple Missing Capacities over the Delivery Period incurs a downwards revision of its Capacity Remuneration and, under the criteria in this section, further contractual impacts.

441. ELIA issues the downwards revision of the Capacity Remuneration of a CMU if:

- The CMU fails to meet its Availability Obligations three times over a Delivery Period, during a AMT Moment and/or Availability Tests. These three times do not require to be consecutive; and
- Each of these failures constitutes a Missing Capacity over 20% of Obligated Capacity established during an AMT Moment and/or Availability Test.

442. The monthly Capacity Remuneration for the Capacity Provider is reduced by a factor equal to the maximum ratio of the three Missing Capacities and the Obligated Capacity values established during the three failures.

The Capacity Provider however retains the initial Availability Obligation and remains liable for possible Unavailability Penalties for that CMU as in the Capacity Contract before the downwards revision was issued. *Total Contract Value* is not altered.

443. ELIA communicates to the Contractual Counterparty any Missing Capacity detected via the monthly performance report. Based on this report, the Contractual Counterparty notifies the Capacity Provider of the application of the downwards revision through the monthly performance report, in case it shows the abovementioned criteria. The downwards revision of the Capacity Remuneration applies as of the moment of notification on future reception by the Capacity Provider of the Capacity Remuneration.

444. From the moment the Capacity Provider receives the downwards revision, the CMU has to successfully provide its Obligated Capacity in accordance with the Contracted Capacity and SLA three consecutive times during an AMT Moment and/or Availability Tests to reinstate the Capacity Provider's original Capacity Remuneration. For each of these three occurrences the CMU in question must deliver 100% of the Obligated Capacity as Proven Availability. The Capacity Provider notifies ELIA via the CRM IT interface after completing the third successful delivery. This notification contains:

- The CMU ID; and
- The start date and time of each concerning Availability Test and/or AMT Moment.

445. ELIA analyses the Obligated and Available Capacity for each Availability Test and/or AMT Moment. ELIA notifies the Capacity Provider and Contractual Counterparty of the following within five Working Days:

- The CMU ID; and
- The start date and time of each concerning Availability Test and/or AMT Moment; and
- For each Availability Test/AMT Moment, the Obligated, Available and Missing Capacities; and
- Whether the conditions for reinstating the remuneration have been met or not.

The Capacity Provider can request an Availability Test (according to section 8.5) to ELIA for that purpose.

446. The downward revision is extendable across Delivery Periods on multi-year contract if the Capacity Provider failed to recover the initial Capacity Remuneration.

447. As long as the CMU has not reinstated its Capacity Remuneration through three successful deliveries during an AMT Moment or Availability Test, its Capacity Provider is prohibited to buy additional obligations for this CMU on the Secondary Market.

448. In case a new Missing Capacity greater than the previous three ones is determined by ELIA during an Availability Test or AMT Moments for this CMU before performing three successful tests, ELIA sends an updated value of the downward revision with this last Missing Capacity to the Contractual Counterparty. They notify the Capacity Provider of the updated value and start applying it as from the moment of notification to the Capacity Provider.

449. In case the CMU was subject to a downwards revision of Capacity Remuneration during two subsequent Delivery Periods and the CMU each time failed to reinstate the original Capacity Remuneration (as detailed above) within twelve weeks after the notification of the downward revision via the monthly performance report, the Capacity Provider loses the possibility to reinstate the original Capacity Remuneration for the CMU and all Capacity Contracts applying to the CMU Delivery Periods starting from the one covered by the first upcoming Y-1 Auction after applying this clause are terminated.

9. SECONDARY MARKET

9.1. INTRODUCTION

450. This document describes the Secondary Market which aims to transfer (part of) the Contracted Capacity of a Transaction of a CMU towards another CMU.

It explains in details the principles, conditions and the different processes that are followed by a Prequalified CRM Candidate or a Capacity Provider in order to participate to the Secondary Market

Section 9.2 provides the general principles which form the basis for more elaborated rules in the subsequent Sections.

Section 9.3 describes the conditions for the Prequalified CRM Candidate or Capacity Provider and his CMUs to notify a Secondary Market transaction to ELIA.

Section 9.4 describes the Secondary Market transaction content and the related requirements in order to reach an approved Secondary Market transaction, in addition to Section 9.3 conditions.

Section 9.5 describes the process of notification of a Secondary Market transaction to ELIA and its approval or rejection by ELIA.

Section 9.6 describes the process of contractual modification for the Contractual Counterparty resulting from an approved Secondary Market transaction

Section 9.7 describes the Capacity Contract's possible escalation of penalties in case of underperformance of CMUs having a Secondary Market Transaction.

Section 9.8 describes the start, accessibility and end of the Secondary Market

Finally, section 9.9 describes the high-level IT requirements of a functioning and efficient Secondary Market participation

9.2. GENERAL PRINCIPLES

451. This section describes the general principles applicable to every Capacity Market Unit (CMU) in the Secondary Market process, and to consider when reading (or going though) this section.

452. The Secondary Market process is considered as part of the CRM, and is facultative.

453. The Prequalified CRM Candidate and the Capacity Provider are at all times responsible for the provision of correct, complete and up to date information to ELIA for the purpose of the Secondary Market. ELIA and the Contractual Counterparty are not liable for loss or loss of opportunity incurred by the Prequalified CRM Candidate or Capacity Provider as a result of incorrect, incomplete or out of date information.

454. The Secondary Market process, as developed by ELIA, is a title transfer facility being part of the CRM IT Interface - consisting in a solution of notification, process and approval or

rejection of the notification of a Secondary Market transaction between a Seller of an Obligation and a Buyer of an Obligation and not in a solution for organizing, operating the bilateral or exchange agreement(s) exclusive of the title transfer facility.

455. For ELIA, the Secondary Market transaction is the mandatory set of information and it is to distinguish from the Transaction definition which is the end result of a successfully Secondary Market transaction approved by ELIA and validated by the Contractual Counterparty in the Capacity Contract.

456. The phases prior to the notification towards ELIA of a Secondary Market transaction are arranged between the Capacity Provider and a Prequalified CRM Candidate (or a Capacity Provider), or arranged with the support of an Exchange. No interventions of ELIA and of the Contractual Counterparty is foreseen on this matter.

457. The entire process to be followed in order to successfully notify a Secondary Market transaction is accomplished by:

- Both Secondary Market transaction counterparties, the Buyer of an Obligation and the Seller of an Obligation, implying a notification of the Secondary Market transaction by each of them in the CRM IT Interface.

Or,

- The Exchange mandated by the both mandatory counterparties, the Seller of an Obligation and the Buyer of an Obligation for the notification of the Secondary Market transaction to ELIA. He is a facilitator and arranges Secondary Market transactions.

458. ELIA doesn't develop in the CRM any Exchange but facilitates the notification of its Secondary Market transaction.

459. The notification has to be provided to ELIA in order to ensure that, once approved and registered with the Contractual Counterparty under the form of a Capacity Contract, the necessary Financial Security, Pre-delivery control, Availability Obligations & Penalties, Payback Obligation, Settlements and Payments are correctly handled and settled.

460. The Secondary Market transactions are processed by ELIA and the Contractual Counterparty. However, ELIA cannot be held responsible for any of the transaction content which has been strictly arranged between Secondary Market parties, namely Capacity Provider, Prequalified CRM Candidate or an Exchange.

461. A Secondary Market transaction notification is solely considered between two different CMUs, the CMU of the Seller of an Obligation and the CMU of the Buyer of an Obligation.

462. A Secondary Market transaction can be notified solely after the opening of the Secondary Market according to section 9.8.1 and no Secondary Market transaction can be notified after the end of the Secondary Market according to section 9.8.3.

463. Any approved Secondary Market transaction implies a full transfer of the contractual rights (e.g. the payment of the capacity remuneration) and obligations (e.g. the Availability obligation) related to the part of the Contracted Capacity yielded, the Secondary Market Capacity on the Transaction Period releasing an obligation, as from the Transaction of the Seller of an Obligation Capacity Contract, towards a new Transaction on the CMU in the Capacity Contract of the Buyer of an Obligation in the Secondary Market transaction.

464. The notification of a Secondary Market transaction by the Buyer of an Obligation and / or Seller of an Obligation in the Secondary Market transaction commits him/them on the

contractual implications. The notification of a Secondary Market transaction by an Exchange duly recognized by Secondary Market Exchange Mandates (according to annex 17.3.1) with the Buyer of an Obligation and the Seller of an Obligation in the Secondary Market transaction commits them on the contractual implications.

465. All formulas described in the sections 9.4 and 9.5 are related to parameters evolving in time and which incorporate all the CMU Capacity Contract parameters and Transactions modifications so that at any time, the approval or rejection of a Secondary Market transaction can be performed. References to other sections of the Functioning Rules enhance a dynamic and holistic ecosystem of the CMU data.

466. Evolution of the formula in time and its parameters are driven by the two time dimensions:

- The t_{notif} defining the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- The Transaction Period TP on which the Secondary Market transaction applies and impacts the contractual obligations of the Capacity Provider regarding his CMU

467. A granularity of 0,01 MW is applicable for MW data.

468. The rounding rule is rounding-up so that the result up or down to the nearest number (with a rounding-up if there is no nearest number) and applies to each formula.

9.3. CONDITIONS FOR SECONDARY MARKET PARTICIPATION

469. This section describes the conditions to comply with for Prequalified CRM Candidate or Capacity Provider and their Prequalified CMUs to participate in the Secondary Market once the title transfer facility developed by ELIA is available according to section 9.8.

470. Only Capacity Providers are entitled to become Sellers of an Obligation. They are identified with an individual *Capacity Provider ID*, communicated in the Capacity Contract annex A and also available on the CRM IT Interface.

471. The Buyer of an Obligation is either a Prequalified CRM Candidate or a Capacity Provider, respectively identified with a *Prequalified CRM Candidate ID*, available on the CRM IT Interface, or a *Capacity Provider ID*, communicated in the Capacity Contract annex A and also available on the CRM IT Interface.

472. According to paragraph 575, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on his CMU, are applicable. Therefore, the Prequalified CRM Candidate or Capacity Provider has no access to the Secondary Market or only with a limited amount of CMUs.

9.3.1. Compliance checks

473. The Seller of an Obligation as Capacity Provider has endorsed the CRM conditions including the Capacity Contract and has signed a Capacity Contract for the Contracted Capacity of its CMU.

474. The Buyer of an Obligation acknowledged the CRM conditions including the Capacity Contract at the time of its CMU Prequalification Process.

9.3.2. Conditions for Exchange

475. To participate to the Secondary Market on the Transaction Period, an Exchange should be mandated by at least two Capacity Providers or at least a Capacity Provider and a Prequalified CRM Candidate. An Exchange is mandated by a Capacity Provider or Prequalified CRM Candidate when he signed a valid Secondary Market Exchange Mandate (see annex 17.3.1) with him, duly communicated to ELIA for registry according to paragraph 543.

9.3.3. Conditions for CMUs

476. With the exclusion of CMU(s) following the fast track Prequalification Process, the CMU(s) with the prequalified status are the only ones entitled to participate to the Secondary Market.

Such CMU(s) are respectively identified with a unique ID as displayed on CRM IT Interface, the *CMU ID*.

However, the condition of participation in the Secondary Market for a CMU may differ for a Prequalified CMU depending on whether it is held by a Seller of an Obligation or a Buyer of an Obligation, namely:

- For the Seller of an Obligation, his related participating CMUs have one of the three possible status: Existing CMU, Virtual CMU or Additional CMU.
- For the Buyer of an Obligation, only CMUs with the status of "Existing" (prequalified following the standard Prequalification Process according to paragraph 140) are authorized to participate to the Secondary Market.

9.3.3.1. Conditions on the Transaction of the Seller of an Obligation's CMU

477. According to paragraph 509 on the requirement for the Seller of an Obligation Transaction, prior to his connection on the CRM IT Interface, the Seller of an Obligation has a CMU with a Transaction having a positive (above zero) Contracted Capacity on the current or future Delivery Periods.

9.3.3.2. Conditions on the CMU Secondary Market Remaining Eligible Volume

478. According to section 9.4.3.9, prior his connection on the CRM IT Interface, the Buyer of an Obligation has a CMU with a positive (above zero) Secondary Market Remaining Eligible Volume on the current or future Delivery Periods.

9.3.3.3. Compliance checks

479. A Secondary Market transaction notified with a CMU not respecting those conditions is rejected according to paragraph 556.

9.4. SECONDARY MARKET TRANSACTIONS REQUIREMENTS

480. This section describes, for a Secondary Market transaction, all the requirements to comply with a successful filled-in notification and which apply prior to its submission.

This section lists the data or documents relating to the Prequalified CMUs that are submitted with the notification according to section 9.5.1 by both the Seller of an Obligation and the Buyer of an Obligation (or their common Exchange) to obtain ELIA's approval of the Secondary Market transaction.

In case of inconsistency or non-compliance with at least one of the below requirements, the Secondary Market transaction is rejected (as a status) according to paragraph 556.

9.4.1. Requirement on the notification issuance

481. In case of a bilateral Secondary Market transaction notification, both the Seller of an Obligation and the Buyer of an Obligation communicate the same Secondary Market transaction content as detailed in paragraph 487.

482. In case of an Exchange Secondary Market transaction notification, both the Seller of an Obligation and the Buyer of an Obligation have signed a valid Secondary Market Exchange Mandate form (see annex 17.3.1) with the same Exchange prior to the notification according to paragraph 545.

9.4.2. Requirement on the Transaction Date

483. The Transaction Date is determined and logged as the official acknowledgement of reception timestamp (date and time) by ELIA according to paragraph 546.

484. The ex-post or ex-ante status of a Secondary Market transaction is defined by the combination of the Transaction Date and its position in time compared to the Transaction Period start date as defined and settled in the Secondary Market transaction process, according to paragraph 484 and to section 9.5.3:

- An ex-ante Secondary Market transaction has a Transaction Date before the moment of AMT identification as detailed in section 8.4.1 related to the start date and time of a Transaction Period.
- An ex-post Secondary Market transaction has a Transaction Date equal or posterior to the moment of AMT identification as detailed in section 8.4.1 related to the start date and time of a Transaction Period.

485. Ex-post Secondary Market transactions are authorized up to ten Working Days after the start of the Transaction Period, considered as an AMT Hour, implying that the Transaction Date (date and time) should not exceed by more than ten Working Days after the Transaction Period start date (date and time).

486. All Secondary Market transactions having a Transaction Period with a granularity of hours according to paragraph 501500 and transferring an obligation to an Energy Constrained CMU on its SLA and/or non-SLA Hours are only notified in ex-post.

9.4.3. Requirement on the notification content

487. The content of information that is required in a Secondary Market transaction notification is the content of the notification and describes the elements required in the process and approval process in accordance to section 9.5. Each of the following elements is described further in details in the table below.

The Secondary Market transaction content is:

Information	Type	Unit	Information	Details
Secondary Market transaction external ID	Free field of 6 alphabet letters followed by 6 digits	NA	The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)	As detailed in section 9.4.3.1
Seller of an Obligation	Capacity Provider ID	NA	Identification of the Capacity Provider of the CMU of the Seller of an Obligation and considered as the Seller of an Obligation	As detailed in section 9.4.3.2
CMU of the Seller of an Obligation	CMU ID	NA	Identification of the CMU of the Seller of an Obligation	As detailed in section 9.4.3.3
Transaction of the Seller of an Obligation's CMU	Transaction ID	NA	Identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation	As detailed in section 9.4.3.4
Buyer of an Obligation	Capacity Provider ID or Prequalified CRM Candidate ID	NA	Identification of the Capacity Provider or Prequalified CRM Candidate of the CMU taking over the obligation and considered as the Buyer of an Obligation	As detailed in section 9.4.3.5
CMU of the Buyer of an Obligation	CMU ID	NA	Identification of the CMU taking over the obligation	As detailed in section 9.4.3.6
Secondary Market Capacity	Floating	MW	The volume of the Secondary Market Capacity that is transferred	As detailed in section 9.4.3.10
Transaction Period	Date / Time to Date / Time	Time	The Transaction Period indicating the start date/time until the end date/time (included)	As detailed in section 9.4.3.7

Capacity Remuneration	Floating	€/MW/year	The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation	As detailed in section 9.4.3.11
Calibrated Strike Price of the Transaction	Floating	€/MWh	The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation	As detailed in the paragraphs 532, 534, 535 and 536
Strike Price indexation Auction year	Integer or "NA"	Year	If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year	As detailed in the paragraphs 533, 534, 535 and 536
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1	As detailed in the paragraphs 533, 534, 535 and 536

9.4.3.1. Secondary Market transaction external ID

488. The Buyer of an Obligation and the Seller of an Obligation, or if applicable the Exchange, determine a *Secondary Market transaction external ID*. It is composed of six letters (of the latin alphabet of twenty-six letters) followed by six digits (each from zero to nine).

For both the Buyer of an Obligation and the Seller of an Obligation, the *Secondary Market transaction external ID* is new and has never been used previously in a Secondary Market transaction notification content involving them, whether for a transaction status in process, rejected or approved.

Any Secondary Market transaction notified with a *Secondary Market transaction external ID* of a Secondary Market transaction already notified, involving the Prequalified CRM Candidates or Capacity Providers and with one of the three status (in process, approved, rejected) is automatically rejected. The parties are required to enter again the Secondary Market transaction process along with another *Secondary Market transaction external ID*.

9.4.3.2. Seller of an Obligation

489. The Seller of an Obligation is a Capacity Provider and is exclusively identified by its *Capacity Provider ID*, as specified in his Capacity Contract, annex A.

9.4.3.3. CMU of the Seller of an Obligation

490. The CMU of the Seller of an Obligation is identified with its *CMU ID*, communicated in the Prequalification Process.

491. The CMU of the Seller of an Obligation is prequalified and is different than the CMU of the Buyer of an Obligation.

9.4.3.4. Transaction of the Seller of an Obligation's CMU

492. The Contracted Capacity of a Transaction incorporates all the previous successfully approved Secondary Market transactions that are modified accordingly by the Contractual Counterparty in accordance to section 9.6.

493. The formula as detailed in paragraph 509 can be used at any time to measure the capabilities of the CMU of the Seller of an Obligation for new Secondary Market transactions.

494. The Seller of an Obligation (or his Exchange as detailed in paragraph 482) communicates to ELIA in the notification content, as detailed in paragraph 487, the Transaction of the Seller of an Obligation's CMU (its *Transaction ID*) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation. The Buyer of an Obligation (or his dedicated Exchange as detailed in paragraph 482) communicates in the notification content as detailed in paragraph 487, the same information. The *Transaction ID* communicated as detailed in paragraph 487 is related to the *CMU ID* of the CMU of the Seller of an Obligation and listed in his Capacity Contract, annex A.

9.4.3.5. Buyer of an Obligation ID

495. The Buyer of an Obligation is a Capacity Provider or a Prequalified CRM Candidate and is therefore respectively identified by either:

- A *Capacity Provider ID*, as specified in his Capacity Contract, annex A, or
- A *Prequalified CRM Candidate ID*, as specified in the CRM IT Interface during the Prequalification Process

496. According to paragraph 576, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on its CMU are applicable. The Prequalified CRM Candidate or Capacity Provider doesn't access the Secondary Market entirely or with an amount of limited CMUs to participate.

9.4.3.6. CMU of the Buyer of an Obligation

497. The CMU of the Buyer of an Obligation is identified with its *CMU ID*, communicated in the Prequalification Process.

498. The CMU of the Buyer of an Obligation is prequalified and is different than the CMU of the Seller of an Obligation.

499. The CMU of the Buyer of an Obligation is Existing. All transactions notified to ELIA containing for the CMU of the Buyer of an Obligation the status 'Unproven' or 'Additional' are rejected.

500. According to paragraph 576, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on a specific CMU are applicable.

9.4.3.7. Transaction Period

9.4.3.7.1. Transaction Period features

501. The granularity in terms of period covered by the Secondary Market transaction is:

- Either, one calendar day (measured from one midnight to the next) or multiple consecutive calendar days; or,
- Either, one full hour or multiple consecutive full hours in a calendar day.

502. The time definition is the Belgian time (CET).

503. The Transaction Period of the Secondary Market transaction is a period in time covered by a Contracted Capacity in the CRM.

504. The Seller of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 the Transaction Period composed of a start date (date and time) and an end date (date and time).

The Buyer of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487, the same information.

According to paragraph 549, an ex-post Secondary Market transaction has a Transaction Period end date on the same calendar day as the Transaction Period start date.

9.4.3.7.2. Limitation to the Transaction Period of the Transaction of the Seller of an Obligation's CMU

505. The Seller of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 the Transaction of the Seller of an Obligation's CMU (its *Transaction ID*) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.

506. The Buyer of an Obligation (or his Exchange) also communicates in the notification content as detailed in paragraph 487, the Transaction of the Seller of an Obligation's CMU and (its Transaction ID) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.

507. In all cases, at a certain moment t_{notif}, the Secondary Market Transaction Period is fully included in the Transaction Period of the Transaction of the Seller of an Obligation's CMU according to paragraph 494, identified by its *Transaction ID*.

This is represented by the following formula:

$$Secondary\ Market\ Transaction\ Period\ start\ date\ (CMU, TP, t_{notif}) \geq Transaction\ Period\ start\ date\ (CMU, Transaction\ Id\ , t_{notif})$$

And,

$$Secondary\ Market\ Transaction\ Period\ end\ date\ (CMU, TP, t_{notif}) \leq Transaction\ Period\ end\ date\ (CMU, Transaction\ Id\ , t_{notif})$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- Transaction Id refers to the unique identifier of a Transaction of the Seller of an Obligation's CMU according to paragraph 494 as specified in the annex A of the Capacity Contract or in the CRM IT Interface.

9.4.3.7.3. Compliance check

508. According to sections 9.4.3.7.1 and 9.4.3.7.2, a Secondary Market transaction notified to ELIA with an incorrect Transaction Period is rejected as detailed in paragraph 556.

9.4.3.8. Secondary Market Capacity of the Seller of an Obligation

509. In all cases, at a certain moment t_{notif}, the Secondary Market Capacity is positive and limited to the minimum of the Contracted Capacity of the Transaction of the Seller of an Obligation's CMU, identified by its *Transaction ID* over the Transaction Period TP.

This is represented by the following formula:

$$Secondary\ Market\ Capacity\ (CMU, TP, t_{notif}) \leq\ Contracted\ Capacity_{min}\ (CMU, Transaction\ Id, TP, t_{notif})$$

And,

$$Secondary\ Market\ Capacity\ (CMU, TP, t_{notif}) \geq 0$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- Transaction Id refers to the unique identifier of a Transaction of the Seller of an Obligation's CMU according to paragraph 494 as specified in the annex A of the Capacity Contract or in the CRM IT Interface.
- $Contracted\ Capacity_{min}\ (CMU, Transaction\ Id, TP, t_{notif})$ is the minimum Contracted Capacity of the Transaction's CMU identified by its Transaction Id over the Transaction Period TP at the moment of the notification t_{notif};

9.4.3.9. Secondary Market Capacity of the Buyer of an Obligation

510. According to section 8.4.3.1, the Obligated Capacity incorporates the successfully approved Secondary Market Transactions, through Total Contracted Capacity (as in the definition of the term) or otherwise specified, and is modified accordingly by the Contractual Counterparty so that the formula of section 9.4.3.9 can be used at any time to measure the capabilities of the CMU of the Buyer of an Obligation for new Secondary Market transactions.

9.4.3.9.1. Authorized Secondary Market Capacity for Non-Energy Constrained CMUs

511. In a Secondary Market transaction performed at a certain moment t_{notif}, the Non-Energy Constrained CMU of a Buyer of an Obligation willing to take over new obligation(s) has a maximal authorized volume to acquire Contracted Capacities and related obligations which limits the Secondary Market Capacity on the Transaction Period TP to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').

This is represented by the following formula:

$$Secondary\ Market\ Capacity\ (CMU, TP, t_{notif}) \leq SMREV(CMU, TP, t_{notif}))$$

512. A distinction of the Secondary Market Remaining Eligible Volume is made depending on the ex-ante or ex-post expected status of the Secondary Market transaction according to paragraph 484 and to section 9.5.3.

513. The Secondary Market Capacity of an ex-post Secondary Market transaction for a Non-Energy Constrained CMU is only based on Proven Availability.

514. For an ex-ante Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif}, the Secondary Market Remaining Eligible Volume is the positive result of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Total Contracted Capacity and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in the Auction over the Transaction Period multiplied by the Last Published Derating Factor.

This is represented by the following formula:

$$\begin{aligned} SMREV(CMU, TP, t_{notif})) \\ = Max(0\,; Remaining\ Maximum\ Capacity_{min}\ (CMU,\ TP, t_{notif}) \\ - Total\ Contracted\ Capacity_{max}\ (CMU, TP, t_{notif}) \\ - [OptOut\ Volume_{max}\ (CMU, TP, t_{notif}) \\ * Last\ Published\ Derating\ Factor(CMU, t_{notif})]) \end{aligned}$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- $Remaining\ Maximum\ Capacity_{min}\ (CMU,\ TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity applicable according to paragraph 336 over the Transaction Period TP at the moment of the notification t_{notif};
- $Total\ Contracted\ Capacity_{max}\ (CMU, TP, t_{notif})$ is the maximum CMU Total Contracted Capacity over the Transaction Period TP at the moment of the notification t_{notif};
- t_{TCC} is defined by the time at which the maximum Total Contracted Capacity is identified over the Transaction Period TP;
- $OptOut\ Volume_{max}\ (CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered

as IN according to sections 5.6.2.2 and 5.7.1.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction paragraph 241 over the Transaction Period TP at the moment of the notification t_{notif};

- $Last\ Published\ Derating\ Factor(CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

515. For an ex-post Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif}, the Secondary Market Remaining Eligible Volume is the positive result of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Obligated Capacity and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in the Auction over the Transaction Period multiplied by the Last Published Derating Factor.

This is represented by the following formula:

$$\begin{aligned} SMREV(CMU, TP, t_{notif})) \\ = Max(0\,; Remaining\ Maximum\ Capacity_{min}\,(CMU,\ TP, t_{notif}) \\ - Obligated\ Capacity_{max}\,(CMU, TP, t_{notif}) \\ - [OptOut\ Volume_{max}\,(CMU, TP, t_{notif}) \\ * Last\ Published\ Derating\ Factor(CMU, t_{notif})]) \end{aligned}$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- $Remaining\ Maximum\ Capacity_{min}\,(CMU,\ TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity applicable according to the paragraph 336 over the Transaction Period TP at the moment of the notification t_{notif};
- $Obligated\ Capacity_{max}\,(CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity according to the section 8.4.3.1 over the Transaction Period TP TP at the moment of the notification t_{notif};
- $OptOut\ Volume_{max}\,(CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to sections 5.6.2.2 and 5.7.1.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to chapter Auction paragraph 241 over the Transaction Period TP at the moment of the notification t_{notif};
- $Last\ Published\ Derating\ Factor(CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

9.4.3.9.2. Authorized Secondary Market Capacity for Energy Constrained CMUs on their SLA Hours

516. In a Secondary Market transaction performed at a certain moment t_{notif}, the Energy Constrained CMU of a Buyer of an Obligation willing to take over new obligation(s) has a maximal authorized volume to acquire Contracted Capacities and related obligations which

limits the Secondary Market Capacity on the Transaction Period TP to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').

This is represented by the following formula:

$$Secondary\ Market\ Capacity\ (CMU, TP, t_{notif}) \leq SMREV(CMU, TP, t_{notif}))$$

517. The Secondary Market Capacity of an ex-post Secondary Market transaction for an Energy Constrained CMU on SLA Hours is only based on Proven Availability.

518. A distinction of the Secondary Market Remaining Eligible Volume is to be made depending on the ex-ante or ex-post expected status of the Secondary Market transaction according to paragraph 484 and to section 9.5.3.

519. For an ex-ante Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif}, the Secondary Market Remaining Eligible Volume is the positive result of the multiplication of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Total Contracted Capacity divided by the Derating Factor of the maximum Total Contracted Capacity over the Transaction Period and from which is secondly deducted the maximum OptOut Volume that resulted in a correction of the volume in the Auction over the Transaction Period, by the Last Published Derating Factor.

This is represented by the following formula:

$$\begin{aligned} &SMREV(CMU, TP, t_{notif})) \\ &= Max\Bigg(0; \Bigg[Remaining\ Maximum\ Capacity_{min}\ (CMU,\ TP, t_{notif}) \\ &- \left[\frac{Total\ Contracted\ Capacity_{max}\ (CMU, TP, t_{notif})}{Derating\ Factor\ (CMU, t_{TCC})}\right] \\ &- OptOut\ Volume_{max}\ (CMU, TP, t_{notif})\Bigg] \\ &* Last\ Published\ Derating\ Factor(CMU, t_{notif})\Bigg) \end{aligned}$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- $Remaining\ Maximum\ Capacity_{min}\ (CMU,\ TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity according to the paragraph 336 applicable over the Transaction Period TP at the moment of the notification t_{notif};
- $Total\ Contracted\ Capacity_{max}\ (CMU, TP, t_{notif})$ is the maximum CMU Total Contracted Capacity over the Transaction Period TP at the moment of the notification t_{notif};
- t_{TCC} is defined by the time at which the maximum Total Contracted Capacity is identified over the Transaction Period TP;
- $Derating\ Factor\ (CMU, t_{TCC})$ is the weighted average based on Contracted Capacities of the

previous registered Transactions Derating Factors of the CMU on moment t_{TCC} and represented by the following formula:

- $Derating\ Factor\ (CMU, t) = \frac{\sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t_{TCC}) * Derating\ Factor(CMU, Transaction_i)]}{Total\ Contracted\ Capacity\ \ (CMU, t_{TCC})}$

- $OptOut\ Volume_{max}\ (CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to sections 5.6.2.2 and 5.7.1.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to paragraph 241 over the Transaction Period TP at the moment of the notification t_{notif};

- $Last\ Published\ Derating\ Factor(CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

520. For an ex-post Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif}, the Secondary Market Remaining Eligible Volume is the positive result of the minimum Proven Availability over the Transaction Period from which is firstly deducted the maximum Obligated Capacity over the Transaction Period and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in the Auction over the Transaction Period.

This is represented by the following formula:

$$SMREV(CMU, TP, t_{notif})) = Max\Big(0\,; Proven\ Availability_{min}\ (CMU,\ TP, t_{notif}) - Obligated\ Capacity_{max}\ (CMU, TP, t_{notif}) - OptOut\ Volume_{max}\ (CMU, TP, t_{notif})\Big)$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7

- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;

- $Proven\ Availability_{min}\ (CMU,\ TP, t_{notif})$ is the minimum CMU Proven Availability according to section 8.4.3.2 applicable over the Transaction Period TP at the moment of the notification t_{notif};

- $Obligated\ Capacity_{max}\ (CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity according to the section 8.4.3.1 over the Transaction Period TP at the moment of the notification t_{notif};

- $OptOut\ Volume_{max}\ (CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to sections 5.6.2.2 and 5.7.1.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to paragraph 241 over the Transaction Period TP at the moment of the notification t_{notif};

9.4.3.9.3. Authorized Secondary Market Capacity for Energy Constrained CMUs on their Non-SLA Hours

521. Energy Constrained CMUs are allowed to trade, take over and release obligations in the Secondary Market outside of their SLA Hours for hours considered in the AMT Moments.

522. The Secondary Market Capacity of a Secondary Market transaction for an Energy Constrained CMU on Non-SLA Hours is only based on Proven Availability.

523. Secondary Market transaction involving the non-SLA Hours of an Energy Constraint CMU is only authorized in ex-post according to paragraphs 484 and 486, and to section 9.5.3.

524. In a Secondary Market transaction performed at a certain moment t_{notif}, the Energy Constrained CMU of a Buyer of an Obligation has a maximal authorized volume to acquire Contracted Capacities and related obligations on its Non-SLA hours which limits the Secondary Market Capacity on the Transaction Period TP to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').

This is represented by the following formula:

$$Secondary\ Market\ Capacity\ (CMU, TP, t_{notif}) \leq SMREV(CMU, TP, t_{notif}))$$

And,

For a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif}, the Secondary Market Remaining Eligible Volume is the positive result of the minimum Proven Availability over the Transaction Period from which is deducted the maximum Obligated Capacity over the Transaction Period.

This is represented by the following formula:

$$\begin{aligned} SMREV(CMU, TP, t_{notif})) \\ = Max(0\,; Proven\ Availability_{min}\ (CMU,\ TP, t_{notif}) \\ -\ Obligated\ Capacity_{max}\ (CMU, TP, t_{notif})) \end{aligned}$$

Where:

- TP is the Transaction Period of the Secondary Market transaction according to paragraph 487 and to section 9.4.3.7. The Transaction Period TP is a set of continuous hours exclusively on a continuous set of non-SLA hours for the CMU of the Seller of an Obligation in the AMT hours
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to paragraph 546;
- $Proven\ Availability_{min}\ (CMU,\ TP, t_{notif})$ is the minimum CMU Proven Availability according to the section 8.4.3.2.2 applicable over the Transaction Period TP at the moment of the notification t_{notif};
- $Obligated\ Capacity_{max}\ (CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity according to the section 8.4.3.1 over the Transaction Period TP TP at the moment of the notification t_{notif};

9.4.3.10. Secondary Market Capacity for the notification content

525. The Seller of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 a Secondary Market Capacity which is equal or below the maximal Secondary Market Capacity of the CMU of the Seller of an Obligation on the Transaction Period, according to paragraph 509.

     The Buyer of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 a Secondary Market Capacity which is equal or below the maximal Secondary Market Capacity of the CMU of the Buyer of an Obligation on the Transaction Period, according to paragraph 510.

526. The Secondary Market Capacity is a fixed value in MW over the Transaction Period TP.

     This implies that different Secondary Market Capacities over time are arranged in different Secondary Market transactions notification content as detailed in paragraph 487 and notifications according to section 9.5.1.

     The communicated Secondary Market Capacities in both notifications of the Secondary Market transaction are equal.

527. The same compliance check with the requirements according to the sections 9.4.3.8, 9.4.3.9 and 9.4.3.10 applies in case of a single notification of the Secondary Market transaction by an Exchange as detailed in paragraph 545.

528. A Transaction notified to ELIA with an incorrect Secondary Market Capacity is rejected according to paragraph 556.

9.4.3.11. Capacity Remuneration transfer

529. The Seller of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 the Capacity Remuneration of its identified Transaction of the CMU of the Seller of an Obligation.

     The Buyer of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487, the same information.

     The communicated Capacity Remuneration equals with the identified Transaction of the CMU of the Seller of an Obligation original Capacity Remuneration, communicated in the Capacity Contract annex A and also available on the CRM IT Interface.

530. The same compliance to the requirements applies in case of single notification of the Secondary Market transaction by an Exchange as detailed in paragraph 482.

531. A Transaction notified to ELIA and the Contractual Counterparty with an incorrect Capacity Remuneration value is rejected according to paragraph 556.

9.4.3.12. Strike Price transfer

532. The Seller of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487 the Calibrated Strike Price of its identified Transaction of the CMU of the Seller of an Obligation.

The Buyer of an Obligation (or his Exchange) communicates in the notification content as detailed in paragraph 487, the same information.

533. If applicable, the Calibrated Strike Price is accompanied by its indexation in time represented by its parameters:

- Auction year
- Auction type Y-4 or Y-1
- Otherwise, the two Calibrated Strike Price indexation parameters remain empty fields in the notification content as detailed in paragraph 487

534. The communicated Strike Price and if applicable its indexation equals with the identified original Calibrated Strike Price and indexation parameters of the Transaction of the CMU of the Seller of an Obligation, communicated in the Capacity Contract annex A and also available on the CRM IT Interface.

535. The same requirements apply in case of single notification of the Secondary Market transaction by an Exchange.

536. A Transaction notified to ELIA with an incorrect Strike Price and indexation parameters is rejected according to paragraph 556.

9.4.4. Requirement of Financial Security

537. In accordance with the section 10.2.2.3.2, for any ex-ante Secondary Market transaction according to paragraph 484 and section 9.5.3 notified at a certain moment in time t_{notif} prior to the start of the Delivery Period on which the start date of Transaction Period TP relies, the Buyer of an Obligation increases its Financial Security.

538. An ex-ante Secondary Market transaction notified to ELIA prior the start of the Delivery Period in which the Transaction Period start date relies and implying an insufficient (increase of the) Financial Security is rejected according to paragraph 556.

9.5. SECONDARY MARKET PROCESS

539. This section describes the process to follow for Prequalified CRM Candidates and Capacity Providers, and their Prequalified CMUs which are duly compliant with the access conditions as detailed in section 9.3 to notify a Secondary Market transaction to ELIA once the Secondary Market title transfer facility developed by ELIA is available according to section 9.8.

540. Once the notifications of the Secondary Market transaction have been duly submitted by both Prequalified CRM Candidates and Capacity Providers (or their Exchange) on the CRM IT Interface, ELIA notifies reception and verifies its completeness and validity in view of the conditions according to section 9.3 and the requirements according to section 9.4 listed above.

9.5.1. Notification issuance of a Secondary Market transaction

541. As a first step of the Secondary Market process, notifications of the Secondary Market transaction by the CRM Prequalified Candidates and Capacity Providers or a notification of the Secondary Market transaction by the Exchange according to paragraph 482 are (is) to be issued on the CRM IT Interface.

9.5.1.1. Secondary Market title transfer facility access

9.5.1.1.1. Access for a bilateral notification of a Secondary Market transaction

542. According to paragraph 481, the whole Secondary Market notification process is accomplished by both, the Seller of an Obligation and the Buyer of an Obligation, as counterparties of the Secondary Market transaction, to transfer CRM Secondary Market notifications to ELIA.

9.5.1.1.2. Access for Exchange notification of a Secondary Market transaction

543. According to paragraph 482, the Secondary Market notification process is accomplished by the Exchange that has the mandate through the Secondary Market Exchange Mandate (see annex 17.3.1) of both the Seller of an Obligation and the Buyer of an Obligation to transfer CRM Secondary Market notifications towards ELIA.

The Secondary Market Exchange Mandate (see annex 17.3.1) is completed, signed and sent to ELIA by both the Exchange and the Prequalified CRM Candidate (or the Capacity Provider). Notifications of Secondary Market transactions can be sent by the Exchange five Working Days after reception by ELIA of a duly completed and signed mandate.

Until revocation by both parties, the mandate is valid for the next notifications.

The Secondary Market Exchange Mandate (see annex 17.3.1) can be revoked for future notifications if that option is completed, signed and sent to ELIA by the Prequalified CRM Candidate (or the Capacity Provider). The revocation is valid five Working Days after reception by ELIA of a duly completed and signed mandate revocation.

9.5.1.2. Notification issuance

544. In case of bilateral Secondary Market transaction, according to paragraph 481, the process consists in two notifications as detailed in 487, the content of a Secondary Market transaction (one notification by the Buyer of an Obligation and one notification by the Seller of an Obligation) in accordance with the requirements according to paragraph 488 and specifying the same Secondary Market transaction external ID as detailed in 487, and issued through their individual access of the CRM IT interface.

In case of bilateral Secondary Market transaction according to paragraph 482, if five Working Days after the first notification by the Seller of an Obligation or the Buyer of an Obligation, no second notification is issued by the other party (the Buyer of an Obligation or the Seller of an Obligation) with the same Secondary Market transaction external ID

according to paragraph 488, the Secondary Market transaction is deemed abandoned. In consequence:

- The process of the Secondary Market transaction by ELIA is stopped.
- ELIA communicates by email and/or CRM IT Interface to the first notification issuer (the Seller of an Obligation or the Buyer of an Obligation), the rejection of the Secondary Market transaction based on a delay of matching issue.
- The Secondary Market transaction external ID could not be reissued in a further Secondary Market transaction notification issuance by both the Seller of an Obligation and the Buyer of an Obligation.

545. In case of Secondary Market transaction notified by an Exchange, according to paragraph 482, the notification process consists in one single notification of the content as detailed in paragraph 487, the content of a Secondary Market transaction. The Exchange provides the notification content through its individual access to the CRM IT Interface.

9.5.2. Acknowledgement of reception by ELIA

546. As a second step of the process, ELIA notifies the good reception with an acknowledgement of reception towards the counterparty(ies) issuing the notifications in compliance with sections 9.4.1 and 9.5.1.2:

- In case of bilateral Secondary Market transaction, the acknowledgement of reception is sent by ELIA to the Seller of an Obligation and the Buyer of an Obligation within a maximum of 1 Working Day after reception of both notifications according to paragraph 544
- In case of Secondary Market transaction notified by an Exchange, the acknowledgement of reception is sent by ELIA to the Exchange within one Working Day after reception of one notification according to paragraph 545

The acknowledgment of reception includes:

- The notification of the transaction details (as received from each (by the) issuer according to section 9.5.1.2)
- The Transaction Date which is (and logged as) the official acknowledgement of reception creation timestamp (date and time) by ELIA.

547. An acknowledgement of reception does not mean approval of the Secondary Market transaction.

9.5.3. Ex-ante or Ex-post status of the Secondary Market transaction

548. As a third step of the process, the Transaction Date is used to determine automatically and implicitly the ex-ante or ex-post status of a Secondary Market transaction.

An ex-ante Secondary Market transaction has a Transaction Date before the moment of AMT identification as detailed in section 8.4.1 related to the start date and time of a Transaction Period.

An ex-post Secondary Market transaction has a Transaction Date equal or after the moment of AMT identification as detailed in section 8.4.1 related to the start date and time of a Transaction Period.

549. According to paragraphs 485 and 501, the ex-post Transaction Period is an hour or a set of consecutive hours considered as AMT Hour(s) within a same calendar day. Any Transaction Period of an ex-post Secondary Market transaction including at least one hour non-considered as an AMT Hour is rejected according to paragraph 556.

550. According to paragraph 485, an ex-post Secondary Market transaction is authorized up to ten Working Days after the start date and time of the Transaction Period, defined as an AMT Hour. After this deadline, any Secondary Market transaction related to that AMT Hour is rejected according to paragraph 556.

9.5.4. Secondary Market transaction status

551. As a third step of the Process, ELIA processes the Secondary Market transaction.

The three possible statuses of a notified Secondary Market transaction are either:

- In process
- Approved
- Rejected

The up-to-date status of the Secondary Market transaction is available on the CRM IT Interface.

552. A new Secondary Market transaction involving two CMUs is processed by ELIA provided that all the approved Secondary Market transactions covering at least one hour of the Transaction Period and involving at least one of those CMUs are duly registered in Capacity Contract through annex A according to section 9.6.

553. Within a period of five Working Days after the acknowledgement of reception according to paragraph 546, ELIA ensures the validity of the Secondary Market transaction, the transaction is deemed 'in process.'

The Secondary Market transaction is 'approved' if it attains all Secondary Market transaction conditions according to section 9.3, requirements according to section 9.4 and the related process steps according to sections 9.5.1, 9.5.2, 9.5.3 and 9.5.4.

554. Simultaneous requests being sent to ELIA are sorted by their acknowledgement of reception time stamp (equal to Transaction Date) for the process. The process occurs Secondary Market transaction by Secondary Market transaction, one by one, in a "first-in first-out" approach.

Up to fifty notifications of Secondary Market transactions involving a CMU are authorized within a same calendar day of submission. Once this limit reached, new Secondary Market transactions are automatically rejected according to paragraph 556.

In case of reasonable doubts of ELIA on whether a notification might be affected, e.g. by potential anti-competitive behaviour or potential abuse of an account on the Prequalified CRM Candidate or Capacity Provider behaviour with its CMU, as a measure to prevent issues, ELIA blocks extra Secondary Market transactions notifications of the CMU for five Working Days and transfers the Secondary Market transaction details including the content

as detailed in paragraph 487, his process steps and timings to CREG and other competent instances mentioned in the Capacity Contract. In this timeframe, new Secondary Market transactions on the CMUs of the Prequalified CRM Candidate are automatically rejected according to paragraph 556.

9.5.5. Approval or rejection of a Secondary Market transaction by ELIA

555. As a fifth step of the process, a notification providing the results linked to a Secondary Market transaction – i.e. whether the Secondary Market transaction is compliant or not – is provided by ELIA to the Buyer and Seller of an Obligation or to the Exchange, within five Working Days from the acknowledgement of reception by ELIA according to paragraph 546.

556. Provided all Secondary Market transaction conditions according to section 9.3, requirements according to section 9.4 and the related process steps according to sections 9.5.1, 9.5.2, 9.5.3 and 9.5.4 are met, the Secondary Market transaction gets the 'approved' status. Otherwise, the Secondary Market transaction gets the 'rejected' status.

The Secondary Market transaction status is modified by ELIA on the CRM IT Interface accordingly.

The approved status given by ELIA is a technical approval leading to a notification by ELIA to the Contractual Counterparty. Any contractual modification depends on the Contractual Counterparty's sole discretion according to section 9.6.

557. In case of approved Secondary Market transaction, ELIA provides directly an email confirming the 'approved' status of the Secondary Market transaction to:

- The Seller of an Obligation and,
- The Contractual Counterparty and,
- The Exchange, if applicable according to section 9.5.1.1.2

The email consists of the content of the approved Secondary Market transaction in addition to the Transaction Date:

Information	Type	Unit	Information
Secondary Market transaction external ID	Free field of six alphabet letters followed by six digits	NA	The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)
Seller of an Obligation	Capacity Provider ID	NA	Identification of the Capacity Provider of the CMU of the Seller of an Obligation and considered as the Seller of an Obligation
CMU of the Seller of an Obligation	CMU ID	NA	Identification of the CMU of the Seller of an Obligation
Transaction of the Seller of an Obligation's CMU	Transaction ID	NA	Identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation

Secondary Market Capacity	Floating	MW	The volume of the Secondary Market Capacity that is transferred
Transaction Period	Date / Time to Date / Time	Time	The Transaction Period indicating the start date/time until the end date/time (included)
Capacity Remuneration	Floating	€/MW/year	The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation
Calibrated Strike Price of the Transaction	Floating	€/MWh	The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation
Strike Price indexation Auction year	Integer or "NA"	Year	If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1
Transaction Date	Date / Time	Time	The acknowledgment of receipt date/time

In case of approved Secondary Market transaction, ELIA provides directly an email confirming the 'approved' status of the Secondary Market transaction towards:

- The Buyer of an Obligation and,
- The Contractual Counterparty and,
- The Exchange, if applicable according to section 9.5.1.1.2

The email consists of the content of the approved Secondary Market transaction in addition to the Transaction Date and the Last Published Derating Factor applicable for the CMU at the Transaction Date:

Information	**Type**	**Unit**	**Information**
Secondary Market transaction external ID	Free field of six alphabet letters followed by six digits	NA	The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)
Buyer of an Obligation	Capacity Provider ID	NA	Identification of the Capacity Provider or Prequalified CRM Candidate of the CMU taking over the obligation and considered as the Buyer of an Obligation

CMU of the Buyer of an Obligation	CMU ID	NA	Identification of the CMU taking over the obligation
Secondary Market Capacity	Floating	MW	The volume of the Secondary Market Capacity that is transferred
Transaction Period	Date / Time to Date / Time	Time	The Transaction Period indicating the start date/time until the end date/time (included)
Capacity Remuneration	Floating	€/MW/year	The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation
Calibrated Strike Price of the Transaction	Floating	€/MWh	The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation
Strike Price indexation Auction year	Integer or "NA"	Year	If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1
Last Published Derating Factor	Floating	No unit	The Derating Factor applicable on the Secondary Market Capacity for the CMU taking over the obligation
Transaction Date	Date / Time	Time	The acknowledgment of receipt date/time

558. In case of 'rejected' Secondary Market transaction an email is sent towards:

- The Seller of an Obligation and,
- The Buyer of an Obligation and,
- The Exchange, if applicable according to section 9.5.1.1.2

With the reason of rejection of the notification(s) in addition to the Secondary Market transaction external ID, as detailed below:

- The Secondary Market transaction external ID
- The list of each information as detailed in paragraph 487 notified in section 9.5.1 and leading to a rejection preceded by 'Wrong '
  - According to paragraph 556
  - This doesn't include the content of the field or any proposal for an adequate content

559. The ELIA process of the Secondary Market transaction implies that:

- The approved status of a Secondary Market transaction does not imply any contractual modification from ELIA and solely triggers the notification from ELIA to the Contractual Counterparty of the compliance with the conditions according to section 9.3, requirements according to section 9.4 and the related process steps according to sections 9.5.1, 9.5.2, 9.5.3 and 9.5.4
- In case of rejection of a Secondary Market transaction the Seller of an Obligation remains responsible for the Secondary Market Capacity he tried to transfer with a Secondary Market transaction. Afterwards, if the Prequalified CRM Candidates or the Capacity Providers want to pursue on their transaction, a new Secondary Market transaction with updated and required data is to be re-submitted with another Secondary Market transaction external ID according to paragraph 488.

560. Any contestation regarding a 'rejected' Secondary Market transaction is arranged according to the chapter 13.

9.6. CONTRACTUAL IMPACT ON THE SECONDARY MARKET

9.6.1. Notification to the Contractual Counterparty

561. As detailed in paragraph 559, an approved Secondary Market transaction triggers the issuance of a notification from ELIA to the Contractual Counterparty for a full transfer of the obligation of the Secondary Market Capacity on the Transaction Period from the Seller of an Obligation towards the Buyer of an Obligation.

The role of the Exchange stops at this stage, this section involves solely the Seller of an Obligation, the Buyer of an Obligation and the Contractual Counterparty. ELIA receives information about the Capacity Contracts and their Transactions modifications accordingly as detailed in sections 9.6.2 and 9.6.3.

9.6.2. Transaction impact on the Contracted Capacities of the CMU of the Buyer of an Obligation

562. The Contractual Counterparty confirms to ELIA the changes on the Capacity Contract of the Buyer of an Obligation related to the notification he received according to paragraph 561 from ELIA within five Working Days.

563. The Transaction Validation Date of a Secondary Market Transaction is equal to the date and time stamp of the Contractual Counterparty confirmation from the Contractual Counterparty towards ELIA.

Until then, the Seller of an Obligation remains responsible for the Secondary Market Capacity, part of the Contracted Capacity he is releasing in the Secondary Market transaction.

If the Contractual Counterparty doesn't confirm the changes to ELIA within five Working Days, the Secondary Market transaction is deemed approved and validated with a Transaction Validation Date equal to the notification he received according to paragraph 561 plus five Working Days.

564. According to paragraphs 559 and 561, the Contractual Counterparty adds to the Capacity Contract annex A of the Buyer of an Obligation: a new Transaction on the CMU of the Buyer of an Obligation with a Contracted Capacity equivalent to the Secondary Market Capacity for the Transaction Period.

A new Transaction is created on the CMU of the Buyer of an Obligation. The new Transaction is based on the Secondary Market Capacity, the Transaction Period, the Capacity Remuneration, the Calibrated Strike Price (and its indexation parameter) and the Last Published Derating Factor of the CMU. The Pre-delivery control, the Availability Obligations, Availability Penalties and the Payback Obligation are settled on the Buyer of an Obligation for the Secondary Market Capacity on the Transaction Period.

9.6.2.1. Signature of a Capacity Contract or addition to an existing Capacity Contract

565. If the Buyer of an Obligation has no Capacity Contract related to the Delivery Periods covered by the Transaction Period, he signs the Capacity Contract for those Delivery Periods on which the new Transaction following the Secondary Market transaction as detailed in paragraph 564 is assigned.

The Capacity Contract is the last published and approved version of the Capacity Contract at the Transaction Validation Date.

If the Buyer of an Obligation has (a) Capacity Contract(s) related to the Delivery Periods of the Transaction Period, he signs the Capacity Contract annex A on which the new Transaction following the Secondary Market transaction as detailed in paragraph 564 is assigned.

9.6.2.2. Transaction Derating Factor

566. For the approved Secondary Market transaction, for the CMU for which the Buyer of the Obligations is taking over an obligation, the new Transaction created with a Contracted Capacity equivalent to the Secondary Market Capacity on the Transaction Period is associated with a Derating Factor according to paragraph 557 and approved according to paragraph 556.

The newly created Transaction Derating Factor is equal to the Last Published Derating Factor of the CMU acquiring an obligation at the Transaction Validation Date.

9.6.2.3. Transaction Capacity Remuneration

567. According to section 9.4.3.11, ELIA and the Contractual Counterparty are notified of the Capacity Remuneration of the Secondary Market transaction in the notification content according to paragraph 487 and approved according to paragraph 556.

According to section 9.4.3.11, the Capacity Remuneration notified is equal to the Capacity Remuneration of the transaction of the CMU of the Seller of an Obligation through the Secondary Market and expressed in €/MW/year.

The newly created Transaction Capacity Remuneration equals the Capacity Remuneration approved according to paragraph 556.

568. For the Transaction Period, the Buyer of an Obligation will be remunerated by the Contractual Counterparty for the Secondary Market Capacity instead of the Seller of an Obligation, using the Capacity Remuneration which has been meanwhile transferred in the Secondary Market transaction notification content according to paragraph 487 and approved according to paragraph 556 and in application of the settlement and invoicing process foreseen in the Capacity Contract.

9.6.2.4. Transaction Calibrated Strike Price

569. According to paragraph 532, ELIA and the Contractual Counterparty are notified of the Calibrated Strike Price of the Secondary Market transaction and if applicable of its indexation parameters in the transaction notification content according to paragraph 487 and approved according to paragraph 556.

    According to section 9.4.3.12, the Calibrated Strike Price (and if applicable its indexation parameters) that applies on the CMU of the Buyer of an Obligation for its Payback Obligation on the Secondary Market Capacity is the Calibrated Strike Price (and if applicable its indexation parameters) approved according to paragraph 556.

570. The Calibrated Strike Price applicable to the Contracted Capacity of a CMU of the Seller of an Obligation in the Secondary Market Transaction remains unchanged.

571. When calculating the due amount of the Payback Obligation, the Calibrated Strike Price that will be applicable for a Transaction resulting from a Secondary Market transaction is the Calibrated Strike Price of the Transaction releasing its obligation through a Secondary Market transaction.

    The Calibrated Strike Price will be linked with its indexation parameters in time if applicable.

9.6.3. Transaction impact on the Contracted Capacities of the CMU of the Seller of an Obligation

572. The modification of the Contract following an approved Secondary Market transaction according to paragraph 564 is a condition for contractual modification of the CMU Transaction of the Seller of an Obligation's CMU Contracted Capacity.

573. The Contractual Counterparty confirms the changes on the Capacity Contract of the Seller of an Obligation related to the notification he received according to paragraphs 559 and 561 from ELIA within five Working Days.

    If the Contractual Counterparty doesn't confirm the changes to ELIA within five Working Days the Secondary Market transaction is deemed approved and validated.

574. According to paragraphs 559 and 561, the Contractual Counterparty updates in the Capacity Contract annex A of the Seller of an Obligation and for the Transaction of the Seller of an Obligation's CMU with its Transaction ID: the Contracted Capacity is reduced by the Secondary Market Capacity on the Transaction Period.

    The Capacity Remuneration, Pre-delivery control, Availability Obligations, Availability Penalties and the Payback Obligation are applied on the updated Contracted Capacity of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.

Following the Contracted Capacity decrease on the Transaction Period, the Seller of an Obligation releasing his obligation will no longer be remunerated by the Contractual Counterparty for the Secondary Market Capacity.

9.6.4. Information to ELIA of the Contracted Capacities following a Secondary Market transaction

575. According to sections 9.6.2 and 9.6.3, the Contractual Counterparty informs ELIA that the approved Secondary Market transaction resulted in a creation of a new Transaction with the Contracted Capacities on the CMU of the Buyer of an Obligation for the Transaction Period and in a modification of Transaction of the Seller of an Obligation's CMU Contracted Capacities on the Transaction Period. Without such information to ELIA, a new Secondary Market transaction involving the CMU of the Buyer of an Obligation, or the CMU of the Seller of an Obligation is not processed according to paragraph 552 unless and once all the previously approved Secondary Market transactions involving those CMUs and covering at least one hour of the Transaction Period are registered in the Capacity Contract and its annexes and communicated so to ELIA.

9.7. SPECIFIC CONTRACT ESCALATION OF PENALTIES RELATED TO SECONDARY MARKET TRANSACTIONS

576. In addition to the standard Availability Obligations and Penalties escalation of penalties according to section 8.6.4, a contract escalation of penalties exists in case of recurring non-delivery on the obligations following a Secondary Market Transaction in the Capacity Contract:

After three consecutive underperformances resulting in a Missing Capacity according to section 8.6.1 of more than twenty percent of the Obligated Capacity according to section 8.4.3.1, a first escalation of penalties occurs with a suspension of the CMU for further Secondary Market transactions for the Buyer of an Obligation. Despite the suspension for notification of Secondary Market transaction on the CMU, the Pre-delivery control, Availability Obligations, Penalties & Payback Obligation remain related to all its Contracted Capacities.

No later than twenty Working Days after the third underperformance date and time detected here above, an Availability Test is organized on the CMU according to chapter section 8.5.1.

If the Availability test is not successful, according to the criterion of paragraph 415, the termination clause of the Capacity Contract is activated with the specifics that:

- The Capacity Provider remains responsible for the already Contracted Capacities and related obligations prior to the clause activation and,
- A possible suspension of further Transactions for the Capacity Provider (or from other subsidiaries of the mother company) on the remainder of the current Delivery Period, the next Delivery Period and the next upcoming Y-4 and Y-1 Auctions. Only after those, the Capacity Provider can participate again if successfully prequalified.

If the Availability test is successful, according to the criterion of paragraph 415, the CMU recovers its rights for further Secondary Market transactions as Buyer of an Obligation.

9.8. TIMING AND DURATION

9.8.1. Secondary Market delivery

577. The Secondary Market opening is ready in the first semester of the year 2023. When the official start date is settled, ELIA provides the information to the market in the CRM IT Interface. In any case, no Secondary Market transactions are notified towards ELIA prior the start date.

9.8.2. Secondary Market accessibility

578. The Secondary Market is a continuous market organized by ELIA which is accessible to all Prequalified CRM Candidates and Capacity Providers under the present Functioning Rules and their modalities.

579. The accessibility is granted in a twenty-four hours a day, seven days a week way with prior notice by ELIA on the foreseen unavailability according to paragraph 584.

    Unforeseen unavailability are minimized by ELIA with a best effort approach.

    ELIA declines responsibility for any inconvenience perceived in the unavailability periods.

9.8.3. End of the Secondary Market

580. The Secondary Market remains available until the end of the last Transaction Period of all CRM Transactions plus twenty Working Days.

9.9. HIGH-LEVEL IT REQUIREMENTS

581. The purpose of this section is to describe the high-level technical requirement related to the Prequalified CRM Candidates, ELIA and the Contractual Counterparty facilitating the present Functioning Rules on the Secondary Market. Its content is part of the overall IT Requirement section.

    ELIA provides the CRM IT Interface, which enables each Prequalified CRM Candidate to submit Secondary Market transaction notification(s) to participate to the Secondary Market organized within the CRM framework.

    Access rights to this CRM IT Interface related to the Secondary Market are granted once the conditions according to section 9.3 are fulfilled. The Prequalified CRM Candidate is authorized to access it according to the CRM Secondary Market timing and duration (as per section 9.8).

582. The CRM IT Interface performs automatic checks in order to validate the compliancy of the Secondary Market transactions as detailed in section 9.5 and in this context also informs the Prequalified CRM Candidate when and why some of their submitted Secondary Market transactions are considered as non-compliant.

583. Encryption of prices submitted by the Prequalified CRM Candidates is ensured as from submission of the Secondary Market transaction in the CRM IT Interface.

584. If ELIA foresees a maintenance or encounters an unforeseen unavailability of the CRM IT Interface related to the Secondary Market, the fallback procedures according to chapter 14.

585. All Secondary Market transactions notified to ELIA through the CRM IT Interface by the Prequalified CRM Candidate within the timeframe of a foreseen or, unforeseen unavailability of less than five Working Days, are considered as rejected as detailed in the paragraph 556.

586. For the ex-post Secondary Market transactions, the authorized ten Working Days delay of notification after the start of the Transaction Period according to paragraph 485 is extended by the duration of the unavailability of the CRM IT Interface.

10. FINANCIAL SECURITIES

10.1. INTRODUCTION

587. This document is structured around five sections.

Section 10.2 provides several general principles regarding the Financial Security obligation for Transactions on both the Primary Market and the Secondary Market over the Validity Period.

Section 10.3 elaborates on the permissible types of Financial Securities, including a bank guarantee, a parent company guarantee and a cash payment.

Section 10.4 specifies the amount that should be secured by the Financial Security ('Secured Amount'), calculated in function of the volume that should be covered ('Financial Security Volume') and the Required Level per MW.

Finally, section 10.5 includes details on the (partial) release of the Financial Security.

10.2. GENERAL PRINCIPLES

588. In accordance with art. 7undecies, §8 of the Electricity Act, this section of the Functioning Rules includes the requirements related to the Financial Securities.

10.2.1. Purpose of the Financial Security

589. The purpose of the Financial Security is to ensure the requested and punctual fulfilment of all the obligations in respect of the pre-delivery control (as detailed in chapter 7) arising from the Capacity Contract and/or these Functioning Rules. For the avoidance of doubt, this includes the obligation to sign a Capacity Contract according to paragraph 283. In case of non-respect of the Capacity Provider's obligations during a Pre-delivery Period, the Contractual Counterparty is entitled to invoke the Financial Security in accordance with the procedure as detailed in paragraph 597.

10.2.2. Financial Security Obligation

10.2.2.1. Validity Period

590. The Validity Period relates to a Transaction and is defined as the period for which the (Prequalified) CRM Candidate or the Capacity Provider has to provide a permissible Financial Security.

The Validity Period is determined in function of the status of the CMU as this status affects the maximum duration of the Pre-Delivery Period. As a consequence:

- For an Existing CMU, the Validity Period of a Transaction starts at the Transaction Validation Date and ends ten Working Days after the start of the Delivery Period containing the Transaction Period start date.

- For an Additional/Virtual CMU, the Validity Period of a Transaction starts at the Transaction Validation Date and ends ten Working Days after the end of the Transaction Period[17].

For the avoidance of doubt, at the moment that an Additional CMU or Virtual CMU has reached the existing status (see annex 17.1.19 and 17.1.19), the Validity Period for an Existing CMU applies. As a result, when the Existing status is reached, the Validity Period for the CMU's Transactions ends ten Working Days after the start of the Delivery Period containing the Transaction Period start date.

10.2.2.2. General Principle for the Financial Security obligation

591. A Validity Period always relates to a Transaction of a CMU. In case of multiple Transactions for a CMU, with different Validity Periods, several Validity Periods might be associated to this CMU, which might result in an overlapping of these Validity Periods.

For any moment *t* which is part of one or more Validity Periods, the Secured Amount for a CMU is calculated by multiplying the Financial Security Volume (representing the CMU's volume, in MW, that should be covered by a Financial Security) by the Required Level (the amount of Financial Security, in EUR/MW, that is to be provided to cover the Financial Security Volume of the CMU).

592. As a general rule, for any moment *t* which is part of one or more Validity Period(s), the Financial Security Volume equals the maximal Total Contracted Capacity for a CMU over the related Delivery Period(s) (i.e. the Delivery Period(s) that is/are (partly) covered by the Transaction Period of the Transaction(s)). As described more in detail below (according to section 10.4.2), a Financial Security is thus to be provided for Transactions that result in an increase of the maximal Total Contracted Capacity in the related Delivery Period(s).

10.2.2.3. Transactions with a Financial Security obligation

10.2.2.3.1. Primary Market Transaction

593. For a Transaction on the Primary Market, the submission of Financial Security is a condition to successfully prequalify. As further detailed in section 10.4.2, during the Prequalification Process for a Transaction on the Primary Market, the Financial Security Volume (based on which the Secured Amount is determined) is calculated on the assumption that the CMU's maximum volume that can be offered in the Auction, will be selected.

The CRM Candidate includes a provisory Financial Security (in accordance with the requirements detailed in section 10.3) in the Prequalification File of the CMU, so that the aggregate amount of the CMU's Financial Securities equals at least the Secured Amount for any moment *t* during the related Validity Period (as determined according to paragraph 590).

594. The Financial Security obligation applies to every CMU that is being prequalified for a Transaction on the Primary Market, except in case two or more CMUs are identified, during the Prequalification Process, as consisting of the same Delivery Point (e.g. two possible configurations with two technical agreements). In this case, only one Financial Security is

[17] Given that the Pre-Delivery Period for an Additional/Virtual could last until the end of the Transaction Period, in case the existing status would never be reached due to consecutive delays.

to be provided to cover the highest Secured Amount of the concerned CMUs. Furthermore, the Financial Security should clearly identify the CMUs which consist of the same Delivery Point.

10.2.2.3.2. Secondary Market Transaction

595. A Financial Security obligation applies for Transactions on the Secondary Market:

- With a Transaction Date before the start of the Delivery Period containing the Transaction Period start date; and
- That result in an increase of the CMU's Financial Security Volume (according to paragraph 629) during the related Validity Period. As further detailed in paragraph 627, at the moment a transaction on the Secondary Market is notified to ELIA, the Financial Security Volume is calculated on the assumption that ELIA approves the transaction.

However, in the context of the pre-delivery control process of a Virtual CMU, no Financial Security obligation applies in case a Transaction on the Secondary Market is made to transfer the obligations of a Virtual CMU to an Existing CMU of the same Capacity Provider. In such a case, the Financial Security provided for the Virtual CMU also covers the obligations of the Existing CMU(s) taking over the obligations of the Virtual CMU (in accordance with the Financial Security requirements according to paragraph 601).

596. In case a Transaction is subject to a Financial Security obligation, the notification of the transaction on the Secondary Market to ELIA includes a provisory Financial Security (in accordance with the requirements detailed in section 10.3), so that the aggregate amount of the CMU's Financial Securities equals at least the Secured Amount (calculated according to section 10.4) for any moment *t* during the related Validity Period.

ELIA does not approve the Secondary Market transaction notification without proof of Financial Security, satisfying the criteria set out in this section.

10.2.3. Call upon the Financial Security

597. The Contractual Counterparty has the right to invoke the Financial Security in case the penalties arising during the pre-delivery control and as invoiced to the Capacity Provider pursuant to the procedure set in the Capacity Contract, remain unpaid.

In order to validly invoke the Financial Security, the Contractual Counterparty provides a written statement to the issuer of the Financial Security that the Prequalified CRM Candidate or the Capacity Provider has not fulfilled his obligations during the Pre-delivery Period under the Capacity Contract and/or the Functioning Rules and has not made the payments concerned. In addition, the Contractual Counterparty provides a copy of the payment obligations under the Capacity Contract and/or the Functioning Rules and a copy of the unpaid due invoiced penalties to the issuer of the Financial Security.

598. If the Contractual Counterparty calls upon the CMU's Financial Securities at any moment *t*, which is part of one or more Validity Periods, and for which the Capacity Provider has submitted multiple Financial Securities to cover the Secured Amount, the Financial Securities will be claimed on a pro-rata basis. For each Financial Security, the claimed amount is calculated by multiplying the total amount of the claim by the ratio of the amount of the Financial Security at moment *t* by the aggregate amount of all the Financial Securities that have been submitted at that moment *t*.

10.3. TYPES OF FINANCIAL SECURITIES

599. The following types of Financial Securities are permissible:

- A bank guarantee, which satisfies all of the criteria detailed in sections 10.3.1- and 10.3.2.
- A parent company guarantee, which satisfies all of the criteria detailed in sections 10.3.1, 10.3.2 and 10.3.3.
- A cash payment, which satisfies all of the criteria detailed in sections 10.3.1 and 10.3.4.

10.3.1. Common requirements for all types of Financial Securities

600. At the moment of delivery of the Financial Security, i.e. the submission of the Prequalification File (for the participation to the Primary Market) or the Secondary Market transaction notification, the Financial Security is provisory, implying that it only becomes effective at the Transaction Validation Date.

601. A Financial Security that is submitted as part of the Prequalification File for a Virtual CMU also covers the obligations of the Existing CMU(s) taking over the obligations of the Virtual CMU as part of the pre-delivery control process.

10.3.2. Common requirements for a bank guarantee and a parent company guarantee

602. The bank guarantee and the parent company guarantee respect the following requirements:

- They are substantially in the form set out in respectively annex 17.4.1 and annex 17.4.2. For the avoidance of doubt, a guarantee is always provided in the form as annexed to the most recent version of the Functioning Rules; and
- They are irrevocable, unconditional and on first-demand (on request of the Contractual Counterparty according to paragraph 597); and
- The amount of the Financial Guarantee must not be adjusted to the initial level, when the Contractual Counterparty has invoked the guarantee (according to paragraph 597); and
- They are issued by a financial institution or the parent company which
  - Meets the minimum official rating requirements of 'BBB' issued by the credit rating agency Standard & Poor's (S&P) or of 'Baa2' issued by the credit rating agency Moody's Investor Services (Moody's); and
  - Is permanently established in a member state of the European Economic Area (either via its headquarters or via a branch).

603. The (Prequalified) CRM Candidate or Capacity Provider ensures that the minimum rating requirement (see paragraph 602) is respected until the expiry date of the guarantee. In case the (Prequalified) CRM Candidate or Capacity Provider becomes aware that the financial institution or parent company issuing the guarantee lost the minimum required rating (a 'downgrade event'), then it notifies the Contractual Counterparty in writing via the

CRM IT Interface as soon as it becomes so aware and at the latest two months after the Downgrade Event.

Within a period of thirty Working Days of such notice to the Contractual Counterparty via the CRM IT Interface, the (Prequalified) CRM Candidate or the Capacity Provider submits to the Contractual Counterparty a new Financial Security that meets the criteria of detailed in this section 10.3. If the (Prequalified) CRM candidate or the Capacity Provider fails to submit a new Financial Security, the Contractual Counterparty is entitled to reduce the Total Contracted Capacity accordingly, i.e. so that the aggregate amount of the Financial Securities (that respect the requirements of this section) covers the Secured Amount, calculated in function of the (reduced) Total Contracted Capacity, for any moment *t* that is part of a Validity Period.

10.3.3. Additional requirements for a parent company guarantee

604. The corporate institution issuing the parent company guarantee is a shareholder or holding company controlling, in the meaning of art 1:14 of the Belgian Companies and Associations Code, the company owning the CMU that has the capacity to validly issue the guarantee, taking into account the law applicable to the guarantor[18]. Also, the guarantee should be signed by authorized signatories that can validly represent the company according to its bylaws.

    Therefore, the (Prequalified) CRM Candidate or Capacity Provider provides a legal opinion together with the parent company guarantee, issued by a law firm with international reputation to the Contractual Counterparty, confirming that the guarantee is legal, valid, binding and enforceable under the applicable law. The legal opinion is to be provided in English.

10.3.4. Requirements for cash payment

10.3.4.1. General provisions for a cash payment

605. In case a (Prequalifed) CRM Candidate or Capacity Provider elects to provide the financial guarantee through a cash payment, the sum of the cash guarantee is transferred to an account of the Contractual Counterparty.

    For each payment, the word 'guarantee' and the 'CMU identification number' (according to paragraph 41) shall be indicated in the 'message' field.

    The said account shall not accumulate interest for the (Prequalified) CRM Candidate or Capacity Provider.

606. It is explicitly agreed and understood, without prejudice to the foregoing, that after the Financial Security has come into effect according to paragraph 600, the Contractual Counterparty is entitled to take possession of any sums paid by the (Prequalified) CRM

[18] E.g. from a Belgian law perspective, the guarantor should be entitled according to its articles of association to issue such a guarantee and issuing the guarantee should be in accordance with its corporate interest.

Candidate or the Capacity Provider as a deposit or guarantee, on the sole condition that the Contractual Counterparty returns an equivalent amount when the time comes.

Any balance being ultimately owed to the (Prequalified) CRM Candidate or Capacity Provider is reimbursed by transfer to the (Prequalified) CRM Candidate or Capacity Provider, in accordance with the procedure according to paragraph 638 without interest having accrued for the (Prequalified) CRM Candidate or Capacity Provider, notwithstanding all of the Contractual Counterparty's rights and actions.

10.3.4.2. Limited time period for a cash payment

607. Without prejudice to section 10.4.3, a Capacity Provider replaces the Financial Security that is provided through a cash payment by a bank guarantee or a parent company guarantee (satisfying all of the criteria of detailed in this section 10.3.3) at the latest within six months after the cash payment has been made.

In case no replacement is made within six months, the Capacity Provider provides an objective argumentation to the Contractual Counterparty in the form of a written statement signed by authorized signatories that can validly represent the company according to its bylaws, justifying why a replacement by a bank guarantee or parent company guarantee is not feasible. In case the argumentation provided by the written statement is not deemed satisfactory by the Contractual Counterparty (who is acting reasonably), the Contractual Counterparty is entitled to reduce the Total Contracted Capacity accordingly i.e. so that the aggregate amount of the Financial Securities (that respect the requirements of this section) covers the Secured Amount, calculated in function of the (reduced) Total Contracted Capacity, for any moment *t* that is part of a Validity Period.

10.4. SECURED AMOUNT

608. As already detailed in paragraph 590, a Validity Period is always related to a Transaction. In case of multiple Transactions for a CMU, several Validity Periods might be associated to this CMU, which might result in an overlapping of these Validity Periods.

As a general rule, for any moment *t* which is part of one or more Validity Period(s) of a CMU, the Secured Amount is calculated by multiplying the Required Level with the Financial Security Volume:

$$\begin{aligned} &Secured\ Amount\ (CMU,t)(EUR) \\ &= Required\ Level\ (CMU,t)\ \left(\frac{EUR}{MW}\right) * Financial\ Security\ Volume\ (CMU,t)\ \ (MW) \end{aligned}$$

The $Required\ Level$ and $Financial\ Security\ Volume$ are further detailed below in section 10.4.1 and section 10.4.2 respectively.

10.4.1. Required Level

609. The Required Level is determined at CMU level, in function of the status of the CMU.

10.4.1.1. Existing CMUs

610. For an Existing CMU, the Required Level equals EUR 10,000/MW at any moment *t* during a Validity Period.

10.4.1.2. Additional CMUs

611. For an Additional CMU, the Required Level of Financial Security equals EUR 20,000/MW at the moment of Prequalification File submission date and is partially released in function of reaching the following consecutive key milestones as provided by the CRM Candidate as part of its Prequalification File (see annex 17.1.14):

- **Milestone "Permitting":** as soon as this key milestone is reached), the Required Level is lowered to EUR 15,000/MW for the CMU.
- **Milestone: "Existing Status":** as soon as this second key milestone is reached (see annexes 17.1.19), the Required Level is lowered to EUR 10,000/MW for the CMU. In case the second key milestone is reached less than sixty Working Days before the start of the Delivery Period containing the start of a Transaction Period, the partial release does not apply.

612. For each of the milestones met, the Contractual Counterparty releases the corresponding part of the Secured Amount in accordance with the procedure detailed in section 10.5.1.

10.4.1.3. Virtual CMUs

613. For a Virtual CMU, the Required Level equals EUR 20,000/MW at the moment of Prequalification File submission.

614. On a quarterly basis, ELIA updates the part of the Virtual CMU's Total Contracted Capacity that has been transferred to one or more Existing CMU(s) of the same Capacity Provider. For the part of the Total Contracted Capacity (in MW) that has been transferred to one or more Existing CMU(s) of the same Capacity Provider, the Required Level is lowered to EUR 10,000/MW.

615. On a quarterly basis, the Contractual Counterparty releases the corresponding part of the Secured Amount in accordance with the procedure detailed in section 10.5.1.

10.4.2. Financial Security Volume

10.4.2.1. First Transaction of the CMU

10.4.2.1.1. First Transaction on the Primary Market

616. If a CMU (with no Contracted Capacity resulting from earlier Transactions) participates to the Primary Market, the Financial Security Volume can evolve in four steps as of the Prequalification File submission date until the signing of the Capacity Contract as further detailed below.

10.4.2.1.2. At the Prequalification File submission date

617. The Financial Security Volume over the related Validity Period equals the (provisional) Eligible Volume that can be selected in the Auction. This (provisional) Eligible Volume is defined as follows:

- For an Existing CMU:

$$provisional\ Eligible\ Volume = Expected\ Nominal\ Reference\ Power\ x\ Derating\ Factor$$

- For an Additional CMU:

$$provisional\ Eligible\ Volume = Declared\ Nominal\ Reference\ Power\ x\ Derating\ Factor$$

- For a Virtual CMU:

$$Eligible\ Volume = Declared\ Eligible\ Volume$$

Both the Derating Factor, as well as the Expected Nominal Reference Power, the Declared Nominal Reference Power and the Declared Eligible Volume (for an Existing, Additional or Virtual CMU respectively) are provided by the CRM Candidate in the CMU's Prequalification File (according to section 5.4).

10.4.2.1.3. After the end of the Prequalification Process

618. For an Existing CMU, the Financial Security Volume over the related Validity Period equals the Eligible Volume, determined according to section 5.6.4 .

The Financial Security Volume is only updated if the Eligible Volume is more than ten percent higher than the provisional Eligible Volume. In this case, to successfully complete the Prequalification Process for an Existing CMU, the (Prequalified) CRM Candidate or the Capacity Provider provides additional Financial Security within ten Working Days via the CRM IT Interface after the notification of the final Nominal Reference Power, so that the aggregate amount of the CMU's Financial Securities covers at least the Secured Amount (taking into account the increased Financial Security Volume) for any moment *t* during the related Validity Period.

619. For an Additional CMU, the Financial Security Volume for the related Validity Period equals the Eligible Volume, determined according to section 5.6.4 .

620. For a Virtual CMU, the Financial Security Volume for the related Validity Period remains the Declared Eligible Volume, determined according to paragraph 133. For a Virtual CMU, the Financial Security Volume remains unchanged as the Declared Eligible Volume cannot change between the Prequalification File submission and signing of the Capacity Contract.

621. For a CMU that does not successfully completes the Prequalification Process, the Contractual Counterparty releases the submitted Financial Security in accordance with the procedure detailed in section 10.5.1.

10.4.2.1.4. Validation of the Auction results

622. For a CMU without any selected Bid in the Auction, the Financial Security Volume for the related Validity Period equals zero MW:

- For an Additional CMU or a Virtual CMU, the Contractual Counterparty releases the submitted Financial Security in accordance with the procedure detailed in section 10.5.1.

- For an Existing CMU, the Capacity Provider communicates his choice to ELIA via the CRM IT Interface:
  - Either the Contractual Counterparty releases the submitted Financial Security in accordance with the procedure detailed in section 10.5.1; or
  - The submitted Financial Security is not released and remains available for future Transaction(s) on the Primary Market and/or the Secondary Market, as long as the expiry date of the Financial Security is not exceeded.

10.4.2.1.5. Signing of the Capacity Contract

623. At the moment the Capacity Provider signs a Capacity Contract for the Bid volume(s) related to the CMU's selected Bid(s) in the most recent Auction, the Financial Security Volume for the related Validity Period equals the Contracted Capacity.

624. In case the Contracted Capacity is lower than the Eligible Volume:

- For Additional and Virtual CMUs, the Contractual Counterparty releases the corresponding part of the Secured Amount in accordance with the procedure detailed in section 10.5.1, i.e. so that the aggregate amount of the Financial Securities (in accordance with the requirements detailed in section 10.3) covers the Secured Amount (calculated based on a Financial Security Volume equal to the Contracted Capacities), for any moment t of the related Validity Period.
- For an Existing CMU, the Capacity Provider communicates his choice to ELIA via the CRM IT interface:
  - Either the Contractual Counterparty releases the corresponding part of the Secured Amount in accordance with the procedure detailed in section 10.5.1, i.e. so that the aggregate amount of the Financial Securities (in accordance with the requirements detailed in section 10.3) covers the Secured Amount (calculated based on a Financial Security Volume equal to the Contracted Capacities), for any moment t of the related Validity Period. ; or
  - The corresponding part of the Secured Amount is not released and remains available for future Transaction(s) on the Primary Market and/or the Secondary Market as long as the expiry date of the Financial Security is not exceeded.

625. If for an Existing CMU, the aggregate amount of the CMU's Financial Securities is lower than the Secured Amount (as a result of the ten percent margin that is foreseen according to paragraph 618), the Capacity Provider provides additional Financial Security (in accordance with the requirements detailed in section 10.3) within thirty Working Days after signing of the Capacity Contract via the CRM IT Interface.

If the Capacity Provider fails to provide this additional Financial Security within thirty Working Days, the Contractual Counterparty is entitled to reduce to Contracted Capacity for this Transaction accordingly, i.e. so that the aggregate amount of the Financial Securities (in accordance with the requirements detailed in section 10.3) covers the Secured Amount (calculated based on a Financial Security Volume equal to the reduced Contracted Capacities) for any moment *t* of the Validity Period.

10.4.2.1.6. First Transaction on the Secondary Market

626. If a CMU (with no Contracted Capacity resulting from earlier Transactions) participates to the Secondary Market, the Financial Security Volume equals zero MW at the date of Prequalification File submission, so no Financial Security is to be provided to successfully

prequalify for the Secondary Market. The CRM Candidate can choose to provide voluntarily a provisory Financial Security as of the Prequalification File submission date that remains available for future Transaction(s) on the Secondary Market.

627. At the moment the transaction on the Secondary Market is notified to ELIA, the Financial Security Volume equals the Secondary Market Capacity as included in the transaction notification. ELIA only approves the Secondary Market notification if it includes proof of Financial Security in accordance with paragraph 596.

In case ELIA rejects the transaction, the Financial Security Volume is reduced to zero MW and the Contractual Counterparty releases the submitted Financial Security in accordance with the procedure detailed in section 10.5.1.

10.4.2.2. Evolution in time

628. The Financial Security Volume for a moment *t* that is part of a Validity Period (calculated in accordance with paragraph 629) for a CMU can change over time in function of his Transactions on the Primary Market (according to paragraph 631) and/or on the Secondary Market (according to section 10.4.2.2.3), as also illustrated by some numerical examples in annex 17.4.3.

10.4.2.2.1. General Requirement

629. As a general rule, for any moment *t* which is part of one or more Validity Periods, the Financial Security Volume equals the maximal Total Contracted Capacity for the CMU over the related Delivery Period(s), i.e. the Delivery Period(s) that is/are (partly) covered by the Transaction Period of the related Transaction(s)):

With i ranging from 1 to n, the Financial Security Volume is represented by the following formula:

$$Financial\ Security\ Volume\ (CMU, t) = Max\left(Total\ Contracted\ Capacity_{max}(CMU, DPi), \ldots,\ Total\ Contracted\ Capacity_{max}\ (CMU, DPn)\right)$$

Where,

- i represents the different Delivery Periods related to the Validity Periods of which moment t is part (i.e. the Delivery Periods that are (partly) covered by the Transaction Period of the related Transactions));
- n is the total number of Delivery Periods related to the Validity Periods of which t is part.
- $Total\ Contracted\ Capacity_{max}\ (CMU, DPi)$ is the maximal Total Contracted Capacity of the CMU over the Delivery Period i.

630. The rules above imply that the Financial Security obligation does not apply cumulatively in case of overlapping Validity Periods (i.e. moment t is part of more than one Validity Period) and is therefore capped to the maximal Total Contracted Capacity over the related Delivery Periods (i.e. the Delivery Period(s) that is/are (partly) covered by the Transaction Period of the related Transaction(s)) as specified above and as also illustrated by some numerical examples in annex 17.4.3.

10.4.2.2.2. Transactions on the Primary Market

631. In case a Capacity Provider renews a CMU's prequalification to participate in an Auction according to paragraph 151, the Financial Security Volume is calculated according to paragraph 629: the Total Contracted Capacity for the related Delivery Periods is calculated on the assumption that the full Remaining Eligible Volume would be selected in the Auction.

    In case its Prequalification File is still compliant, the proof of Financial Security is to be provided together with the confirmation thereof. In case this file is no longer compliant, the proof of Financial Security is to be included in the updated Prequalification File (as detailed in paragraph 151).

10.4.2.2.3. Transactions on the Secondary Market

632. If a Transaction on the Secondary Market results in a decrease or increase of the maximal Total Contracted Capacity for a CMU over the related Delivery Periods, the Financial Security Volume is updated according to paragraph 629: In case a Buyer of Obligation notifies a transaction on the Secondary Market, the CMU's Total Contracted Capacity for the related Delivery Periods is calculated on the assumption that the transaction on the Secondary Market is approved by ELIA.

633. In case a transaction on the Secondary Market results in an increase of the Financial Security Volume, the notification of the Secondary Market transaction should include a provisory Financial Security (according to paragraph 596).

    In case a transaction on the Secondary Market results in a decrease of the Financial Security Volume, or in case ELIA or the Contractual Counterparty reject a transaction on the Secondary Market, the Contractual Counterparty releases the corresponding part of the Secured Amount in accordance with the procedure detailed in section 10.5.1 i.e. so that the aggregate amount of the Financial Securities (in accordance with the requirements detailed in section 10.3) covers the Secured Amount for any moment t that is part of a Validity Period.

10.4.3. Obligation to keep the Secured Amount

634. A (Prequalified) CRM Candidate or a Capacity Provider ensures that the sum of the amounts of the CMU's Financial Securities equals or exceeds the Secured Amount (as calculated according to this section 10.4) during any moment that is part of one or more of the CMU's Validity Periods(s).

    Although it is of the (Prequalified) CRM Candidate or Capacity Provider's responsibility to maintain the Secured Amount, if the Contractual Counterparty becomes aware that the aggregated amount of the CMU's Financial Securities is less than the Secured Amount, it notifies the (Prequalified) CRM Candidate or the Capacity Provider thereof. The (Prequalified) CRM Candidate or the Capacity Provider ensures that the aggregate amount of the CMU's Financial Security is equal to or exceeds the Secured Amount for any moment *t* that is part of a Validity Period, by 17:00 CET on the twentieth Working Day after the Contractual Counterparty's notification. If the (Prequalified) CRM candidate or the Capacity Provider fails to submit an additional Financial Security, the Contractual Counterparty is entitled to reduce the Total Contracted Capacity accordingly i.e. so that the aggregate amount of the Financial Securities (in accordance with the requirements detailed in section 10.3) covers the Secured Amount (with a Financial Security Volume based on the (reduced) Contracted Capacities) for any moment *t* that is part of a Validity Period.

635. The (Prequalified) CRM Candidate or the Capacity Provider may provide different Financial Securities (respecting the requirements detailed in section 10.3) to the Contractual Counterparty at any one time, each securing a different amount.

636. The (Prequalified) CRM Candidate or the Capacity Provider may upon expiry of at least twenty Working Days prior written notice to the Contractual Counterparty substitute one form of Financial Security for another provided that the replacement Financial Security respects the requirements detailed in section 10.3 and has the same expiry date.

10.5. RELEASE OF FINANCIAL SECURITY

10.5.1. Procedure for release

637. Within twenty Working Days after a CMU's Secured Amount has decreased, the Contractual Counterparty notifies the (Prequalified) CRM Candidate or Capacity Provider and, where applicable, the financial or parent company that the Secured Amount is released. The notification to the Capacity Actor is provided via the CRM IT Interface.

638. In the case of a cash payment, (part of) the amount is reimbursed by transfer to the (Prequalified) CRM Candidate or Capacity Provider, without interest having accrued for the (Prequalified) CRM Candidate or Capacity Provider.

10.5.2. Final release

639. For an Existing CMU, at the end of the Validity Period the Financial Security will automatically be released. This includes the Additional/Virtual CMUs that have reached the existing status in line with the pre-delivery control process (see annexes 17.1.19 and 17.1.20).

11. PAYBACK OBLIGATION

11.1. INTRODUCTION

640. The Chapter describes the different processes that are followed by ELIA to calculate the Payback Obligation and communicate it to the Contractual Counterparty for the settlement and invoicing.

The Payback Obligation process is an essential and mandatory part of the CRM as the Electricity Act has put forward the Reliability Option principle for the Belgium CRM, implying a Payback Obligation for all Capacity Providers having a CMU Transaction on a Delivery Period to the Contractual Counterparty when the Reference Price exceeds the Strike Price.

It is to be noted that the rules in chapter are complementary to the stipulations set out in chapter 7 of the Royal Decree to set the auction parameters as meant by art. 7undecies §2 of the Electricity Act which specifies the methodology for determination of the Reference and Strike Prices and several related modalities. Furthermore, following the art. 7undecies §2 the Minister determines yearly the Strike and Reference Prices applicable for the auctions following that decision. Therefore, the rules in this chapter should be read as a further application of the above mentioned methodology and the yearly Ministerial decisions.

Section 11.2 provides the general principles which form the basis for more elaborated rules in the subsequent sections.

Section 11.3 describes the details on the modalities, including the constituting elements and specific rules of the Payback Obligation.

Finally, section 11.4 describes the process followed by ELIA to determine the Payback Obligation of a Capacity Provider CMU's Transaction and its notification to the Contractual Counterparty.

11.2. GENERAL PRINCIPLES

641. This section describes the general principles of the Payback Obligation process applicable to all CMUs' Transactions at any moment of their Transaction Period when the Reference Price exceeds the Strike Price.

642. The Payback Obligation of a Transaction is calculated per hour of the Delivery Period covered by the Transaction Period and is expressed in €/h.

643. The Payback Obligation consists in a formula based on the positive difference between:

- The Reference Price, in €/MWh; and
- The Strike Price, in accordance with the definition, in €/MWh which determines the threshold above which the Capacity Provider has to pay-back the difference with the Reference Price.

644. All formulas described in the sections 11.3 and 11.4 of this chapter are related to parameters evolving in time and which incorporate all the CMU Capacity Contract parameters and modifications to Transactions so that at any time after all required data

have become available, the Payback Obligation of a CMU Transaction formula can be performed.

645. The Payback Obligation calculations are processed by ELIA with the contractual and operational data related to (a) Transaction(s) and parameters of the CMU which are communicated to ELIA.

646. A granularity of 0,01 MW is applicable for MW data.

647. A granularity of 0,01 is applicable for € and €/MWh data.

648. If the values of an element of the formulas is expressed in MW or €/MWh and has a lower granularity than an hour, an hourly average of those values applies to reach the hourly granularity.

649. The rounding rule is a mathematical rounding so that the result up or down to the nearest number (with a rounding-up if there is no nearest number) and applies to each formula.

11.3. MODALITIES OF THE PAYBACK OBLIGATION

11.3.1. Introduction

650. Pursuant to chapter 7 of the proposed Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act, this section describes, for a CMU's Transaction, all the Payback Obligation details necessary for the application of the Payback Obligation modalities.

This section details the following elements and their modalities:

- The Reference Price of the CMU
- The Strike Price of the Transaction
- The Availability Ratio
- The Payback Obligation of the Transaction
- Stop Loss Amount on the Payback Obligation of the Transaction for a Delivery Period

651. The Payback Obligation modalities and elements take into account the following CMU and Transaction features:

- Energy Constrained or Non-Energy Constrained CMU
- CMU with Daily Schedule or without Daily Schedule
- Ex-ante Transaction or ex-post Transaction
- Transaction from the Primary Market or the Secondary Market

11.3.2. Reference Price

652. The Reference Price is defined as a parameter of a CMU, is observed for each hour t in the related Day-Ahead Market hourly prices and is expressed in €/MWh as $Reference\ Price\ (CMU_{id}, t)$.

Where:

- CMU_{id} is the CMU unique identifier available in the Capacity Contract and in the CRM IT Interface
- t is the hour on which the Payback Obligation calculation applies

653. The same Reference Price is applicable to the Payback Obligation of all Transactions of the CMU at the moment t.

11.3.2.1. CMU's initial choice of NEMO

654. Pursuant to art. 23 of the proposed Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act, the Prequalified CRM Candidate (or Capacity Provider) determines in the Prequalification Process (according to paragraph 60) of its CMU a NEMO active in the Belgian Day-Ahead Market for setting his Reference Price, prior the start of the Transaction Period.

The CMU's chosen NEMO Belgian Day-Ahead Market hourly prices are used as $Reference\ Price\ (CMU_{id}, t)$ in the Payback Obligation calculation.

In case of absence of the NEMO determination in the Prequalification Process, in case of missing or conflicting data related to a specific CMU' NEMO choice, the Day-Ahead Market Price is used as fall-back value.

11.3.2.2. Modification of CMU's NEMO

655. The Capacity Provider has the possibility for each CMU to notify to ELIA and to the Contractual Counterparty a modification of its earlier NEMO choice for the Reference Price of a CMU as set out in the Prequalification Process according to paragraphs 60 and 175.

Once a change is notified to ELIA and the Contractual Counterparty, it becomes applicable in the Payback Obligation calculation ten Working Days after the notification reception date without retroactive effect.

11.3.3. Strike Price

656. This section describes, for a CMU's Transaction, the details of the modalities to determine the Strike Price which is defined as a parameter of the Transaction for the Payback Obligation determination.

657. The section refers to the Calibrated Strike Price which is a value associated to a Transaction for the entire Delivery Period, that is indexed according to section 11.3.3.1 and is required for the determination of the Strike Price of a Transaction.

658. The Strike Price of a Transaction is represented by $Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$ and expressed in €/MWh.

Where:

- CMU_{id} is the CMU unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction unique identifer as displayed on CRM IT Interface
- t is the hour on which the Payback Obligation calculation applies within the Delivery Period

11.3.3.1. Calibrated Strike Price of a Transaction and indexation in time

659. This section describes, for a Capacity Provider CMU's Transaction, the details on the Calibrated Strike Price.

660. The Calibrated Strike Price of an Auction is the price set by the Minister for the year in which the Auction takes place in accordance with art. 7undecies §2 of the Electricity Act. It is represented by the $Calibrated\ Strike\ Price\ (Auction\ year)$ where $Auction\ year$ is the year on which the Auction takes place.

661. Pursuant to the art 24 of the proposed Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act, the Calibrated Strike Price is a fixed value applicable in the Payback Obligation to all Transactions of the Primary Market resulting from the Y-4 or Y-1 Auctions at the Primary Auction results publication date.

This is represented by the following formula:

$$Calibrated\ Strike\ Price\ (CMU_{id},\ Transaction_{id},\ t) = Calibrated\ Strike\ Price\ (Auction\ year)$$

Where:

- CMU_{id} is the CMU unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction unique identifer as displayed on CRM IT Interface
- t is the hour in the Transaction Period
- $Auction\ year$ is the year on which the Auction is organized

662. Pursuant to the art. 24 of the proposed Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act, the Calibrated Strike Price of a Primary Market Transaction is indexed in time as of the second Delivery Period of the Transaction. The Calibrated Strike Price of a Primary Market Transaction is indexed by application of a relative index update on the initial Calibrated Strike Price for the entire duration of a Capacity Contract with a Capacity Contract Duration of more than one year as of the second Delivery Period.

The index is a factor determined with a rolling formula based on the comparison between the Day-Ahead Market simple average prices over the three last years preceding the Delivery Period and the DAM simple average prices of the last three years prior to November 1st of the Auction year. The DAM simple average prices prior to the November 1st of the Auction year are remaining a fixed part in the rolling formula, where the three years DAM simple average prices prior to the Delivery Period is evolving in time.

This is represented by the following formula:

$$Indexed\ Calibrated\ Strike\ Price\ (CMU_{id},\ Transaction_{id},\ t) = Factor\ (DPe, Auction\ year, Auction\ type) * Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$$

Where:

- CMU_{id} is the CMU unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction unique identifier as displayed on CRM IT Interface
- t is the hour in the Transaction Period
- DPe is the Delivery Period on which the indexation factor applies
- $Auction\ year$ is the year on which the Auction is organized;
- $Auction\ type$ is either the Y-4 or Y-1 Auction

And for which:

$$Factor\ (DPe, Auction\ year, Auction\ type) = 1 + \frac{Average\ DAM\ (DPe - 3\ to\ DPe - 1) - Average\ DAM\ (Auction\ year - 3\ to\ Auction\ year)}{Calibrated\ Strike\ Price\ (Auction\ year)}$$

Where:

- $Average\ DAM\ (DPe - 3\ to\ DPe - 1)$ is the simple average of all hourly DAM prices from November 1st of the year which three years prior the Delivery Period start date until October 31st of the year of the Delivery Period start date
- $Average\ DAM\ (Auction\ year - 3\ to\ Auction\ year)$ is the simple average of all hourly DAM prices from November 1st of the year which three years prior the Auction date until October 31st of the year of the Auction year
- $Calibrated\ Strike\ Price\ (Auction\ year)$ is the Calibrated Strike Price of an Auction Y-4 or Y-1 determined according to section 11.3.3.1.
- DAM prices are the prices of the Day-Ahead Market Prices.

The same $Factor\ (DPe,\ Auction\ year, Auction\ type)$ applies for all Primary Market Transactions having a Capacity Contract Duration of more than one year following the same Auction whatever the Capacity Contract Duration.

663. Each factor $Factor\ (DPe,\ Auction\ year, Auction\ type)$ of a Delivery Period DPe is calculated by ELIA and available on the CRM IT Interface, prior to the Payback Obligation determination process (according to section 11.4) of the months of DPe.

664. For a Secondary Market Transaction, the Calibrated Strike Price is the Calibrated Strike Price of the Transaction of the CMU of the Seller of an Obligation and is part of the approved notification of the Secondary Market transaction according to paragraphs 533 and 534. The Calibrated Strike Price is registered by the Contractual Counterparty in the Secondary Market Transaction as contractual parameter available in Capacity Contract annex A according to the section 9.6.2.4 and is represented by $Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$.

665. If the Transaction of the Seller of an Obligation in the Secondary Market transaction notification according to paragraphs 533 and 534 is submitted to indexation, the Auction type and Auction year parameters are also transferred and are registered on the Secondary Market Transaction in the Capacity Contract annex A of the Capacity Provider according to section 9.6.2.4, so that the Calibrated Strike Price is indexed in time with the factor of indexation $Factor\ (DPe,\ Auction\ year, Auction\ type)$ and an Indexed Calibrated Strike Price is calculated.

This is represented by the following formula:

$$\begin{aligned} Indexed\ Calibrated\ Strike\ Price\ (CMU_{id},\ \ Transaction_{id},\ \ t) \\ = Factor\ (DPe,\ Auction\ year, Auction\ type) \\ * Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t) \end{aligned}$$

11.3.3.2. Strike Price for the Transaction of a CMU with Daily Schedule

666. This section describes, for Transaction of a CMU with Daily Schedule, the details on the modalities to determine the Strike Price.

667. If no Indexed Calibrated Strike Price is applicable on the hours t of the Delivery Period according to section 11.3.3.1 on which the Payback Obligation is determined, the Transaction Strike Price of the CMU with Daily Schedule is the Calibrated Strike Price of the Transaction.

This is represented by the following formula:

$$Strike\ Price\ (CMU_{id}, Transaction_{id}, t) = Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$$

668. If an Indexed Calibrated Strike Price is applicable on the hours t of the Delivery Period according to section 11.3.3.1 on which the Payback Obligation is determined, the Transaction Strike Price of the CMU with Daily Schedule is the Calibrated Strike Price of the Transaction multiplied by the indexation factor if applicable on the hours of the Transaction Period.

This is represented by the following formula:

$$Strike\ Price\ (CMU_{id}, Transaction_{id}, t) = Indexed\ Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the hour in the Transaction Period
- $Indexed\ Calibrated\ Strike\ Price\ (CMU_{id},\ Transaction_{id},\ t)$ is determined according to paragraph 662

11.3.3.3. Strike Price for the Transaction of a CMU without Daily Schedule

669. This section describes, for the Transaction of a CMU without Daily Schedule, the details on the modalities to determine the Strike Price.

670. Pursuant to art. 24 of the Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Acts, the Transaction Strike Price of the CMU without Daily Schedule is the maximum between the Declared Market Price and the Calibrated Strike Price of the Transaction multiplied by its indexation factor if any.

671. If no Indexed Calibrated Strike Price is applicable on the hours t of the Delivery Period according to section 11.3.3.1 on which the Payback Obligation is determined, this is represented by the following formula:

$$Strike\ Price\ (CMU_{id}, Transaction_{id}, t) = max(DMP(CMU_{id}, t);\ Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t))$$

672. If an Indexed Calibrated Strike Price is applicable on the hours t of the Delivery Period according to section 11.3.3.1 on which the Payback Obligation is determined, this is represented by the following formula:

$$Strike\ Price\ (CMU_{id}, Transaction_{id}, t) = max(DMP(CMU_{id}, t)\ ;\ Indexed\ Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the hour in the Transaction Period
- $DMP(CMU_{id}, t)$ is the Declared Market Price of the CMU according to section 8.4.2 on the hour t;
- $Indexed\ Calibrated\ Strike\ Price\ (CMU_{id},\ Transaction_{id},\ t)$ is determined according to paragraph 662

11.3.4. Availability Ratio

673. This section describes the detailed modalities the Availability Ratio of the CMU to integrate the exemption of Payback Obligation for the planned or unplanned unavailability duly communicated by ELIA as defined in art. 21 of the Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act. The exemption is considered in the Availability Ratio by the Remaining Maximum Capacity DA according to paragraph 338.

The Availability Ratio of a CMU is a value obtained by the division of the minimum between the Obligated Capacity of the CMU and the Remaining Maximum Capacity DA, by the Obligated Capacity of the CMU.

This is represented by the following formula:

$$Availability\ Ratio\ (CMU_{id}, t) = \frac{Min(Obligated\ Capacity\ (CMU_{id}, t); Remaining\ Maximum\ Capacity\ \text{DA}\ (CMU_{id}, t))}{Obligated\ Capacity\ (CMU_{id}, t)}$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the hour on which the Payback Obligation calculation applies within the Transaction Period, when the Strike Price exceeds the Reference Price
- $Obligated\ Capacity\ (CMU_{id}, t)$ is the CMU Obligated Capacity according section 8.4.3.1 on the hour t
- $Remaining\ Maximum\ Capacity\ DA\ (CMU_{id}, t)$ is the CMU Remaining Maxium Capacity DA according to paragraph 338 on the hour t

11.3.5. Payback Obligation formula

674. This section describes the detailed modalities of the Payback Obligation formula which determines the amount due by the Capacity Provider of the CMU's Transaction to the Contractual Counterparty for an hour t of the Transaction Period.

11.3.5.1. Payback Obligation for a Non-Energy Constrained CMU's Transaction

675. The Payback Obligation for a Non-Energy Constrained CMU's Transaction on an hour is equal to the positive difference between the Reference Price and the Strike Price of the Transaction for an hour multiplied with the Contracted Capacity of the CMU Transaction and the Availability Ratio for the same hour t.

This is represented by the following formula:

$$\begin{aligned} &Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) \\ &= Max\big(0; Reference\ Price\ (CMU_{id}, t) - Strike\ Price(CMU_{id}, Transaction_{id}, t)\big) \\ &* Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) * Availability\ Ratio\ (CMU_{id}, t) \end{aligned}$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the hour on which the Payback Obligation calculation applies within the Transaction Period, when the Strike Price exceeds the Reference Price
- $Reference\ Price\ (CMU_{id}, t)$ is determined according to section 11.3.2
- $Strike\ Price\ (Transaction_i, t)$ is determined according to section 11.3.3
- $Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t)$ is the Contracted Capacity of the CMU's Transaction on the hour t available in the Capacity Contract and the CRM IT Interface;

- $Availability\ Ratio\ (CMU_{id}, t)$ is the CMU Availability Ratio according to section 11.3.4 on the hour t

11.3.5.2. Payback Obligation for an Energy Constrained CMU's ex-ante Transaction

676. The Payback Obligation for the ex-ante Transaction of an Energy Constrained CMU on the SLA Hours according to section 8.4.3.1.3 is equal to the positive difference between the Reference Price and the Strike Price of the Transaction for an hour multiplied with the Contracted Capacity of the CMU's Transaction and the Availability Ratio and divided by the Transaction's Derating Factor of the CMU for the same hour t.

This is represented by the following formula:

$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = Max\big(0; Reference\ Price\ (CMU_{id}, t) - Strike\ Price(CMU_{id}, Transaction_{id}, t)\big) * \frac{Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)}{Derating\ Factor\ (CMU_{id},\ Transaction_{id}, t)} * Availability\ Ratio\ (CMU_{id}, t)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the SLA Hour on which the Payback Obligation calculation applies within the Transaction Period, when the Strike Price exceeds the Reference Price
- $Reference\ Price\ (CMU_{id}, t)$ is determined according to section 11.3.2
- $Strike\ Price\ (CMU_{id}, Transaction_{id}, t)$ is determined according to section 11.3.3.3
- $Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)$ is the Contracted Capacity of the CMU Transaction on the hour t available in the Capacity Contract and the CRM IT Interface;
- $Availability\ Ratio\ (CMU_{id}, t)$ is the CMU's Availability Ratio determined according to section 11.3.4 on the SLA Hour t
- $Derating\ Factor\ (CMU_{id}, Transaction_{id})$ is the Derating Factor contractually associated to the Transaction in the Capacity Contract.

677. The ex-ante Transaction Payback Obligation equals zero on the Non-SLA Hours.

This is represented by the following formula:

$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = 0$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on the CRM IT Interface
- t is the hour, which is a Non-SLA Hour, on which the Payback Obligation calculation applies within the Transaction Period

11.3.5.3. Payback Obligation for an Energy Constrained CMU's ex-post Transaction

678. The Payback Obligation for the ex post Transaction of an Energy Constrained CMU on an hour is equal to the positive difference between the Reference Price and the Strike Price of the Transaction for an hour t, multiplied with the Contracted Capacity of the CMU Transaction and the Availability Ratio for the same hour t.

This is represented by the following formula:

$$\begin{aligned} &Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) \\ &= Max\big(0; Reference\ Price\ (CMU_{id}, t) - Strike\ Price(CMU_{id}, Transaction_{id}, t)\big) \\ &* Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) * Availability\ Ratio\ (CMU_{id}, t) \end{aligned}$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- t is the hour on which the Payback Obligation calculation applies within the Transaction Period, when the Strike Price exceeds the Reference Price
- $Reference\ Price\ (CMU_{id}, t)$ is determined according to section 11.3.2
- $Strike\ Price\ (Transaction_i, t)$ is determined according to section 11.3.3
- $Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)$ is the Contracted Capacity of the CMU Transaction on the hour t available in the Capacity Contract and the CRM IT Interface;
- $Availability\ Ratio\ (CMU_{id}, t)$ is the CMU's Availability Ratio according to section 11.3.4 on the hour t

11.3.6. Stop-Loss Amount of a Transaction

679. Following art. 21 of the Royal Decree on Methodology to set the Auction parameters as meant by art. 7undecies §2 of the Electricity Act, the sum of all Payback Obligations on the Delivery Period related to a Primary Market Transaction or a Secondary Market ex-ante Transaction for which the Transaction Period is a full Delivery Period or several full Delivery Periods reimbursed by the Capacity Provider to the Contractual Counterparty cannot exceed the Transaction Stop-Loss Amount for that Delivery Period.

680. The Stop-Loss Amount of a Transaction is calculated solely for the Primary Market Transactions and the ex-ante Secondary Market Transactions for which the Transaction Periods are a Delivery Period or several Delivery Periods.

681. The Stop-Loss Amount of a Transaction for a Delivery Period is fixed for the Delivery Period and calculated by ELIA according to section 11.4.1.

682. The Stop-Loss Amount of a Transaction satisfying the above criteria for a Delivery Period is equal to the sum on all hours of the Delivery Period of the hourly Contracted Capacity multiplied with the Transaction's Capacity Remuneration and divided by the number of hours on the Delivery Period.

This is represented by the following formula:

$$StopLoss\ Amount\ (CMU_{id}, Transaction_{id}, Delivery\ Period) = \sum_{t=1}^{w} \left(Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) * \frac{Capacity\ Remuneration(CMU_{id}, Transaction_{id})}{w} \right)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- $t\ and\ w$ respectively, represent the hours of a Delivery Period and the number of hours on the Delivery Period.
- $Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)$ is the Contracted Capacity of a CMU Transaction on the hour t available in the Capacity Contract and the CRM IT Interface;
- $Capacity\ Remuneration\ (CMU_{id}, Transaction_{id})$ is the CMU's Transaction Capacity Remuneration according to the Capacity Contract

11.4. PAYBACK OBLIGATION PROCESS

683. This section describes the process applicable to the Payback Obligation of the Transaction of the Capacity Provider's CMUs performed in ex-post by ELIA and the process for the communication of the amount and its update towards the Contractual Counterparty for the settlement and invoicing.

    It also describes the application of the Stop-Loss principle to the Payback Obligations if applicable.

684. t_{calc} is the moment on which ELIA performs the calculation of the formula for the Payback Obligation for a CMU Transaction.

685. The Payback Obligation process contains the rules for the Payback Obligation calculation performed by ELIA in month M+2 for the month M of the Delivery Period.

686. In case of inconsistency or non-compliance of at least one of the below elements and modalities, ELIA can request extra information to the Capacity Provider or the Contractual Counterparty in order to perform the Payback Obligation calculation.

11.4.1. Stop-Loss Amount initial calculation

687. Once a year as of October 30th prior the considered Delivery Period, ELIA calculates the Stop Loss Amount of the considered Delivery Period for each CMU's Transaction of the Primary Market and each ex-ante Secondary Market Transaction which has a Transaction Period of a Delivery Period or several Delivery Periods.

688. The calculation of the Stop-Loss Amount for the Delivery Period of a Transaction is performed according to paragraph 682.

    The result of the calculation is sent by ELIA to the Contractual Counterparty and made available on the CRM IT Interface of the CMU's Transaction Capacity Provider at the time of

communication of the first Payback Obligation report to the Contractual Counterparty at the latest as detailed in section 11.4.4. It contains the following content:

- Capacity Provider of the CMU and its Capacity Provider ID available in the Capacity Contract
- CMU of the Transaction and its CMU_{id} available in the Capacity Contract
- Transactions' IDs of the CMU
- Stop-Loss Amounts of the CMU's Transactions

11.4.2. Payback Obligation application and calculation

689. As first step of the Payback Obligation monthly process, after the final results of the Secondary Market transactions are known, the amount of Payback Obligation of the Transaction is calculated for each hour of the Transaction Period related to the month M.

For each hour t of the Transaction Period included in the month M, ELIA calculates the:

$Strike\ Price\ (CMU_{id},\ Transaction_{id}, t)$ according to section 11.3.3

For each hour t of the Transaction Period included in the month M for which the Strike Price exceeds the Reference Price, ELIA calculates the:

- $Availability\ Ratio\ (CMU_{id}, t)$ of the CMU according to section 11.3.4
- $Payback\ Obligation\ (CMU_{id},\ Transaction_{id}, t)$ of the Transaction according to section 11.3.5

11.4.3. Stop Loss Amount of the Transaction follow-up

690. As a second step of the process, if the Transaction is a Primary Market Transaction or an ex-ante Secondary Market Transaction for which the Transaction Period is a Delivery Period or several Delivery Periods according to paragraph 669, ELIA calculates the cumulative Payback Obligation which is the sum of the hourly Payback Obligations of all the previous months and of the month M of the Delivery Period on which the month M relies for the Transaction, if any.

This is represented by the following formula:

$$cumulative\ Payback\ Obligation\ (CMU_{id},\ \ Transaction_{id}, M) = \sum_{t=1}^{p} Payback\ Obligation\ (CMU_{id},\ \ Transaction_{id}, t)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- $t\ and\ p$ respectively, represent the hours and the number of hours of the past months of the Delivery Period and the month M of the Delivery Period.

691. If the Transaction is a Primary Market Transaction or an ex-ante Secondary Market Transaction for which the Transaction Period is a Delivery Period or several Delivery Periods and if the cumulative Payback Obligation exceeds the Stop-Loss Amount of the CMU's Transaction on the Delivery Period, the Effective Payback Obligation for the CMU's Transaction of the month M equals the positive delta between the Stop Loss Amount and the previous months cumulative Payback Obligation of the Delivery Period on which the month M relies.

This is represented by the following formula:

$$Effective\ Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = Max\left(0; StopLoss\ (CMU_{id}, Transaction_{id}, Delivery\ Period) - \sum_{t=1}^{n} Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t)\right)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface
- $t\ and\ n$ respectively, represent the hours and the number of hours of the past months of the Delivery Period prior the month M of the Delivery Period.

692. Otherwise, if the Transaction is a Primary Market Transaction or an ex-ante Secondary Market Transaction for which the Transaction Period is a Delivery Period or several Delivery Periods and if the cumulative Payback Obligation calculated does not exceed the Stop-Loss Amount of the CMU's Transaction on the Delivery Period, or if the Stop-Loss Amount is not applicable to the Transaction of the CMU according to section 11.3.6, the Effective Payback Obligation for the CMU's Transaction of the month M equals the Payback Obligations of the CMU's Transaction for all hours of the month M.

This is represented by the following formula:

$$Effective\ Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = \sum_{t=1}^{m} Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t)$$

Where:

- CMU_{id} is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- $Transaction_{id}$ is the Transaction's unique identifier as displayed on CRM IT Interface

- t and m respectively, represent the hours and the number of hours of the month M of the Delivery Period.

11.4.4. Communication of the Payback Obligation

693. As a third step, after determining for the month M, all the hourly and monthly cumulative elements as detailed in sections 11.4.1, 11.4.2 and 11.4.3 for the CMU and the CMU's Transactions, on the 15th Day of M+2 at the latest, ELIA provides the Contractual Counterparty with a monthly Payback Obligation report. This report covers an entire month, from the first day of the month M at 00:00 until the last hour of the last day of the month M. The report contains the following information for all hours of the Transaction Period of the CMU's Transaction:

- The calculation date of the report's data, t_{calc}
- The Capacity Provider identified with a unique ID as displayed on CRM IT Interface, the $Capacity\ Provider_{id}$;
- The CMU_{id} which is the CMU's unique identifier available in the Capacity Contract and in the CRM IT Interface
- The $Transaction_{id}$ of the CMU having hours of their Transaction Period in the month M identified with a unique ID as displayed on CRM IT Interface, the $Transaction_{id}$
- For each CMU's $Transaction_{id}$ above, date and time for each hour of the Transaction Period of the month M for which the Reference Price exceeds the Strike Price and a Payback Obligation applies; and
  - The related value in [€/MWh] of the Reference Price
  - The related value in [€/MWh] of the Strike Price
  - The related value in [floating value] of the Availability Ratio
  - The related value in [€] of the Payback Obligation
- For each CMU's $Transaction_{id}$ above, the total value in EURO [€] of the Payback Obligations on all hours of the Transaction Period in the month M.
- For each CMU's $Transaction_{id}$ above, the total value in EURO [€] of the Effective Payback Obligations on all hours of the Transaction Period in the month M.

11.4.5. Settlement and Invoicing

694. The Contractual Counterparty settles and invoices the Effective Payback Obligation of the Capacity Providers CMU's Transactions by the end of month M+2 at the latest. The modalities and details of the Settlement and Invoicing for the Effective Payback Obligations amounts for a Transaction are arranged in the Capacity Contract of the Capacity Provider.

695. The report per CMU as detailed in paragraph 693 is part of the invoice by the Contractual Counterparty.

11.4.6. Contestation

696. If the Capacity Provider contests any parameters or calculation leading to an incorrect Stop-Loss Amount, Payback Obligation or Effective Payback Obligation, he has twenty Working Days from the invoice date (according to the Capacity Contract) to contest it with the

Contractual Counterparty. In such a case, the Capacity Provider and the Contractual Counterparty must enter into negotiations in order to reach an amicable agreement within thirty Working Days as of the date of notification of contestation by the Capacity Provider. The Contractual Counterparty and Capacity Provider may request additional information from ELIA on the parameters in the monthly report if needed.

If within thirty Working Days no such agreement is found, the Capacity Provider pays the Payback Obligation amounts and both parties continue to find an amicable solution within sixty Working Days. The agreement can be settled in a future invoice to the Capacity Provider.

If within sixty Working Days still no such agreement has been reached, the parties commence the litigation procedure in accordance with chapter 13.

12. COMMUNICATION

12.1. NOTIFICATION

697. A Notification means any written communication required to be given by a CRM Actor or ELIA, or by or to the Regulatory Authorities, under this Functioning Rules or the Capacity Contract. This also covers all the data as provided during all CRM processes through the related CRM IT Interface(s).

Any reference to a "notice" to be given under this Functioning Rules shall be deemed to be a "Notification".

A Notification is an electronic message exchanged between CRM Actors and ELIA through the CRM ITR interface. In situations where such interface is unavailable, ELIA applies the fallback procedures described in chapter 14.

12.2. REFERENCE AND LANGUAGE

698. All documents are written in the French and Dutch language, both are equivalent and to be considered by the natives respectively as the version to be considered. No precedence exist between these two versions.

However and for sake of easiness only, an English version is also available.

12.3. CORRESPONDANCE

12.3.1. General

699. Correspondence includes messages exchanged through the CRM IT Interface and emails as per fallback procedures described in chapter 14. For sake of clarity, all correspondence is expected to be clearly titled and is required to deal with one subject only.

Furthermore, all correspondence is dated with the day of actual sending. For sake of clarity, the application form submission date and Prequalification File submission date are respectively the dates on which a CRM Candidate receives a notification from ELIA, acknowledging the good reception.

12.3.2. Verbal Communication

700. Telephone calls are not considered as official correspondence (whether for Functioning Rules and Capacity Contract).

701. All significant matters verbally discussed and agreed between ELIA (or the Contractual Counterparty) and a CRM Actor are confirmed by formal correspondence issued by the emitting party within five Working Days.

13. DISPUTES

702. Appeal procedure against pre-contractual decisions.

Every interested party can appeal against the final decisions taken by Elia pursuant to section 5.6.1.1.1.2.2 (final Nominal Reference Power) and section 5.7.1.1 (Prequalification results) and section 9.5.5 (approval or rejection with respect to the Secondary Market Transaction).

This right to dispute does not prejudice the CREG's powers according to art. 7 undecies §9 of the law, the foreseen Royal Decree and any other future stipulation on the matter of the control of the CRM.

To be an interested party one must be:

- For a final decision taken by Elia pursuant to section 5.6.1.1.1.2.2 (final Nominal Reference Power) and 5.7.1.1 (Prequalification results) : a CRM Candidate
- A final decision taken by Elia pursuant to section 9.5.5 (approval or rejection with respect to the Secondary Market transaction) : the Buyer of an obligation or the Seller of the obligation.

To be valid, the appeal must be filed in front of the competent Court of enterprises of Brussels.

In case the CRM Candidate does not sign or delays the signature of the Capacity Contract, the Contractual Counterparty will apply the Financial Penalty mentioned in section 7.2.2 without prejudice to the CRM Candidate's liability for the damage suffered by Elia and/or the Contractual Counterparty as a result thereof, and his obligation to make all efforts to sign without delay the Capacity Contract.

703. Appeal procedure against the validation decisions as to the Auction results

As the final decisions taken by Elia are validated by the CREG pursuant to section 6.4.5, the validation decision can only be appealed against before the Markets Court of Brussels according to art. 29 bis of the Electricity Act.

To be an interested party one must be a Prequalified CRM candidate.

704. Contractual disputes

If, for the pre-delivery period, the final pre-delivery control results, which lead to the application of the Financial Penalty in case of positive Missing Volume, as notified by Elia to the Capacity Provider and/or the application of the Financial Penalties resulting from the pre-delivery control are contested by the Capacity Provider, in accordance with section 7.3.1.1.5.2, the dispute will be submitted by the Capacity Provider to the competent Court of enterprises of Brussels). Such dispute must be filed at the latest twenty Working Days after the notification of the final pre-delivery control results.

If, for the delivery period, the parameters or calculation leading to the Unavailability Penalty determined by Elia and notified to the Capacity Provider by the Contractual Counterparty, is contested by the Capacity Provider, in accordance with section 8.6.3, and if the Capacity Provider and the Contractual Counterparty have not reached an amicable solution within the deadline foreseen in section 8.6.3 (thirty and sixty Working Days after the day of notification of the Unavailability Penalty), the dispute will be submitted by the Capacity

Provider to the competent Court of enterprises of Brussels. Such dispute must be filed at the latest fifteen Working Days after the aforementioned deadline to reach the amicable solution.

705. Inaccuracy/incompleteness of the data

The (Prequalified) CRM Candidate or the Capacity Provider shall, under the form of the reporting as provided in the relevant process in the Functioning Rules, ensure that the data included in his application form and his Prequalification File(s) remain complete and accurate over time, , i.e. the prequalification, the auction and both during the whole pre-delivery period and delivery period.

In any case, when Elia observes such incompleteness or inaccuracy, it will apply a financial penalty which corresponds to the Unavailability Penalty applicable for any Unannounced Missing Capacity on the CMU(s) concerned, as provided for under section 8.6.3 , taking into account the Missing Capacity of the CMU(s) concerned and the penalty factor equal to [figure between 0 and 1].

In case ELIA observes such incompleteness or inaccuracy changes the ranking of the offers , such incompleteness or inaccuracy will also be sanctioned by ELIA with an exclusion of the Bid from the clearing in function of the degree of incompleteness or inaccuracy.

706. Suspension and termination

In addition to the payment of the applicable Financial Penalty or Unavailability Penalty, the Capacity Contract can be suspended by the Contractual Counterparty in consultation with Elia when the Capacity Provider remains in default after the application of the Financial Penalty or Unavailability Penalty, until it has been established by Elia that the Capacity of the CMU(s) complies with the Prequalification Conditions.

In case ELIA establishes that the data included in the Capacity Provider's application form and Prequalification File(s) are repeatedly incomplete or inaccurate, it can ask the Contractual Counterparty to terminate the Capacity Contract, provided a new Capacity Contract has been signed covering the same capacity as the Missing Capacity from defaulting Capacity Provider or to terminate the Contract at the end of the ongoing delivery year and Elia will take this into account for the next Y-1 auction volume.

Disputes with respect to the application of the Unavailability Penalty to the incompleteness or inaccuracy of the information and, as the case may be, with respect to the suspension or termination of the Capacity Contract, will be submitted to the competent Court of enterprises of Brussels.

707. Disputes with respect of the Derating Factor

The Prequalified) CRM Candidate or the Capacity Provider shall also ensure that the Derating Factor complies with the methodology referred to in article 7undecies §2 of the Electricity Act.

If a Derating Factor is applied which does not correctly apply the methodology, the Capacity Contract will be suspended until it has been established by Elia that the Derating Factor complies with the methodology referred to in article 7undecies §2 of the Electricity Act.

In case Elia establishes that the Derating Factor chosen by the Prequalified CRM Candidate or the Capacity Provider would repeatedly be non-compliant with said methodology, ELIA can ask the Contractual Counterparty to terminate the Capacity Contract, provided that a

new Capacity Contract has been signed covering the same capacity as the Missing Capacity from defaulting Capacity Provider or to terminate the Contract at the end of the ongoing delivery year and ELIA will take this into account for the next Y-1 auction volume, and under reservation of all rights for damages incurred by ELIA as a result of the (Prequalified) CRM Candidate or the Capacity Provider.

Disputes with respect to the suspension or termination of the Capacity Contract for reasons of non-compliance of the Derating Factor will be submitted to the competent Court of enterprises of Brussels.

14. FALLBACK PROCEDURES

14.1. INTRODUCTION

708. This chapter lists and describes all the fallback procedures applicable to ELIA, every Capacity Holder, CRM Candidate, Prequalified CRM Candidate and Capacity Provider. These fallback procedures include all the steps to be followed by the relevant party in case of specific issue.

Section 14.2 presents the general principles of the fallback procedures.

Section 14.3, 14.4, 14.5, 14.6, 14.7, 14.7, 14.8 and 14.9 respectively cover all CRM processes separately in order to facilitate reading and the search for the right fallback procedure. Each CRM Process is divided into different sub-paragraphs depending on process involved. Every fallback procedure is structured so that the problem is first identified and referenced. Next, the procedure to be followed by the CRM Actor is described and finally the impact on deadline or processes is explained.

14.2. GENERAL PRINCIPLES

709. This section describes the general principles applicable to ELIA, every CRM Candidate, Prequalified CRM Candidate and Capacity Provider, hereunder considered as CRM Actors, for whom a fallback procedure is required in order to resolve certain types of issues.

710. When ELIA communicates with a CRM Actor by e-mail in a fallback procedure, ELIA uses the e-mail address(es) that was provided by the actor during the Prequalification Process (as per annexes 17.1.4 and 17.1.5).

When a CRM Actor communicates with ELIA by e-mail in a fallback procedure, he uses the e-mail address provided by ELIA.

711. If a maintenance of the CRM IT Interface is foreseen and causes an unavailability longer than twenty-four hours, ELIA informs all CRM Actors by e-mail at least five Working Days prior to the start of the foreseen unavailability and indicates the start date/time and the expected end date/time of the maintenance.

712. If ELIA encounters an unforeseen unavailability which prevents the CRM Actors to access the interface for more than twenty-four hours, ELIA informs all CRM Actors by e-mail about it and indicates the expected end date/time of the unavailability.

713. In case a fallback procedure arising from a general IT issue has an impact on the good running of a process for a CRM Actor and this CRM Actor cannot respect the deadline related to that process, ELIA extends this deadline for the process in question. This extension is communicated to and applies for all CRM Actors; upon the condition that the problem is attributed to the CRM IT Interface itself. Otherwise any CRM Actor remains liable for the delay.

714. Finally, ELIA reminds that – independent of the communication channel used for the exchange of required information – it remains the CRM Actor's responsibility to respect the deadlines set in the relevant section of the Functioning Rules (as detailed in chapter 5). Obviously, in the event of a delay caused by the use of the fallback procedure, ELIA makes

its best efforts to reduce the maximum timing foreseen by the Functioning Rules to recover the time lost and by doing so, allow the CRM Actor to participate to the forthcoming Auction.

14.3. PREQUALIFICATION PROCESSES

715. This section covers all possible issues during the prequalification phase that require a fallback procedure.

14.3.1. Application form submission

716. This issue refers to the section 5.3.1.

Prior to submitting his first Prequalification File, a Capacity Holder fills in an application form and then mark his acknowledgment with a list of documents.

This application form can be found and is submitted on the CRM IT Interface.

717. In case a Capacity Holder is unable to submit the **application form** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to submit the application form, the Capacity Holder is entitled to initiate the fallback procedure.

718. The fallback procedure consists in the following steps:

a) The Capacity Holder contacts ELIA as soon as possible by e-mail explaining the nature of the problem.

b) ELIA comes back to the Capacity Holder within maximum five Working Days starting from the Capacity Holder's email reception date, saying that either:

- The problem has been solved and the Capacity Holder may try again to submit the form; or
- The problem cannot be solved in the short term, and the application form is sent by e-mail so that the Capacity Holder can fill it in and return it back completed to ELIA also by e-mail.

14.3.2. Acknowledgment and Compliance checks

719. This issue refers to the section 5.3.1.2.

After the approval of the application form but prior to the possible submission of a Prequalification File, the CRM Candidate ensures compliancy with some items, by marking dedicated boxes in the CRM IT Interface.

720. In case the CRM Candidate is unable to **mark these boxes** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to mark the dedicated boxes, the CRM Candidate is entitled to initiate the fallback procedure.

721. The fallback procedure consists in the following steps:

a) The CRM Candidate contacts ELIA as soon as possible by e-mail explaining the nature

of the problem.

b) ELIA comes back to the CRM Candidate within maximum five Working Days starting from the Capacity Holder's email reception date, saying that either:

- The problem has been solved and the CRM Candidate may try again to mark the boxes via the CRM IT Interface; or
- The problem cannot be solved in the short term, and a document (in which he acknowledges the relevant documents and indicates the compliance of his Delivery Point(s) with some set of rules) is sent by e-mail so that the Capacity Holder can fill it in and return it back completed to ELIA also by e-mail.

14.3.3. Prequalification File

722. This issue refers to the section 5.4.

It is required from the CRM Candidate to submit complete and accurate Prequalification File(s), in line with obligations, requirements and Service Time Schedule. All data or document(s) are either filled in directly on the CRM IT Interface or uploaded as an attachment via the the CRM IT Interface.

723. In case the CRM Candidate is unable to **fill in the Prequalification File and/or upload a required document(s)** on the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to complete his Prequalification File, the CRM Candidate is entitled to initiate the fallback procedure.

724. The fallback procedure consists in the following steps:

a) The CRM Candidate contacts ELIA as soon as possible by e-mail explaining the nature of the problem.

b) ELIA comes back to the CRM Candidate within maximum five Working Days starting from the Capacity Holder's email reception date, saying that either:

- The problem has been solved and the CRM Candidate may try to fill in the Prequalification File and/or upload a required document on the CRM IT Interface; or
- The problem cannot be solved in the short term, and the prequalification form is sent by e-mail so that the CRM Candidate can fill it in and return it back completed to ELIA also by e-mail. As part of the Prequalification File, the CRM Actor submits proof of a permissible type of Financial Security, in accordance with the requirements in section 10.3, by email.

14.3.4. Change of the Prequalification File submission

725. This issue refers to the section 5.8.5.

Any CRM Candidate, Prequalified CRM Candidate or Capacity Provider (hereunder the CRM Actor) is entitled to modify data or documents upon different circumstances. Any change is submitted via the CRM IT Interface.

726. In case a CRM Actor is unable to **modify data or documents** on the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this

is not the case and after trying again to apply the change(s) needed, the CRM Actor is entitled to initiate the fallback procedure.

727. The fallback procedure consists in the following steps:

a) The CRM Actor contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned Delivery Point(s) and/or CMU(s); and
- The date of entry into force of the modification(s); and
- The data or the document(s) to be modified; and
- The new value of the data or the new document(s) to be uploaded; and
- The nature of the IT issue;

b) ELIA comes back to the CRM Actor within maximum five Working Days starting from the CRM Actor's email reception date, saying that either:

- The problem has been solved and the CRM Actor may try again to modify the data and/or document(s) in his Prequalification File; or
- The problem cannot be solved in the short term, and ELIA modifies manually the data and/or the document(s) – instead of the CRM Actor – based on the information provided in the e-mail reiceved from the CRM Actor and sends an e-mail to this CRM Actor to notify him that the change(s) has(have) been taken into account.

14.3.5. Notification from ELIA

728. Throughout the Prequalification Process, ELIA sends notifications to the CRM Actors via the CRM IT Interface. The time period within which such notification is received are listed in the chapter 5.

729. In case the CRM Actor has not received the notification via the CRM IT Interface within the specific timeframe, he initiates the fallback procedure which consists in the following steps:

a) The CRM Actor informs ELIA by e-mail as soon as possible that the notification has not been received and mentions the following information:

- The type of notification that he was expecting to; and
- The submission date of the involved file or form;

b) ELIA comes back to the Capacity Provider within five Working Days starting from the Capacity Provider's e-mail reception date, giving the same information as would have been provided by the notification.

14.4. AUCTION PROCESS

14.4.1. Grid constraints issues

730. These issues refer to the section 6.4.2.

During the calculation phase, which starts on 15th of June until 15th of September of the year in which the Auction takes place, ELIA identifies the public electrical transmission grid

constraints of the expected grid infrastructure for the Delivery Period for the considered Auction to be taken into account during the Auction clearing.

731. Throughout this calculation phase, three problems could trigger a fallback procedure:

- In the extraordinary event of a force majeure (eg. an extreme weather event, a terrorist attack, …) during the calculation phase, which would cause unforeseen & significant damage to one or more key grid infrastructure assets of the public electrical transmission grid and which would as a result affect the hypotheses taken for the reference grid on the 15th of June of the year in which the Auction takes place, based on which Elia is calculating the grid constraints.
- If the hypotheses of the reference grid would significantly evolve during the calculation phase, when compared to the hypotheses taken in the defined reference grid at the 15th of June of the year in which the Auction takes place, related to delays of Infrastructure Works which would negatively affect the hosting capacity of the grid feasible domain. Such delay of Infrastructure Works is considered significant when a specific grid infrastructure project has an expected delay higher than two months, compared to the initial schedule.
- In the extraordinary event that ELIA would be confronted with IT-calculation issues in determination of grid constraints, negatively affecting the ex-ante availability of all necessary & approved grid constraints.

732. In the three above cases, ELIA initiates the fallback procedure after informing CREG of the exact cause(s), since in all three cases the ex-ante availability[19] of all necessary & approved grid constraints is negatively affected and no longer guaranteed.

733. The fallback procedure itself consists in applying grid constraints by performing a grid feasibility check during the application phase after the Auction gate closing time. This fallback procedure guarantees that the grid feasibility of any Auction is ensured, in case the standard process would fail. In case of failure, ELIA takes reasonable measures & consult with CREG in order to improve and avoid such events for future Auctions.The fallback procedure can potentially imply some iterative steps after the Auction gate closing time in order to determine the optimal Auction result that respects all valid grid constraint types – while still leaving sufficient time for results validation prior to Auction result publication.

734. The fallback process would be as follows:

a) Based on the received Bids & the Demand Curve applied in the Auction, the Auction algorithm provides the clearing result but now without grid constraints from ELIA.

b) The obtained clearing result is then subsequently verified by ELIA following the methodology as defined in section 6.3.2.2 (only for the relevant CMU combinations for Additional Capacity that are part of the clearing result) and following the stepwise approach as detailed here:

i. Step 1: In case the clearing result respects all grid constraints, no further steps are needed and the Auction result can be considered final.

ii. Step 2: In case the clearing result does not respect all constraints, the next optimal solution with the best objective function value needs to be determined in the

[19] Ex-ante availability of grid constraints means that the grid constraints are defined by the 15/09, before performing the auction gate closure time.

Auction algorithm, by iteratively performing an Auction clearing with two additional constraints (best objective function value step two worse than best objective function value step one and selection two does not equal selection one).

iii. Step 3: step two should be repeated until a solution is found that respects all valid grid constraints for the respective Auction.

735. In case no solution can be found after several iterations, the CREG may not validate the Auction results which could lead to the fallback procedure.

14.4.2. Bid submission issue

736. This issue refers to the section 6.3.3.

A Prequalified CRM Candidate can submit (a) Bid(s) in the CRM IT Interface from 9:00 CET one Working Day after 15 September until the Auction gate closure time. ELIA verifies, immediately upon submission via checks incorporated in the CRM IT Interface, whether the Bids are compliant. In case of successful verification, the Bid(s) get(s) the status "submitted". Bids with the status "submitted" by the Auction gate closure time are taken into account during the clearing of the Auction.

737. In case the Prequalified CRM Candidate cannot access the CRM IT Interface to submit its Bid(s), he initiates the fallback procedure. Such action remains possible until Auction gate closure time.

738. The fallback procedure consists in the following steps:

a) The Prequalified CRM Candidate informs ELIA that he is unable to submit his Bid(s) via the CRM IT Interface.

b) ELIA comes back to the Prequalified CRM Candidate as soon as possible saying that either:

- The problem has been solved and the Prequalified CRM Candidate may try to submit his Bids again.
- The problem cannot be solved by the Auction gate closure time and therefore, ELIA undertakes the following actions:
  - ELIA extends the access to Bids submission platform for all Prequalified CRM Candidates.
  - ELIA fixes as soon as possible the problem preventing Prequalified CRM Candidates to access the Bids submission platform.

739. In case ELIA is not able to fix the issue preventing Prequalified CRM Candidates to submit their Bid(s) on the CRM IT Interface even after deadline extension, ELIA organizes manual Bid submission and proceeds as follows:

a) ELIA extends the submission deadline for the second time and communicates this decision to all Prequalified CRM Candidates;

b) Every Bid with "submitted" status does not require to be submitted again. ELIA sends a confirmation message summarizing all Bids already received with the status of submitted;

c) Any additional Bid is submitted by the Prequalified CRM Candidate via the form provided

by ELIA and sent by email.

14.4.3. Auction results issues

740. This issue refers to the section 6.4.5.

Upon the end of each Auction clearing phase, and in line with the Service Time Schedule, ELIA submits the Auction results to the CREG. The CREG must verify them prior to informing all CRM Actors of the official selection of his submitted Bid(s).

741. Two kind of issues can occur with the Auction results. The first one is related to the CREG validation. For some reasons (e.g. grid constraint issues), the CREG may not validate the Auction results. The second one is related to the Auction clearing modules. It could happen that one or both of the modules are unable to provide a solution for the Auction results.

742. In both cases, ELIA initiates the fallback procedure which consists of the following actions (applicable to both Y-4 and Y-1 Auctions):

a) ELIA identifies the source of the problem (e.g: issue with the clearing algorithm) and notifies CREG;

b) ELIA solves the problem and start the Auction clearing again;

c) ELIA communicates the updated Auction's results to CREG for validation;

d) Once validated, results are published on ELIA's website.

743. Compared to the original Auction, no new Prequalified CRM Candidates are accepted and no new Bids can be introduced by a Prequalified CRM Candidates.

14.5. PRE-DELIVERY CONTROL

744. This section covers all possible issues during a pre-delivery control that require a fallback procedure.

14.5.1. Quarterly reports submission to ELIA for Additional and Virtual CMUs

745. During a Pre-delivery Period related to an Additional or a Virtual CMU, a Capacity Provider shares with ELIA via the CRM IT Interface quarterly reports (according section 7.3.2.1.2).

746. In case the Capacity Provider is not able to submit a **quarterly report** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to submit the quarterly report, the Capacity Provider is entitled to initiate the fallback procedure.

747. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU(s); and
- The nature of the IT issue;

b) ELIA comes back to the Capacity Provider within maximum five Working Days starting

from the Capacity Provider's email, saying that either:

- The problem has been solved and the Capacity Provider may try again to submit the report; or
- The problem cannot be solved in the short term, and the quarterly report may be sent by the Capacity Provider to ELIA by e-mail within five Working Days starting from ELIA's e-mail reception date.

748. In the event that this fallback procedure is initiated, ELIA extents the deadline by ten Working Days (defined in section 7.3.2.1.2.3) for providing the quarterly report to all Capacity Providers.

14.5.2. Pre-delivery test date notification for Existing CMUs

749. In order to organize a pre-delivery test for a Delivery Point without sufficient historical data available (as per detailed in section 7.3.1.1), ELIA sends a notification to the Capacity Provider via the CRM IT Interface, asking for a pre-delivery test date.

750. In case ELIA is not able to request a pre-delivery test date via the CRM IT Interface due to an IT issue, ELIA notifies the Capacity Provider that a test date is required by e-mail.

751. In case the Capacity Provider is not able to communicate to ELIA **the pre-delivery test date** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to communicate the date, the Capacity Provider is entitled to initiate the fallback procedure.

752. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:
   - The ID of the concerned CMU; and
   - The date of the pre-delivery test; and
   - The nature of the IT issue;

b) ELIA has maximum five Working Days starting from the reception of the Capacity Provider's e-mail reception date to acknowledge the pre-delivery test date communicated by e-mail.

14.5.3. Pre-delivery control results

753. For Additional and Virtual CMU, ELIA notifies the pre-delivery control results to the Capacity Provider within a certain period of time defined in section 7.3.1.1.5 on the CRM IT Interface.

754. In case the Capacity Provider has not received the results of his pre-delivery control via the CRM IT Interface within the timeframe specified, he initiates the fallback procedure which consists in the following steps:

a) The Capacity Provider informs ELIA by e-mail that the pre-delivery control results has not been received yet and mentions the following information:
   - The ID of the CMU; and
   - The date of the quarterly report concerned; and

b) ELIA comes back to the Capacity Provider within maximum ten Working Days starting from the Capacity Provider's email, saying that either:

- The problem has been solved and the results are now made available on the CRM IT Interface; or
- The problem cannot be solved in the short term, and ELIA sends the results to the Capacity Provider by e-mail.

14.5.4. Contestation for Existing CMU

755. The Capacity Provider is allowed to contest the provisional pre-delivery control results via the CRM IT Interface within a time period defined in section 7.3.1.1.5.2.

756. In case the Capacity Provider is not able to notify his contestation through the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to submit his contestation, the Capacity Provider is entitled to initiate the fallback procedure.

757. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU; and
- The nature of the IT issue;

b) ELIA comes back to the Capacity Provider within maximum five Working Days starting from the Capacity Provider's email reception date, saying that either:

- The problem has been solved and the Capacity Provider may submit his contestation via the CRM IT Interface.
- The problem cannot be solved in the short term, and a contestion form is sent by e-mail so that the Capacity Provider and return it back completed also by e-mail.

758. In the event the fallback procedure is initiated, ELIA extents the deadline to submit the related contestation by ten Working Days.

14.6. AVAILABILITY MONITORING AND TESTING

759. This section covers all possible issues occurring trouhgouht the Delivery Period regarding the Availability Obligation and the penalties that require a fallback procedure.

14.6.1. Notification of limitation on Available Capacity

760. This issue refers to the section 8.3.

In case the Capacity Provider is aware of a limitation on the Capacity of his CMU, the Capacity Provider notifies ELIA by providing the required information via the CRM IT Interface.

761. In case the Capacity Provider is not able to **notify the limitation on its Available Capacity** via the CRM IT Interface due to IT problem, he checks first that the CRM IT

Interface is not under maintenance. If this is not the case and after trying again to notify the limitation, the Capacity Provider is entitled to initiate the fallback procedure.

762. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU; and
- The Remaining Maximum Capacity; and
- The start date and time of the unavailability; and
- The end date and time of the unavailability; and
- The nature of the IT issue;

b) ELIA comes back to the Capacity Provider within five Working Days starting from the Capacity Provider's e-mail reception date, saying that either:

- The problem has been solved and the Capacity Provider may try again to notify the limitation.
- The problem cannot be solved in the short term, but the limitation mentioned in the e-mail has been taken into account for the concerned CMU as from the date mentioned in the e-mail.

763. It is the Capacity Provider's responsibility to notify limitations via the CRM IT Interface before 9:00 CET or timely initiate the fallback procedure in case of CRM IT interface failure. ELIA notes the limitation as Announced Unavailable Capacity for that CMU provided that the fallback procedure was initiated by the Capacity Provider (i.e. by sending the required email) before 9:00 CET the day before the start date of the limitation and that the information in the email was compliant with section 8.3.

14.6.2. AMT Moment identification

764. This issue refers to the section 8.4.1.

ELIA publishes identified AMT Hours and AMT Moments on its website before 15:00 CET the day before the occurrence of the AMT Moments or no later than 18:00 CET in case a fallback procedure for the Day-Ahead Market clearing applies.

765. After every last Day-Ahead Market gate closure time of the NEMOs composing the Day-Ahead Market Price, ELIA verifies for every hour of the concerned day if the Day-Ahead Market Price exceeds the AMT Price.

766. In case of delays caused by failure of ELIA's internal IT applications, ELIA places a notification on its website before 15:00 CET the day before the occurrence of the AMT Moment and performs a best effort to publish AMT Hours and AMT Moments as soon as possible and before 18:00 CET the day before the occurrence of the AMT Moments at the latest. Failure to do so leads to no AMT Moments being applicable.

767. In case ELIA is unable to determine the Day-Ahead Market Price for any given segment, it is not identified as an AMT Hour.

768. In case a NEMO composing (part of) the Belgian Reference Price is decoupled from the Day-Ahead Market (e.g. due to IT problems), this does not automatically lead to the triggering

of an AMT Hour. ELIA notifies the Capacity Providers via the CRM IT Interface or by e-mail after Day-Ahead Market clearing according to the following procedure:

a) ELIA acknowledges the decoupling of the market before 15:00 CET at the latest, along with AMT Hours and Moments identified by the resulting price information via publication on their website.

b) Capacity Providers proceed as if these AMT Moments apply.

c) ELIA assesses the impact of the decoupling on the Day-Ahead Market Price.

d) In case the impact is such that the price would exceed the AMT Price regardless, ELIA continues to apply the identified AMT Hours and AMT Moments.

e) In case the impact is such that the market decoupling itself likely caused the price to rise above the AMT Price, ELIA notifies its publication on its website and notifies the Capacity Providers via the CRM IT Interface or by e-mail that the concerned hours are not considered as AMT Hour(s).

14.6.3. Declared Price and Associated Volume declaration

769. This issue refers to the section 8.4.2.1.

14.6.3.1. Declaration modalities

770. The Capacity Provider continuously notifies Declared Prices to ELIA for CMU(s) without Daily Schedule through declaration(s) whenever an update of this information is required by the Capacity Provider via the CRM IT Interface.

771. In case the Capacity Provider is not able to **declare or update (Partial) Declared Price(s) and Associated Volume(s)** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to declare or to update the information, the Capacity Provider is entitled to initiate the fallback procedure.

772. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU; and
- The new (partial) Declared Price(s) and Associated Volume(s), if any; and/or
- The (partial) Declared Price(s) and Associated Volume(s) he wants to modify and their new value, if any; and
- The nature of the IT issue;

b) ELIA comes back to the Capacity Provider within five Working Days starting from the Capacity Provider's e-mail reception date, saying that either:

- The problem has been solved and the Capacity Provider may try again to declare or update (partial) Declared Price(s) and Associated Volume(s) via the CRM IT Interface.
- The problem cannot be solved in the short term, but the information mentioned in

the e-mail has been taken into account for the concerned CMU.

773. If the Capacity Provider is not able to declare or update the value(s) of (the set of) Declared Day-Ahead Price(s) before 9:00 CET the day before the occurrence of the AMT Hour due to this fallback procedure and the e-mail was sent to ELIA before that time, ELIA takes into account these prices for this AMT hours provided that the declaration/update information is compliant with section 8.4.2.

774. If the Capacity Provider is not able to declare or update the value(s) of (the set of) Declared Intraday or Balancing Price(s) at least two hours before the start of the AMT Hour due to this fallback procedure and the e-mail was sent to ELIA before that time, ELIA takes into account these prices for this AMT hours provided that the declaration/update information is compliant with section 8.4.2

14.6.3.2. Rejection or acceptance notification

775. In case of rejection, the Capacity Provider automatically receives a notification of rejection completed with a justification. In case of acceptance, the Capacity Provider automatically receives a notification of acceptance.

776. In case the Capacity Provider has not received the rejection or acceptance notification via the CRM IT Interface, he initiates the fallback procedure which consists in the following steps:

a) The Capacity Provider informs ELIA by e-mail as soon as possible that the notification has not been received and mentions the following information:

- The ID of the concerned CMU; and
- The time and date of the declaration/update; and
- The nature of the IT issue;

b) ELIA comes back to the Capacity Provider within five Working Days starting from the Capacity Provider's e-mail reception date, giving the same information as would have been provided in the notification of rejection or acceptance.

14.6.4. Notification of the Availability Test

777. This issue refers to the section 8.5.1.2.

ELIA can verify whether a Capacity Provider has committed to the Availability Obligation for any of its CMU's through unannounced Availability Tests. ELIA instructs the Capacity Provider to perform an Availability Test via the CRM IT Interface at the latest before 15:00 CET the day before it is to take place.

778. In case ELIA is not able to notify the Availability Test via the CRM IT Interface due to an IT issue, the following fallback procedure is initiated:

a) ELIA communicates to the Capacity Provider by e-mail the following information:

- The ID of the concerned CMU; and
- The start date and time of the test; and
- The end date and time of the test; and

b) The Capacity Provider has six hours to acknowledge the Availability test.

14.6.5. Submission of the Monthly Performance Report

779. This issue refers to the section 8.6.3.

780. ELIA provides the Monthly Performance Report before the 15th of month M+2 at the latest to the Contractual Counterparty for AMT Moments and Availability Tests occurring during month M. Upon receipt of this report, the Contractual Counterparty has until the end of month M+2 to notify the Capacity Provider of any Unavailability Penalty.

781. In case the Capacity Provider has not received its Monthly Performance Report via the CRM IT Interface within the timeframe specified hereabove, he initiates the fallback procedure which consists in the following steps:

a) The Capacity Provider informs ELIA by e-mail as soon as possible that the report has not been received and mentions the following information:

- The ID of the concerned CMU; and
- The month of report; and

b) ELIA/Contractual Counterparty comes back to the Capacity Provider within ten Working Days starting from the Capacity Provider's e-mail, giving the same information as would have been provided in the Monthly Performance Report.

782. As a contestation can be initiated up to twenty Working Days after reception of the monthly performance report by the Capacity Provider, this does not impact the timing with regards to this procedure.

14.6.5.1. Notification of three successful deliveries

783. This issues refers to the section 8.6.4.

784. From the moment the Capacity Provider receives the downwards revision, the CMU has to successfully provide its Obligated Capacity in accordance with the Contracted Capacity and SLA three consecutive times during an AMT Moment and/or Availability Tests to reinstate the Capacity Provider's original Capacity Remuneration. The Capacity Provider notifies ELIA via the CRM IT Interface after completing the third successful delivery.

785. In case the Capacity Provider is not able to **notify that he successfully completed three deliveries** via the CRM IT Interface due to IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to notify ELIA, the Capacity Provider initiates the fallback procedure.

786. The fallback procedure consists in the following steps:

a) The Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU; and
- The start date and time of each concerning Availability Test and/or AMT Moment ; and
- The nature of the IT issue; and

b) ELIA comes back to the Capacity Provider within five Working Days starting from the Capacity Provider's e-mail reception date, saying that either:

- The problem has been solved and the Capacity Provider may try again to notify the three successful deliveries.
- The problem cannot be solved in the short term, but the information mentioned in the e-mail has been taken into account for the concerned CMU.

14.7. SECONDARY MARKET

14.7.1. Notification issuance of a Secondary Market transaction

787. This part refers to the section 9.5.1, where for any Secondary Market transaction the Prequalified CRM Candidates and Capacity Providers or the Exchange have first to notify ELIA via the CRM IT Interface.

788. In case the Prequalified CRM Candidates, Capacity Providers or the Exchange are not able **to issue the transaction** to ELIA via the CRM IT Interface due to IT problem, they check first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to issue the transaction, they are entitled to initiate the fallback procedure.

789. The fallback procedure consists in the following steps:

a) the Prequalified CRM Candidates, Capacity Providers or the Exchange contacts ELIA by e-mail mentioning:

- The CMU ID of the Seller of an Obligation; and
- The CMU ID of the Buyer of an Obligation; and
- The start date of the transaction; and
- The end date of the transaction; and
- The nature of the IT issue;

b) ELIA comes back to the Prequalified CRM Candidates, Capacity Providers or the Exchange within maximum five Working Days starting from the Capacity Provider's e-mail reception date, saying that either:

- The problem has been solved and the Prequalified CRM Candidates, Capacity Providers or the Exchange may try again to issue the transaction via the CRM IT Interface.
- The problem cannot be solved in the short term and the transaction form is sent by e-mail so that the Prequalified CRM Candidates, Capacity Providers or the Exchange can fill it in and return it back completed to ELIA also by e-mail (if applicable, including proof of a permissible type of Financial Security, in accordance with the requirements set in section 10.3).

790. In case of bilateral Secondary Market transaction, if the other party cannot confirm the transaction within five Working Days following the first notification due to the fallback procedure and he has notified ELIA by e-mail within the time limit, ELIA considers the notification issuance of that transaction to be compliant.

14.7.2. Acknowledgement of reception by ELIA

791. This part refers to the section 9.5.2.

After the notification issuance of the transaction, ELIA notifies the good reception with an acknowledgement of reception towards the counterparty(ies) issuing the notifications.

792. For bilateral Secondary Market transaction, the acknowledgement of reception is sent by ELIA to the Seller of an Obligation and the Buyer of an Obligation within a maximum of one Working Day after reception of both notifications.

793. For Secondary Market transaction notified by an Exchange, the acknowledgement of reception is sent by ELIA to the Exchange within one Working Day after reception of one notification.

794. If the Prequalified CRM Candidates, Capacity Providers or the Exchange have not received the notification via the CRM IT Interface within one Working Day, it could mean that the transaction has not been recorded due to an IT problem and therefore ELIA might not take it into account in the Secondary Market transaction process. Thus in case they do not get the acknowledgement of reception within one Working Day, the Prequalified CRM Candidates, Capacity Providers or the Exchange initiate the fallback procedure which consists in the following steps:

a) The Prequalified CRM Candidates, Capacity Providers or the Exchange inform ELIA by e-mail as soon as possible that the notification has not been received and mentions the following information:

- The CMU ID of the Seller of an Obligation; and
- The CMU ID of the Buyer of an Obligation; and
- Secondary Market Transaction external ID; and
- The date of the notification in case of transaction notified by an Exchange; or
- The date of the notification in case of bilateral transaction;

b) ELIA comes back to the Prequalified CRM Candidates, Capacity Providers or the Exchange within five Working Days starting from the e-mail reception date, giving the acknowledgement of reception.

14.7.3. Approval or rejection of a Secondary Market transaction by ELIA

795. This issue refers to the section 9.5.5.

As a final step of the Secondary Market Process, a notification providing the results linked to a Secondary Market transaction – i.e. whether the Secondary Market transaction is compliant or not – is provided by ELIA to the Buyer and Seller of an Obligation or to the Exchange, within five Working Days from the acknowledgement of reception by ELIA.

796. In case the Prequalified CRM Candidates, Capacity Providers or the Exchange have not received the notification within five Working Days, they initiate the fallback procedure which consists in the following steps:

a) The Prequalified CRM Candidates, Capacity Providers or the Exchange informs ELIA by e-mail as soon as possible that the notification has not been received and mentions the following information:

- The CMU ID of the Seller of an Obligation; and
- The CMU ID of the Buyer of an Obligation; and
- Secondary Market Transaction external ID; and
- The date of the Acknowledgment of reception of the transaction;

b) ELIA comes back to Prequalified CRM Candidates, Capacity Providers or the Exchange within five Working Days starting from the e-mail reception date, giving the same information as would have been provided in the notification of approval or rejection.

14.8. FINANCIAL SECURITIES

14.8.1. Submission of Financial Security

797. This part refers to the Financial Security obligation:

- For a Transaction on the Primary Market, the submission of Financial Security is a condition to successfully prequalify, so the fallback procedure is incorporated in section 14.3.
- For a transaction on the Secondary Market, the submission of Financial Security is a condition to obtain ELIA's approval for a notified transaction on the Secondary Market, so the fallback procedure is incorporated in section 14.7.

798. In some cases, the CRM Actor needs to submit a Financial Security via the CRM IT Interface at another moment, such as (but not limited to):

- A new Financial Security is to be provided following a downgrade event for bank guarantees or parent company guarantees.
- An additional Financial Security is to be provided for an Existing CMU after notification of the final Nominal Reference Power.
- An additional Financial Security is to be provided for an Existing CMU after signing of the Capacity Contract.
- The CRM Actor choses to substitute one form of Financial Security for another.

799. In case the CRM Actor is not able **to submit the Financial Security** to the Contractual Counterparty via the CRM IT Interface due to an IT problem, he checks first that the CRM IT Interface is not under maintenance. If this is not the case and after trying again to submit the Financial Security, he initiates the fallback procedure.

800. The fallback procedure consists in the following steps:

a) The CRM Actor contacts ELIA by e-mail mentioning:

- The ID of the concerned CMU; and
- The date he needs to submit a Financial Security; and
- The amount of the Financial Security he needs to submit; and

- The expiry date of the Financial Security he needs to submit; and
- The type of Financial Security he wants to submit; and
- The nature of the IT issue.

b) ELIA comes back to the CRM Actor within maximum five Working Days starting from the actor's e-mail, saying that either:

- The problem has been solved and the CRM Actor may try again to submit the Financial Security via the CRM IT Interface.
- The problem cannot be solved in the short term, so the CRM Actors submits the Financial Security by email.

14.8.2. Downgrade event notification

801. The CRM Actor ensures that the minimum rating requirement is respected until the expiry date of the guarantee. In case the actor becomes aware that the financial institution or parent company issuing the guarantee lost the minimum required rating (a 'downgrade event'), then it notifies the Contractual Counterparty in writing via the CRM IT Interface as soon as it becomes so aware and at the latest two months after the Downgrade Event.

802. In case the CRM Actor is not able to **notify the Contractual Counterparty of the downgrade event** via the CRM IT Interface due to an IT problem, he initiates the following fallback procedure:

a) The (Prequalified) CRM Candidate or Capacity Provider contacts ELIA as soon as possible by e-mail mentioning:

- The ID of the concerned CMU; and
- The date of the Downgrade Event; and
- The name of the financial institution or parent company; and
- The old and the new rating of the financial institution or parent company; and
- The nature of the IT issue;

b) ELIA comes back to the (Prequalified) CRM Candidate or Capacity Provider within maximum five Working Days starting from the e-mail reception, saying that either:

- The problem has been solved and the Capacity Provider may try again to notify the downgrade event via the CRM IT Interface.
- The problem cannot be solved in the short term, but the information mentioned in the e-mail about the downgrade event has been taken into account.

803. In the event this fallback procedure is initiated, the (Prequalified) CRM Candidate or Capacity Provider submits to the Contractual Counterparty a new Financial Security within a period of thirty Working Days from the moment he returns the form (mentioned above) or he notifies it via the CRM IT Interface. In case the CRM IT Interface is unavailable to submit the new Financial Security, the fallback procedure in section 14.8.1 above applies.

14.8.3. Release of Financial Security

804. Within twenty Working Days after a CMU's Secured Amount has decreased, the Contractual Counterparty notifies the CRM Actor and, where applicable, the financial or corporate

institution that the Secured Amount is released. The notification to the CRM Actor is provided via the CRM IT Interface.

805. In case the CRM Actor has not received the notification via the CRM IT Interface within the twenty Working Days and the corresponding amount of the Secured Amount was not released, he initiates the fallback procedure which consists in the following steps:

a) The CRM Actor informs as soon as possible the Contractual Counterparty by e-mail with the following information:

- The ID of the concerned CMU; and
- The value in € of the Secured Amount that needs to be released; and
- The date of the Secured Amount decrease; and
- The name of the financial or corporate institution that issued the bank guarantee (if applicable);

b) The Contractual Counterparty comes back to the Capacity Provider within maximum five Working Days starting from the e-mail reception, saying that either:

- The conditions of release are met and the Countractual Counterparty does its best effort to release the Secured Amount as soon as possible.
- The conditions of release are not met and the Countractual Counterparty explains the reasons why the Secured Amount is not released.

14.9. DELAYS ON INFRASTRUCTURE WORK

806. This section describes the fallback procedure applicable when a delay on an Infrastructure Work influencing already Contracted Capacity(ies) is identified by ELIA (or the relevant system operator, via the Capacity Provider's project execution plan).

14.9.1. Trigger

807. The fallback procedure described in this section is only applicable to delays on Infrastructure Works, upon the following conditions:

The Infrastructure Work causing the delay was identified during the Prequalification Process as part of the technical agreement(s); and

The delay influences the possible start of delivery of an already Contracted Capacity(ies) by more than two months and;

The CMU(s) associated to the impacted Contracted Capacity(ies) have been prequalified with the status "Additional".

14.9.2. Operational procedure applicable

808. A delay on an Infrastructure Work can be identified between Capacity Contract's signature (after publication of Auction's results) and the start of the Delivery Period the related Capacity has been contracted for.

809. From the moment of its identification, ELIA (or the relevant system operator) applies the following procedure:

a) ELIA (or the relevant system operator) notifies the CREG about the identified delay, including its justification;

b) Consecutive to CREG's notification, ELIA (or the relevant system operator) notifies the Capacity Provider(s) concerned by the delay on the Infrastructure Work and:

i. Details the impact of such delay on the possible start of delivery;
ii. Estimates the impact of such delay on the initial Contracted Capacity.

c) ELIA (or the relevant system operator) notifies the Contractual Counterparty;

d) The Contractual Counterparty adapts the impacted Capacity Contract(s) and delays its (their) start of delivery by one year. As a consequence, its (their) end of delivery is also delayed by one year.

810. Finally and upon the condition that the delay on the Infrastructure Work is identified prior to the determination of Y-1 volume for a Delivery Period Y, ELIA increases the volume to be procured in Y-1 Auction by the corresponding volume identified in the step b.ii above.

14.9.3. Participation to Secondary Market

811. Independent of the start of delivery – which is delayed by one year in case the fallback procedure described in this section is triggered – a Capacity Provider is allowed to participate to the Secondary Market from the moment its Contracted Capacity(ies) become "Existing" as per procedure described in chapter 7.

14.9.4. Contestation

812. ELIA refers to the chapter 2 as no specific modalities are foreseen to contest the use of this fallback procedure by ELIA.

15. TRANSPARENCY

15.1. INTRODUCTION

813. This document is structured around five sections.

Section 15.2 provides the general principles and the purpose regarding the transparency rules.

Section 15.3 describes the prequalification results that are published in order to enable transactions on the Secondary Market.

Section 15.4 elaborates on the information that ELIA publishes related to the Opt-out Volumes and the Auction results, split between the information for the submitted Bids and selected Bids.

Section 15.5 specifies the information that is included in the pre-delivery control reports.

Finally, section 15.6 details the information provided in the reports published before the start of a Delivery Period.

15.2. GENERAL PRINCIPLES

814. In accordance with art. 7undecies, §8 of the Electricity Act, this section of the Functioning Rules includes the rules to ensure the transparency of the Capacity Remuneration Mechanism. The purpose of these rules is to provide market parties with information that is relevant in view of their (possible) participation to the CRM. This information is related to the Auction results and to the Delivery Periods, as well as to the results of the pre-delivery controls.

815. While publishing the above mentioned results (and any other related information) ELIA ensures that at all times confidentiality with respect to possible business-sensitive information of individual CRM Actors such as CMUs, Prequalified CRM Candidates and Capacity Providers remains respected and that the released results or information cannot be easily related to an individual actor. This implies that any information and results indicated in the below mentioned Auction Report, pre-delivery control report and report before the start of a Delivery Period could be omitted or reduced in order to preserve this confidentiality.

15.3. PREQUALIFICATION RESULTS

816. With the purpose to enable transactions on the Secondary Market, ELIA publishes a list of Prequalified CMUs on its website including the following information:

- Name of the CMU;
- Contact details as provided by the Prequalified CRM Candidate via the application form during the Prequalification Process (according to paragraph 34);

At the latest ten calendar days after the end of each month ELIA updates the list of Prequalified CMUs by adding new Prequalified CMUs and removing CMUs whose prequalification is not valid anymore (according to section 5.8.2).

15.4. AUCTION REPORT

817. In accordance with the Electricity Act, ELIA publishes for each conducted Auction an Auction report on its website, at Auction closure, i.e. by 31 October. The Auction report includes the information as described in the sections below.

15.4.1. Opt-out Volumes

818. As shown in annex 17.5.1, the Auction report includes information on the Opt-out Volumes as determined during the Prequalification Process according to section 5.6.2.

819. For every Y-4 Auction, the Auction report includes the following information on the Opt-out Volumes:

- For Additional Capacities, the total Opt-out Volume associated with such Additional Capacities, expressed in MW.
- For Existing Capacities, the total Opt-out Volume associated with such Existing Capacities, expressed in MW and split over:
  - The total Opt-Out Volume associated with a notification for definitive closure or a definitive structural capacity reduction as referred to in art. 4bis of the Electricity Act;
  - The total Opt-Out Volume associated with a notification for temporary closure or a temporary structural capacity reduction as referred to in art. 4bis of the Electricity Act;
  - The total Opt-Out Volume associated with grid-related constraints, split into:
    - The total Opt-out Volume resulting from a G-flex connection contract.
    - The total Opt-out Volume associated with Existing Capacities that have to be decommissioned as a condition in a conditional signed technical agreement of another CMU that also participates in the Auction. This Opt-out Volume is split into the volume contributing to adequacy (category "'IN") when the Bid for the CMU with the conditional signed technical agreement is not selected in the Auction and the volume not contributing to adequacy (category "OUT") when the Bid for the CMU with conditional signed technical agreement is selected in the Auction.
  - The total Opt-Out Volume not related to a notification for closure or a structural capacity reduction as referred to in art. 4bis of the Electricity Act and not associated with grid-related constraints;
- The total Opt-Out Volume contributing to adequacy (category "IN") (derated[20]) is included in the Auction report and is calculated in accordance with section 5.6.2.

[20] Based on the Derating Factors provided by the CRM Candidate as part of the Prequalifcation File submission.

- The total Opt-Out Volume related to the fast-track Prequalification Process (as detailed in paragraph 121).

820. For every Y-1 Auction, the Auction report includes information on the Opt-out Volumes, split into the same categories as for the Y-4 Auction as detailed in the previous paragraph.

- The total Opt-Out Volume not related to a notification for closure or a structural capacity reduction as referred to in art. 4bis of the Electricity Act and not associated with grid-related constraints is additionally split into the volume contributing to adequacy (category "IN") and the volume not contributing to adequacy (category "OUT");
- The total Opt-Out Volume contributing to adequacy (category "IN") (derated)[21] is included in the Auction report and is calculated in accordance with in accordance with section 5.6.2.
- The total Opt-Out Volume related to the fast-track Prequalification Process (as detailed in paragraph 121).

15.4.2. Results of the Auction

821. The Auction report includes information on the submitted Bids and on the selected Bids in the Auction as further specified in the sections below.

15.4.2.1. Submitted Bids

15.4.2.1.1. Bid information

822. The report contains aggregated information on the valid Bids that have been submitted in the Auction. As shown in annex 17.5.2 the following information is provided:

- Bid volume weighted average price of Bids, split into Bids that are subject to the Intermediate Price Cap and Bids that are not subject to the Intermediate Price Cap;
- Average capacity volume of all Bids;
- Total number of submitted Bids;
- Total number of submitted CMUs;
- Total number of unique CRM Candidates that have participated in the Auction.

In addition, information is provided on the share of mutually exclusive Bids:

- Number of mutually exclusive Bids (in % of total number of submitted Bids);
- Total volume of mutually exclusive Bids together with the maximum volume of mutually exclusive Bids that can be selected in the Auction.

[21] Based on the Derating Factors provided by the CRM Candidate as part of the Prequalifcation File submission.

15.4.2.1.2. Capacity volume information

823. As shown in annex 17.5.2, the offered capacity volumes (expressed in MW) are separately aggregated by:

- Capacity Contract Duration (from minimum one year to maximum fifteen years); Within the category of capacity volumes with a Capacity Contract Duration of one year, difference is made between capacities subject to the Intermediate Price Cap or not;
- CMU status (Existing CMU, Additional CMU or Virtual CMU);
- Technology classes, in line with the Derating Factor categories determined in the Royal Decree on Methodology;
- TSO-connected vs. DSO-connected vs. Unproven Capacity.

15.4.2.2. Selected Bids

15.4.2.2.1. Bid information

824. The report contains aggregated information on the Bids that have been selected in the Auction. As shown in annex 17.5.3, the following information is provided:

- Bid volume weighted average price of Bids, split into Bids that are subject to the Intermediate Price Cap and Bids that are not subject to the Intermediate Price Cap;
- Average capacity volume of all selected Bids;
- Total number of selected Bids;
- Total number of selected CMUs;
- Total number of unique CRM Candidates that have been selected in the Auction.

15.4.2.2.2. Auction price information

825. In case of a pay-as-cleared pricing rule the report contains information on the Auction clearing price that is determined as the highest Bid Price among the selected Bids in line with the Auction clearing rules according to section 6.4.4. In case of a pay-as-bid pricing rule the report contains information on the highest selected Bid Price.

15.4.2.2.3. Capacity volume information

826. As shown by annex 17.5.3, the offered capacity volumes (expressed in MW) are separately aggregated by:

- Capacity Contract Duration (from minimum one year to maximum fifteen years); Within the category of capacity volumes with a Capacity Contract Duration of one year, difference is made between capacities subject to the Intermediate Price Cap or not.
- CMU status (Existing CMU, Additional CMU or Virtual CMU);
- Technology classes, in line with the Derating Factor categories determined in the Royal Decree on Methodology;
- TSO-connected vs. DSO-connected vs. Unproven Capacity.

15.5. PRE-DELIVERY PROCESS REPORT

827. No later than 31 March of every calendar year and starting on 31 March 2023, ELIA publishes on its website a pre-delivery control report for every Delivery Period covered by the pre-delivery controls during the past year.

828. As shown by annex 17.5.4, the pre-delivery control report contains the following information presented for every forthcoming Delivery Period separately:

829. For Existing CMUs:

- Contracted Capacities of Transactions with a Transaction Period covering the respective Delivery Period, aggregated over the CMUs with an 'Existing' status;
- Missing Volumes identified during the pre-delivery controls during the past year, aggregated over the CMUs with an 'Existing' status.

830. For Additional CMUs:

- Contracted Capacities of Transactions with a Transaction Period covering the respective Delivery Period, aggregated over the CMUs with an 'Additional' status;
- Missing Volumes identified during the pre-delivery controls during the past year and before the volume determination for the Y-1 Auction, aggregated over the CMUs with an 'Additional' status;
- Missing Volumes identified during the pre-delivery controls during the past year and after the volume determination for the Y-1 Auction, aggregated over the CMUs with additional status.

831. For Virtual CMUs:

- Contracted Capacities of Transactions with a Transaction Period covering the respective Delivery Period, aggregated over the Virtual CMUs.
- Missing Volumes identified during the pre-delivery controls during the past year and before the volume determination for the Y-1 Auction, aggregated over the Virtual CMUs;
- Missing Volumes identified during the pre-delivery controls during the past year and after the volume determination for the Y-1 Auction, aggregated over the Virtual CMUs.

15.6. YEARLY REPORT BEFORE THE START OF THE DELIVERY PERIOD

832. Next to the publication of the results of the Auction, ELIA publishes on its website, no later than three months before the start of the Delivery Period, a yearly report containing information on the upcoming Delivery Period. As shown by annex 17.5.5, this yearly report includes, among others, the following elements:

- Contracted Capacities, aggregated over the CMUs, awarded in the Y-4 and Y-1 Auctions for the Delivery Period.
- Contracted Capacities, aggregated over the CMUs, awarded during earlier Auctions related to previous Delivery Periods, for which the Transaction Period covers the Delivery Period covered by the report (together with the weighted-average Strike Price).

- The Calibrated Strike Prices applicable to the Y-4 Auction for that Delivery Period.
- The Calibrated Strike Prices applicable to the Y-1 Auction for that Delivery Period.
- The calibrated AMT Price for that Delivery Period.

16. DIRECT AND INDIRECT FOREIGN CAPACITY PARTICIPATION

16.1. INTRODUCTION

833. Following Art. 26 (1) of EU Regulation 2019/943 a capacity mechanism should be open for cross-border participation. Also, following Art. 26 (11) of EU Regulation 2019/943, a set of methodologies related to such cross-border participation are to be proposed by ENTSO-E and to be approved by ACER.

834. The Electricity Act distinguishes the participation by a Direct Foreign Capacity and by an Indirect Foreign Capacity. Pursuant to the definitions as defined in art. 2, 86° of the Electricity Act, the participation of the Direct Foreign Capacity is foreseen in the CRM and is considered as a domestic capacity and not as cross-border participation as per art 26 of the EU Regulation 2019/943. In accordance with the definition as defined in the art. 2, 85° of the Electricity Act, the participation of the Indirect Foreign Capacity is foreseen in the CRM.

    The Electricity Act further stipulates in art. 7 undecies §4 that the conditions for the Direct and Indirect Foreign Capacities participation in the CRM Prequalification Process are to be specified in a Royal Decree. Furthermore it is stated that it is to be foreseen that those conditions are to be determined as from the first Delivery Period.

835. The proposed Royal Decree on the conditions for participation of Capacity Holders of Direct Foreign Capacity and Indirect Foreign Capacity[22] (hereafter "proposed Royal Decree on cross-border participation") defines the principles, conditions and modalities applicable to the Eligible Direct Foreign Capacity Holder and Eligible Indirect Foreign Capacity Holder for their participation to the Belgian CRM Prequalification Process and refers for several aspects to the CRM Functioning Rules for the exact details on the modalities.

836. While the Functioning Rules should foresee further details on a number of aspects to ensure the participation of Direct Foreign Capacity and Indirect Foreign Capacity for the first Delivery Period, it is to be noted that for the participation of Indirect Foreign Capacity this will be done progressively in the following versions of the Functioning Rules prior the first Delivery Period. The further evolving framework at European level by means of methodologies being developed by ENTSO-E and ACER, as well as the need to engage in a close collaboration with entities in neighbouring EU Member States, in particular the TSOs, and the need to conclude on a TSO-TSO agreement as also foreseen by the proposed Royal Decree on cross-border participation do not allow to already foresee a full set of rules in this version of the Functioning Rules for participation in the first Y-4 Auction for the first Delivery Period starting in November 2025. Also, as the development may proceed differently for each concerned border with neighbouring Member State, a phased approach cannot be excluded.

837. Nevertheless, in order to provide any Capacity Holder with a sufficient degree of information related to the participation of Indirect Foreign Capacity in the first Delivery Period, this

[22] https://economie.fgov.be/sites/default/files/Files/Energy/Ontwerp-KB-vaststellingen-voorwaarden-buitenlandse-capaciteit-deelname-prekwalificatieprocedure-capaciteitsvergoedingsmechanisme.pdf

chapter already puts forward the high-level aspects to be arranged in further detail in future versions of the Functioning Rules related to the participation of Indirect Foreign Capacity.

838. The participation of Direct Foreign Capacity is enabled by the current version of the Functioning Rules as from the first Y-4 Auction for the Delivery Period starting in November 2025.

16.2. DIRECT FOREIGN CAPACITY PARTICIPATION

839. Given the definition of Direct Foreign Capacity in art. 2, 86° of the Electricity Act, this capacity is considered on the same terms as domestic capacity, and the Eligible Direct Foreign Capacity Holders are allowed to participate to the Belgian CRM at the same conditions as the Belgian Capacity Holders, while taking into account the additional specific conditions and modalities mentioned in the proposed Royal Decree on cross-border participation and any other legal requirement applicable on them.

This means that as a general rule, unless specifically stated otherwise in the Functioning Rules, that the same rules apply to Direct Foreign Capacity and their Capacity Holders as for any other (domestic) Capacity and Capacity Holder.

Nevertheless, several aspects related to the Prequalification Process of the Direct Foreing Capacity participation of the Eligible Direct Foreign Capacity Holder are specified in sections 5.3.2.1.1 and 5.4.1.1.

840. The pre-delivery process as foreseen in chapter 7 is impacted by the here above elements of the Prequalification Process.

841. Any dispute with respect to the participation of the Eligible Direct Foreign Capacity Holder to the CRM will be ruled according to chapter 13.

16.3. INDIRECT FOREIGN CAPACITY PARTICIPATION

842. This section describes the general aspects applicable to the Eligible Indirect Foreign Capacity Holder for their participation in the Belgian CRM Prequalification Process.

843. The Eligible Indirect Foreign Capacity Holder participation to the Prequalification Process is facultative.

844. The Eligible Indirect Foreign Capacities Holders are allowed to participate to the Belgian CRM at the same conditions as the Belgian Capacity Holders with additional specific conditions and modalities mentioned in the proposed Royal Decree on cross-border participation, which will be developed later in the relevant CRM Functioning Rules chapters.

845. Pursuant to the art 2. §1, §2 and Art 4. of the proposed Royal Decree on cross-border participation, the Eligible Indirect Foreign Capacity Holders participation of an Adjacent Member State in the Belgian CRM is decided by the Authorities and facilitated by agreements between ELIA and the Adjacent TSOs of the Adjacent Member State. Since

none of them currently exist or shall exist prior the adoption of the Functioning Rules, it implies a phasing over time of the implementation for each of the borders.

846. Pursuant to the proposed Royal Decree on cross-border participation art 2. §1, the participation of the Eligible Indirect Foreign Capacity Holders of a border takes into account the modalities of the TSO-TSO Agreement. The Functioning Rules shall refer explicitly to the TSO-TSO Agreement requiring an update of the Functioning Rules to incorporate those elements in the impacted chapters which shall thus be elaborated and detailed further, once Indirect Foreign Capacity participation is possible (conform Art 2. §2 proposed Royal Decree on cross-border participation) and at the latest prior to the last Auction targeting the first Delivery Period.

847. The impacted aspects governed by the Functioning Rules include mainly:

- in the chapter 6: the addition of specific rules for the organisation of the Pre-auction for a border on which the Indirect Foreign Capacity participation is enabled in order to allow to the Eligible Indirect Foreign Capacity Holder to participate to the Prequalification Process of the Belgian CRM as well as the taking into account of the Bids from Indirect Foreign Capacity participation into the Auction. In any case, in the Pre-auction bidding, the Eligible Indirect Foreign Capacity Holders are subject to the same price, volume and contract duration limits and constraints as any Belgian Prequalified CRM Candidates in the Auction bidding. The maximum number of winning Bids from Indirect Foreign Capacity for a border is limited by the maximum entry capacity for that border.
- in the chapter 5: the addition of specific rules per border in accordance with the TSO-TSO agreements with (each of) the Adjacent TSO(s) of the Adjacent Member State including the organisation of the process prior the pre-auction to determine the Eligible Indirect Foreign Capacity Holders and the facilitation of the further Prequalification Process taking place after the pre-auction;

848. Any dispute with respect to the participation of the Eligible Indirect Foreign Capacity Holder to the CRM will be ruled according to chapter 13. Any other chapter may undergo light changes to ensure full clarity of the rules applicable in each case in line with the overall framework for cross-border participation, including the specific TSO-TSO agreements.

17. ANNEXES

17.1. ANNEX A: PREQUALIFICATION PROCESS

17.1.1. ANNEX A.1: METERING REQUIREMENTS

All Existing Delivery Points (TSO, DSO and CDS connected Delivery Point) shall have one or several meter(s) installed that meets the following minimum requirements.

17.1.1.1. General metering requirements

The two following requirements shall be respected for all delivery points:

- An AMR (Automatic Meter Reader) that can provide 15-minutes metering shall be installed to measure Injection or Offtake (on the ELIA Grid, compensated value for the quarter-hour is used) of the Grid User Concerned;
- It must be possible to calculate the Nominal Reference Power based on the metering at a Delivery Point;

17.1.1.2. Specific metering requirements

The following specific requirements shall be respected by each Delivery Point according to the type of Delivery Point:

17.1.1.2.1. TSO-connected Delivery Point:

- In case of Headmetering, the meter is a Headmeter listed in annex 4 of the Connection Contract.
- In case of the Submetering, the Submeter shall comply with the metering requirements specified in the following annex.
- In case a Delivery Point – for which ELIA receives Daily Schedules – is situated downstream of a Delivery Point – for which ELIA does not receive Daily Schedules – the metering data to be considered cannot include the metering data of the Delivery Point – for which ELIA receives Daily Schedules. In consequence, two options can be considered:
  - The use of a Submeter;
  - The application of an equation based on Headmeter and/or Submeter(s).

17.1.1.2.2. DSO-connected Delivery Point:

- The CRM Candidate should refer to DSO-CRM Candidate Agreement;
- All communications and agreements regarding the metering requirements should be discussed with the applicable DSO;

17.1.1.2.3. CDS-connected Delivery Point:

- The CDSO shall use the metering facilities (already) associated with Delivery Points within a CDS in relation to their invoicing obligations regarding their CDS Access Points;

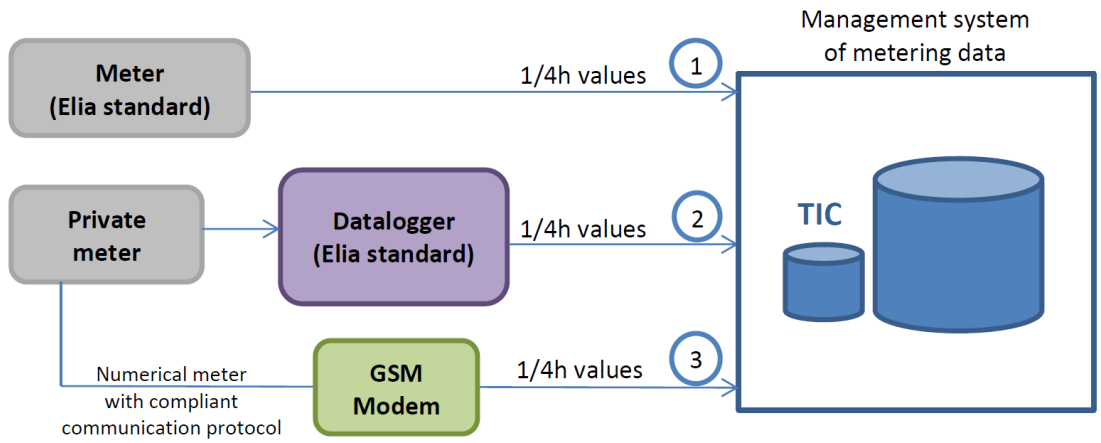
- The metering data shall be validated by the CDSO;

17.1.2. ANNEX A.2: GENERAL TECHNICAL REQUIREMENTS OF THE SUBMETERING SOLUTIONS

The following solutions are possible:

- **Option 1:** The use of a meter (ELIA standard) that communicates directly the 1/4h-values of active power to the ELIA metering data management system (TIC) through a communication protocol known by ELIA.
- **Option 2:** The use of a datalogger (ELIA standard) that collects the metering pulses of a private meter and communicates the 1/4h-values of active power to the ELIA metering data management system (TIC) through a communication protocol known by ELIA.
- **Option 3:** The use of a GSM modem that communicates directly the 1/4h-values of active power coming from a private meter to the ELIA metering data management system (TIC) through a communication protocol known by ELIA.

Schematic view



These solutions apply exclusively to Delivery Points within the electrical facilities of a Grid User connected to the ELIA Grid.

17.1.2.1. Minimum requirements met by the metering system

17.1.2.1.1. Common technical requirements applying to new[23] metering installations

- **Options 1, 2 and 3 :**
  - The accuracy class of the measurement core of current transformers (CT) corresponds ideally to 0.2S (according to EN-IEC 60044-1) and meets at least the requirements specified in the Technical Regulations for Distribution network in force.
  - The accuracy class of the measurement core of voltage transformers (VT) corresponds ideally to 0.2 (according to EN-IEC 60044-2) and meets at least the requirements specified in the Technical Regulations for Distribution network in force.

[23] Installed after 15/03/2015

- **Options 2 and 3 :**
  - The accuracy class of the meter for active energy corresponds ideally to 0.2S (according to EN-IEC 62053-22) and meets at least the requirements specified in the Technical Regulations for Distribution network in force.

17.1.2.1.2. Common technical requirements applying to all metering installations

- Any cable connecting the current or voltage transformers to a meter must be as short as possible. The section of the connection wires between the meter and the current transformer is ideally minimum 4 mm². The section of the connection wires between the meter and the voltage transformer is ideally minimum 10 mm².
- The connection wires to current and voltage transformers may not be located in the same cable.
- An earthing terminal is available near the installation.
- The signal level for GSM must be sufficient to enable a communication with the ELIA management system of metering data (TIC).
- The following communication protocols are allowed: SCTM and EDMI.

17.1.2.1.3. Specific technical requirements

Depending on the chosen option, the following requirements must be observed as well:

- **Options 1 : ELIA submeter**
  - A system of 2 or 3 current / voltage transformers is allowed (method 2 or 3 power meters).
  - The current and voltage signals are available on a dedicated terminal.
  - The space for the installation of a ELIA submeter is: L600 mm x H800 mm (indicative values).
  - Note: on request, the metering pulses are made available to the grid user.
  - The antenna of the synchronization clock must be installed at a place ensuring good reception of the synchronization signal.
  - A power off of the electrical load downstream the meter to be installed is required for the installation and commissioning of the equipment.

- **Option 2 : Datalogger (ELIA standard) and private meter**
  - The metering pulses for active energy are made available on a dedicated terminal (the impulse contacts are potential free).
  - The weight of the metering pulses is known (and programmable). If necessary, it will be adapted by ELIA to ensure a maximum accuracy. Maximum pulse frequency: 4 Hz.
  - The space for the installation of a datalogger is: L400 x H800 (indicative values).
  - If a private datalogger is used, it must be equipped with an external synchronisation clock with accuracy better than 20 ms. Synchronization is necessary every 1/4h (top 15-min) or once daily provided that the accuracy of the data logger's internal clock is better than 1 s (maximal daily deviation).
  - A power off is not necessary for the installation and commissioning of the equipment.

- **Option 3 : Private meter and GSM modem**
  - The technology of the meter is numeric.
  - The autonomy of the memory of the meter is ideally greater than 30 days.
  - A specific communication port is available for connecting the GSM modem.
  - The weight of the metering pulses is known (and programmable). If necessary, it will be

adapted by ELIA to ensure a maximum accuracy. Maximum pulse frequency: 4 Hz.

- The space for the installation of the GSM cubicle is: L400 x H400 (indicative values).
- An external synchronization signal for the numeric meter is required. Synchronization is necessary each 1/4h (top 15-min) and the clock has an accuracy better than 20 ms (maximum admissible deviation per 1/4h). In case of disappearance of the external synchronization, the internal clock of the numeric meters may not have a deviation greater than 1 s (per day).
- A power off is not necessary for the installation and commissioning of the equipment.

17.1.3. ANNEX A.3: COMBINABILITY RULES

17.1.3.1. Type of CMU

For an **individual CMU**, the following conditions are to be respected:

- A Capacity subject to a Daily Schedule obligation is always part of an individual CMU;
- An individual CMU can be either an Access Point or a Delivery Point;
- There is no maximum for the Capacity of an individual CMU;
- The minimum threshold to participate to the Service is defined in the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act;

For an **aggregated CMU**, the following conditions are to be respected:

- A Delivery Point is to be part of an aggregated CMU if its Eligible Volume is lower than the threshold defined by the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act;
- A CRM Candidate chooses if his Delivery Point is part of an aggregated CMU or not in the event that this Delivery Point is not subject to a Daily Schedule obligation and that its Eligible Volume is higher than or equal to the threshold defined by the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act;
- A Capacity subject to a Daily Schedule obligation cannot be part of an aggregated CMU;
- There is no maximum number of Delivery Point in an aggregated CMU;
- There is no maximum for the Capacity of an aggregated CMU;
- The minimum threshold for the Eligible Volume of the CMU is defined in the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act;
- The Delivery Points part of an aggregated CMU respects the combinability rules defined in section 17.1.3.2 below.

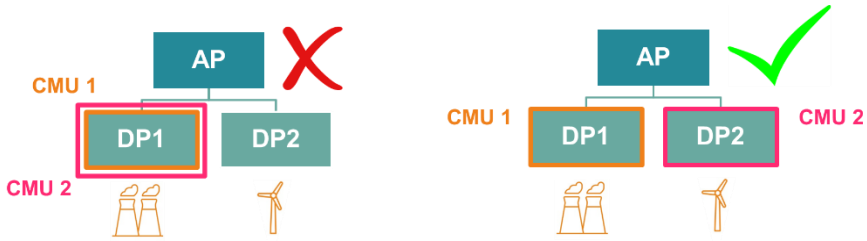
17.1.3.2. Combinability rules

The five key principles that are to be respected by the Delivery Points submitted by the CRM Candidate during a Prequalification Process are presented below:

1) The "first come, first served[24]" principle is applied by ELIA in the following situations:
    a. In the event that two different CRM Candidates submit the same Delivery Point in a Prequalification File;
    b. If a Delivery Point is influencing another one according to the four next principles.

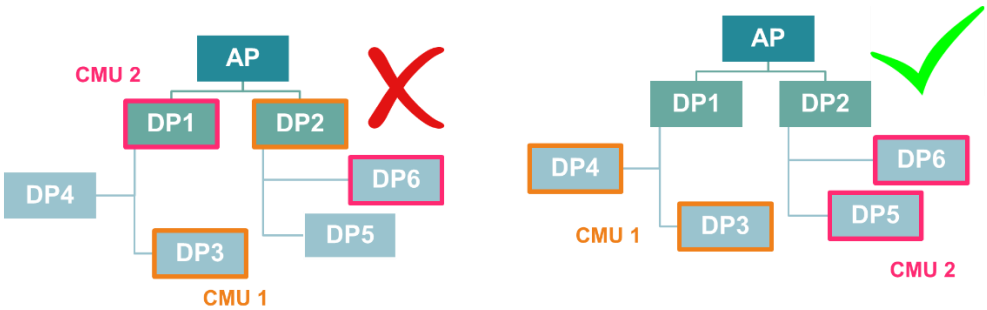
[24] To determine which CRM Candidate is considered as the first, ELIA will use the Prequalification File submission date.

2) A Delivery Point can belong to only one CMU and therefore to only one CRM Candidate[3].

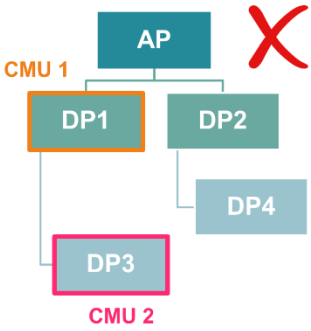


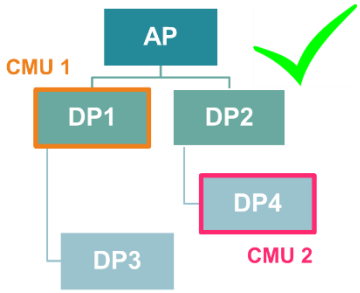
3) If a CRM candidates choses a Delivery Point in a CMU, the Access Point to which it belongs, cannot be part of the CMU as well. In other words, no combination possible between a Service delivery on the Headmeter and a Submeter behind or with two Submeters with hierarchy (one Delivery Point above another one). Indeed, in such configuration the Delivery Point downstream (Delivery Point 1 in the example below) influences the one upstream (Access Point in the example below) and might negatively influence the control of the Service delivery.

4) One Delivery Point cannot influence another one. This is valid inside a CMU of one CRM Candidate but also between multiple CMUs belonging to different CRM Candidates.



5) More than one CRM Candidate can deliver a Service behind an Access Point as long as these Delivery Points are not influencing each other.


AP
CMU 1
DP1
DP2
DP4
DP3
CMU 2


AP
CMU 1
DP1
DP2
DP4
DP3
CMU 2

17.1.4. ANNEX A.4: APPLICATION FORM FOR LEGAL PERSON

Fields marked with an asterisk are to be be filled in by the Capacity Holder or another entity other than the Capacity Holder and which has been designated through a Grid User Declaration. The other field are optional.

17.1.4.1. Company details

Company Name*	
Address - Head Office*	
Telephone	
Fax	
Registration Number (VAT)*	
Business Number*	
Energy Identification Code (EIC)*	

17.1.4.2. Bank details for the payment of invoices[25]

Company Name	
E-mail address[26]	
Bank Name*	
Street	
Postal code	
City	
Country	
IBAN*	
SWIFT / BIC*	
Currency (ordering & invoicing)*	

17.1.4.3. Contact details

Language[27]*	

[25] The contact persons shall provide a company name and an address if the company and the address where they want to receive their mail for the invoice are not the same as the information provided in section "Company details".
[26] By filling in the e-mail address for electronic invoicing, the Capacity Holder gives his agreement to send any invoice or credit note relating to the Capacity Contract(s) by e-mail. This e-mail address is a generic address and may not be used in any other context than electronic invoicing.
[27] Preferred language for the communication (French, English or Dutch)

Civil status[28]	
First Name*	
Last Name	
Function*	
Telephone	
Mobile*	
E-mail*	

ELIA will ask for the contact details of at least one person for the following information:

- Contractual relations;
- Emergency (24h/24h);
- Counting and metering;
- Settlement;
- Investment File (for submission to Regularor).

[28] Civil status of the person (Mrs. or Mr.)

17.1.5. ANNEX A.5: APPLICATION FORM FOR NATURAL PERSON

Fields marked with an asterisk shall be filled in by the Capacity Holder if he wants his application form to be approved by ELIA. The other field are optional.

17.1.5.1. Personal details

Language[29]*	
Civil status[30]	
First Name*	
Last Name*	
Address of domicile*	
Telephone	
Mobile*	
E-mail address*	

17.1.5.2. Bank details for the payment of invoices[31]

E-mail address[32]	
Bank Name*	
Street	
Postal code	
City	
Country	
IBAN*	
SWIFT / BIC*	
Currency (ordering & invoicing)*	

[29] Preferred language for the communication (French, English or Dutch)
[30] Civil status of the person (Mrs. or Mr.)
[31] The contact person shall provide an address if the address where he wants to receive his mail for the invoice is not the same as the one provided in section "Personal details".
[32] By filling in the e-mail address for electronic invoicing, the natural person gives his agreement to send any invoice or credit note relating to the Capacity Contract(s) by e-mail. This e-mail address must be a generic address and may not be used in any other context than electronic invoicing.

17.1.6. ANNEX A.6: GRID USER DECLARATION

In the event the Grid User differs from the CRM Candidate, the latter sends to ELIA the proof that the Grid User has signed without reserve the Grid User Declaration. A single Grid User Declaration can include one or more Delivery Point(s) related to the concerned Grid User. The Grid User Declaration contains at least the following clauses:

- The present Grid User Declaration only applies for the Delivery Point(s) listed in table 1;
- The Grid User hereby acknowledges that all given information in this Grid User Declaration is true and accurate.
- The Grid User hereby acknowledges that he will participate to the Service with only one party (being the CRM Candidate) at the same time and that the list of Delivery Point(s) in table 1 is submitted for only one party (being the CRM Candidate) at the same time.
- The Grid User confirms to ELIA that his commitment to provide Service does not breach existing contracts with third parties (with whom the Grid User has a contractual or regulated relationship, such as, but not limited to, the Supplier of the Grid User).
- The Grid User hereby gives permission to the CRM Candidate to offer the Service to ELIA from DD/MM/YYYY to DD/MM/YYYY.
- The Grid User acknowledges that the present document is valid for each Delivery Point listed in table 1 until either respective expiry date of the Grid User Declaration or the submission by another party of a new Grid User declaration, for one (or more) of the Delivery Point(s) listed in table 1, signed and validated by the Grid User. The present Grid User Declaration remains valid until its expiry date for all Delivery Points listed in table 1 not concerned by the aforementioned new Grid User Declaration.
- The Grid User hereby gives explicit permission to ELIA to inform the CRM Candidate of the measurements of the Delivery Point(s) listed in table 1.
- All Delivery Points listed in table 1 shall respect the metering requirements set forth in the Functioning Rules for the Capacity Remuneration Mechanism.
- Details of the concerned Delivery Point(s):

Delivery Point name	Delivery Point identification (EAN)	Expected Nominal Reference Power [MW]
-	-	-
-	-	-
-	-	-
-	-	-

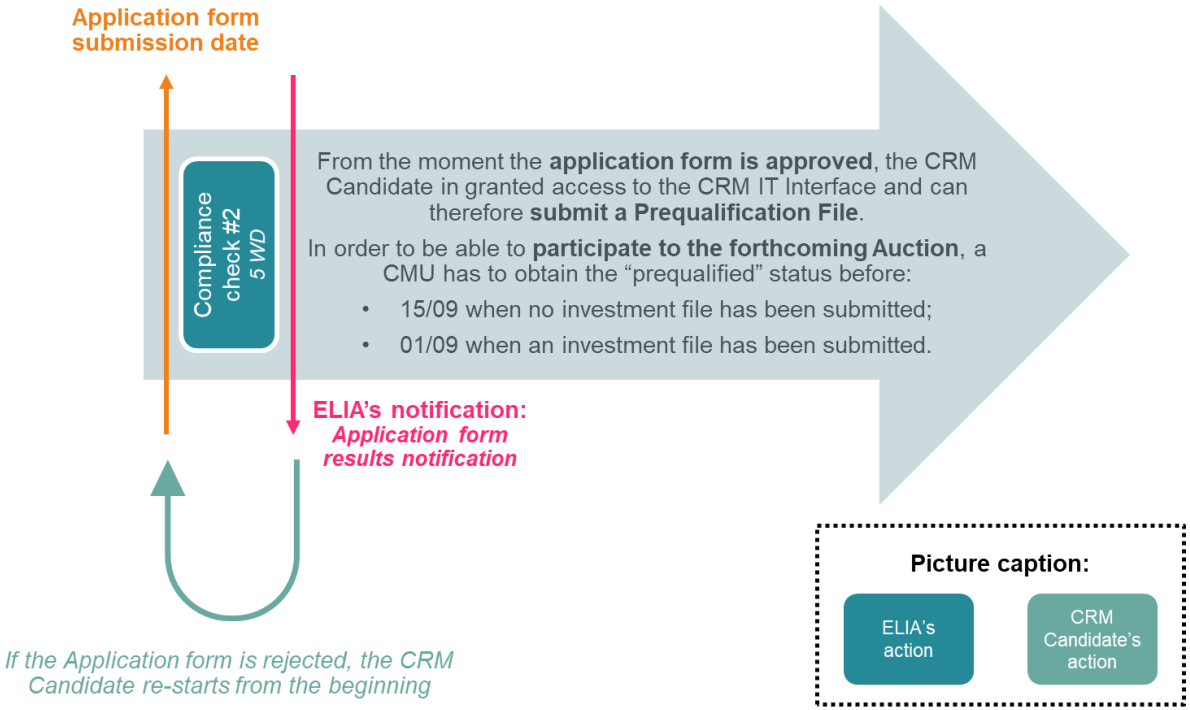
- Table 1 – List of Delivery Point(s) concerned by the Grid User Declaration

17.1.7. ANNEX A.7 TIME REQUIREMENTS FOR PREQUALIFICATION PROCESSES

The following diagrams are provided for the purpose of clarifying the timing aspects related to the application form and the three Prequalification Processes (standard, specific and fast track).The Working Days shown in the images below indicate the maximum number of days taken by ELIA or the CRM Candidate for a specific task.

17.1.7.1. Timing related to the application form

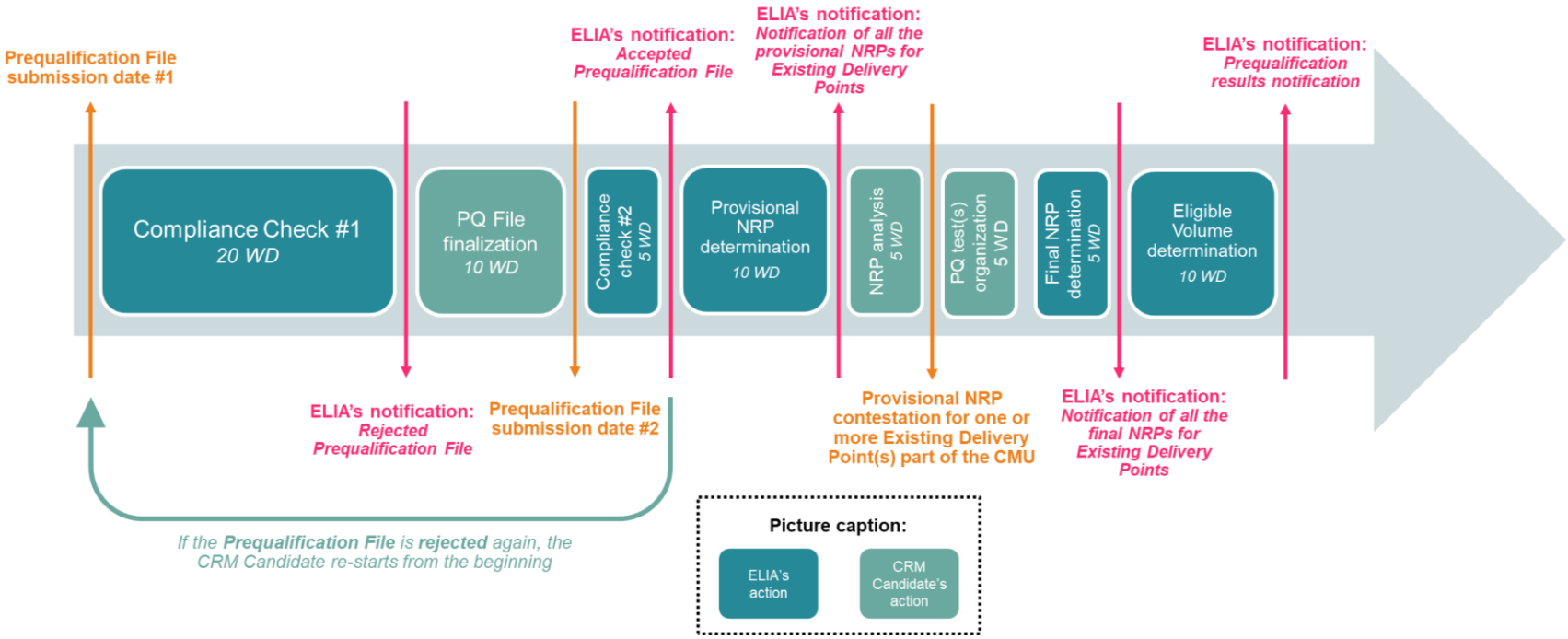
The graph below illustrates the timing applicable to the application form.



17.1.7.2. Timing related to the standard Prequalification Process – 1st scenario

The graph below illustrates the timing applicable to the different steps of the Prequalification Process, starting from the Prequalification File submission date and considering the following assumptions:

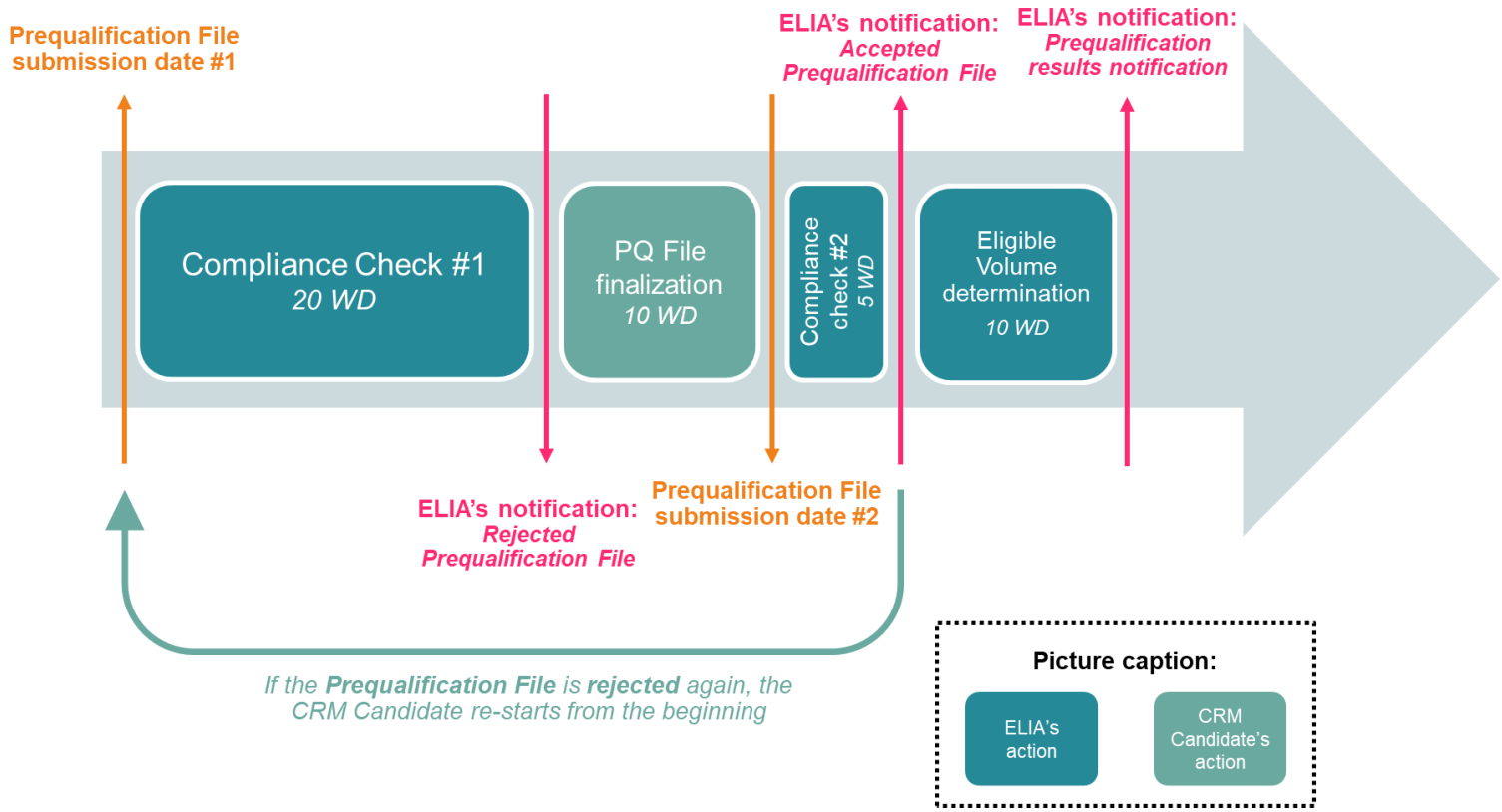
- The CMU is an Existing CMU or an Additional CMU that includes at least one Existing Delivery Point;
- All the Delivery Points are TSO-connected Delivery Points;
- The CRM Candidate has not done an Opt-Out Notification.



17.1.7.3. Timing related to the standard Prequalification Process – 2nd scenario

The graph below illustrates the timing applicable to the different steps of the Prequalification Process, starting from the Prequalification File submission date and considering the following assumptions:

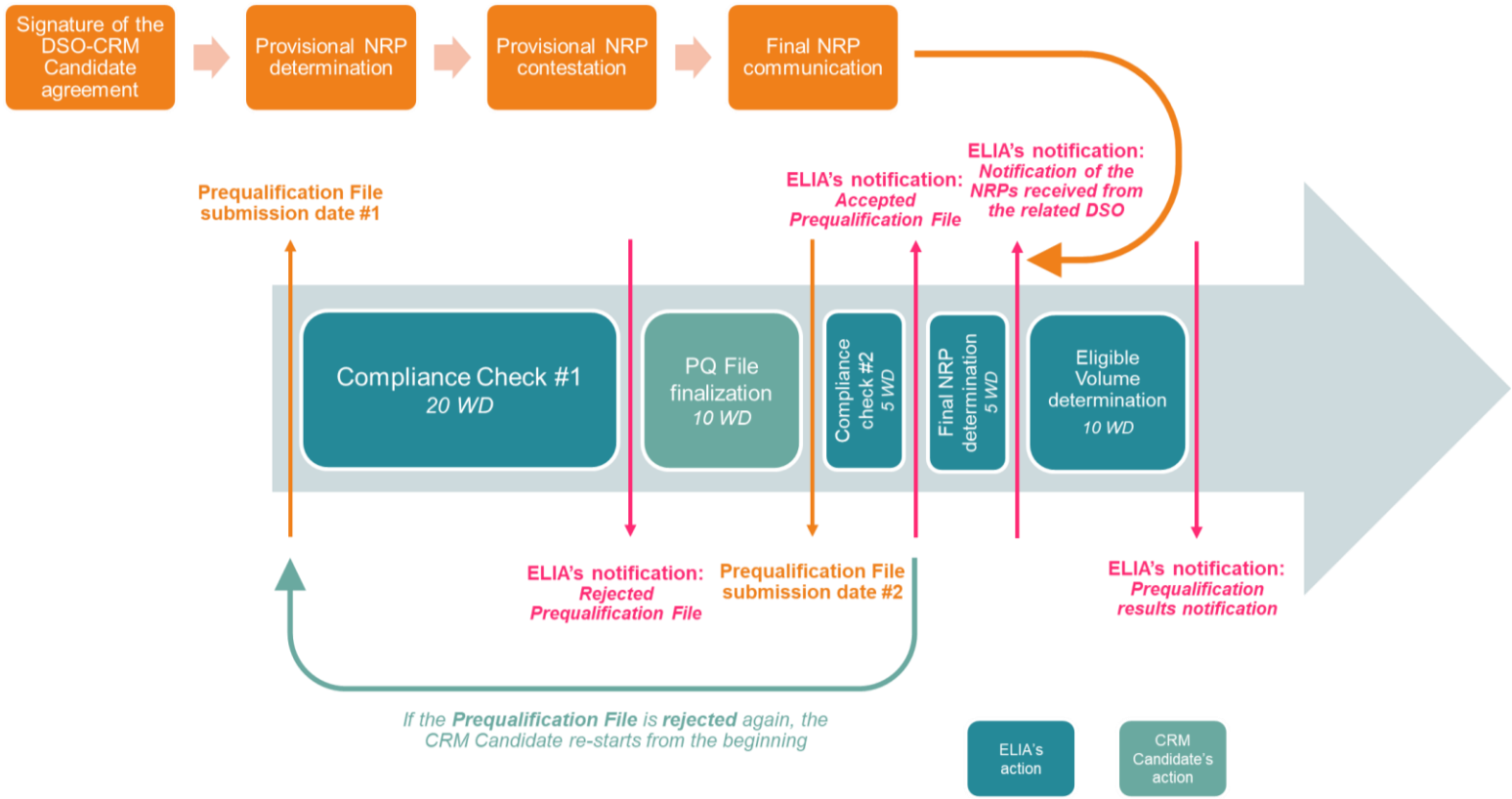
- The CMU is an Additional CMU which only includes Additional Delivery Points;
- All the Delivery Points are TSO connected Delivery Points;
- The CRM Candidate has not done an Opt-Out Notification.



17.1.7.4. Timing related to the standard Prequalification Process – 3rd scenario

The graph below illustrates the timing applicable to the different steps of the Prequalification Process, starting from the Prequalification File submission date and considering the following assumptions:

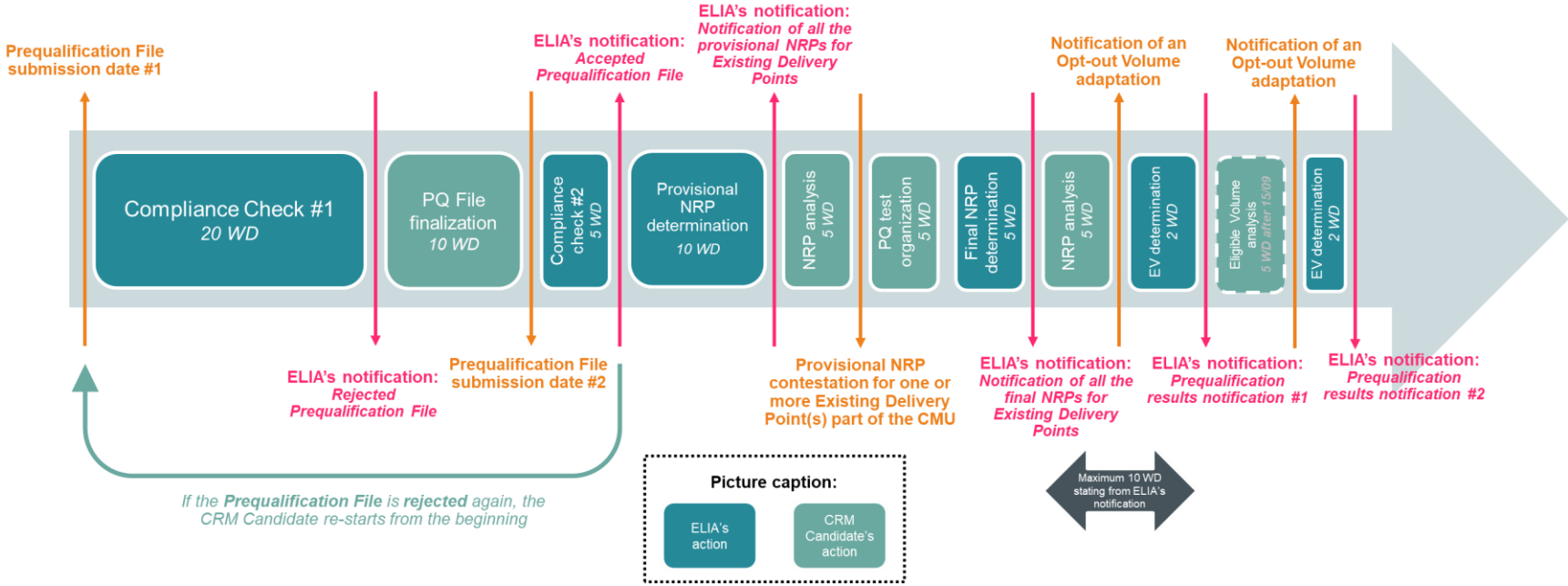
- The CMU is an Existing CMU or an Additional CMU that includes at least one Existing Delivery Point ;
- All the Delivery Points are DSO-connected Delivery Points;
- The CRM Candidate has not done an Opt-Out Notification.



17.1.7.5. Timing related to the standard Prequalification Process – 4th scenario

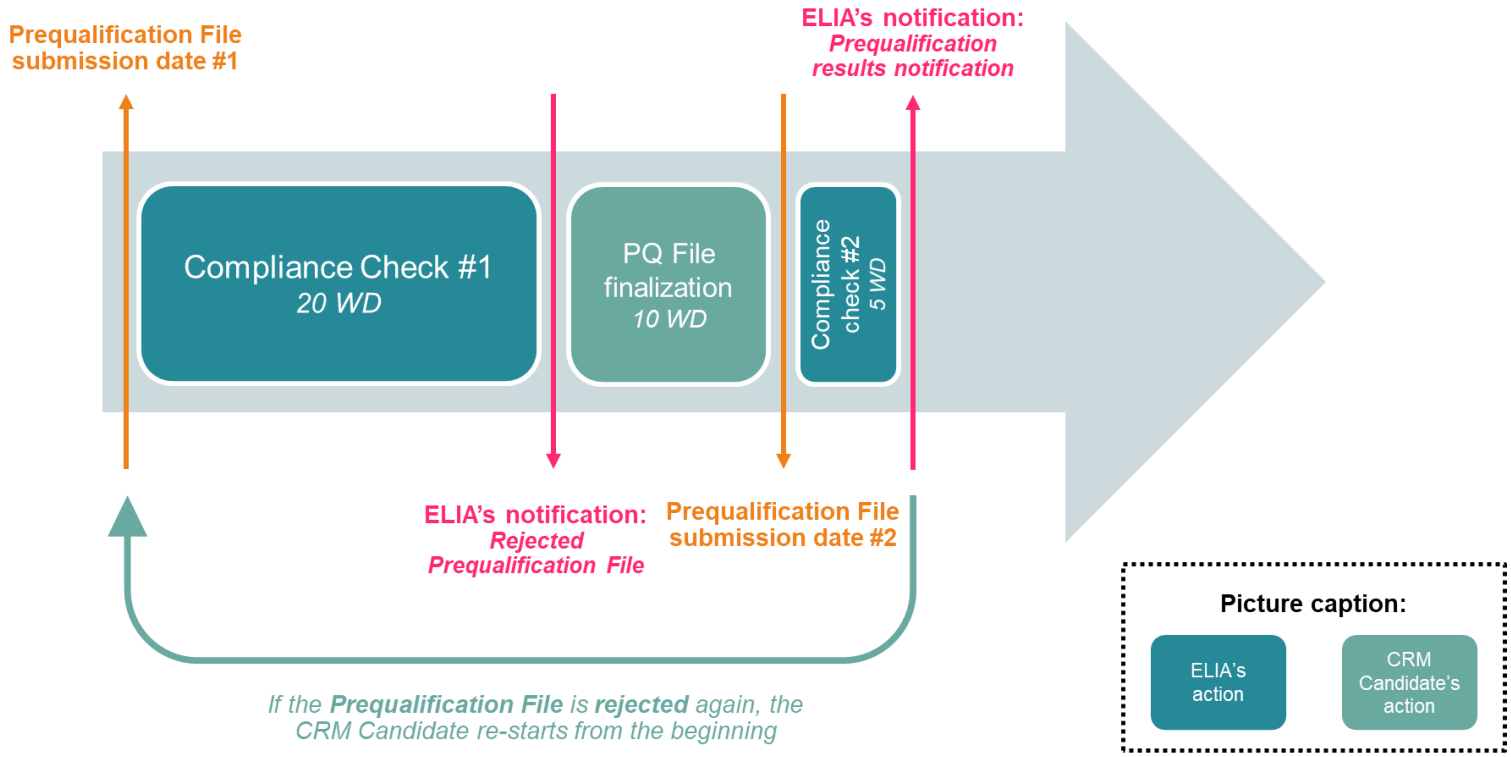
The graph below illustrates the timing applicable to the different steps of the Prequalification Process, starting from the Prequalification File submission date and considering the following assumptions:

- The CMU is an Existing CMU or an Additional CMU that includes at least one Existing Delivery Point;
- All the Delivery Points are TSO-connected Delivery Points;
- The CRM Candidate has done multiple Opt-Out Notifications.



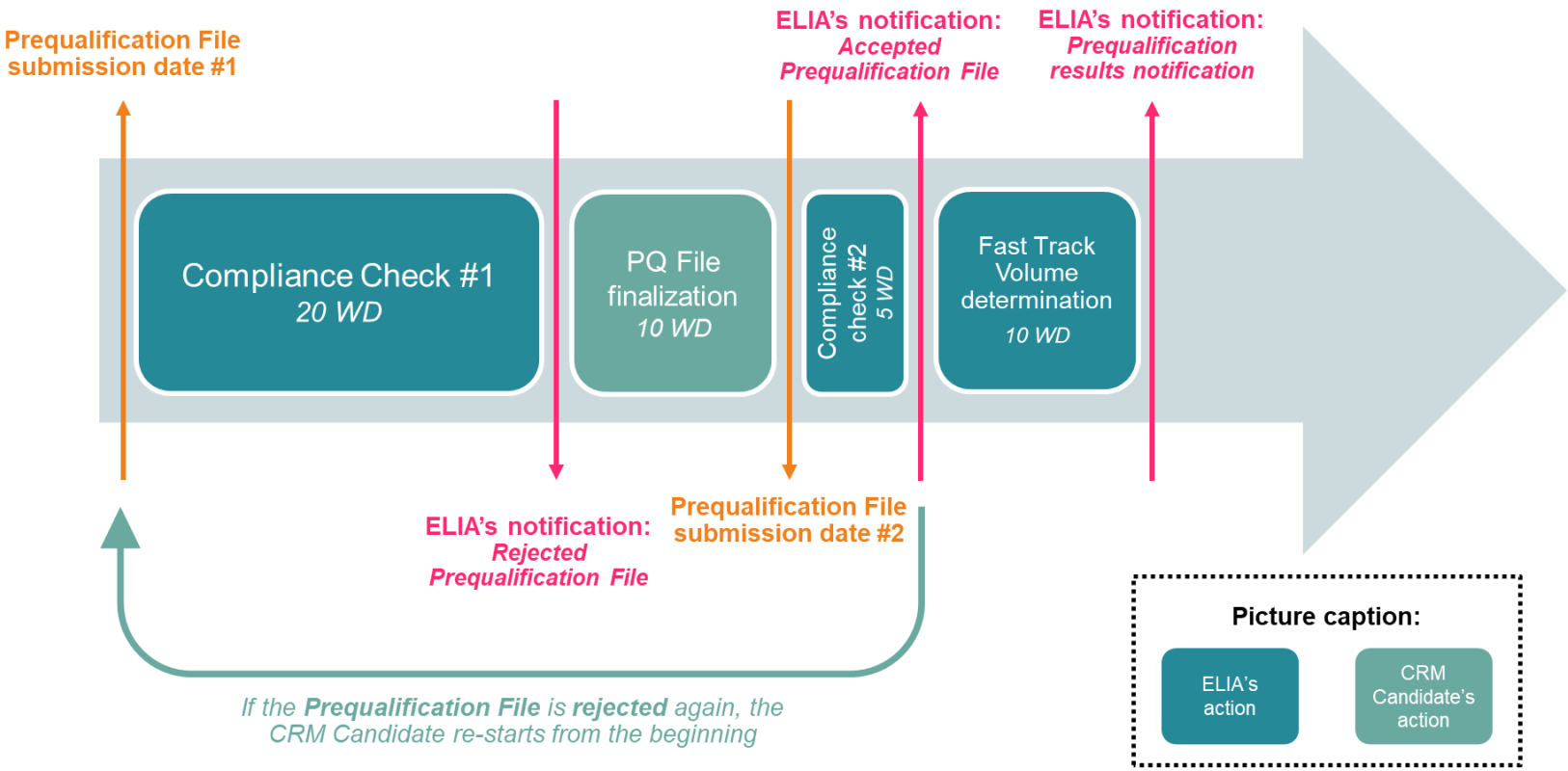
17.1.7.6. Timing related the specific Prequalification Process

The graph below illustrates the timing applicable to the steps of the specific Prequalification Process, used to prequalify a Virtual CMU. The period between Prequalification File submission and Prequalification result notification is reduced compared to the standard Prequalification Process as there is no need for ELIA to determine a provisional and final Nominal Reference Power (nor to foresee a contestation procedure). Indeed, the CRM Candidate declares the eligible volume of his Virtual CMU in the Prequalification File.



17.1.7.7. Timing related to the fast track Prequalification Process

The graph below illustrates the timing applicable to the steps of the fast track Prequalification Process.



17.1.8. ANNEX A.8: CDSO DECLARATION

The CRM Candidate upload this declaration via the CRM IT Interface. The CDS-connected Delivery Point(s) is(are) only integrated into the Service upon signature of this declaration.

17.1.8.1. Declaration by a CDSO

With this declaration, [company name], a company incorporated under [nationality] law, enterprise number [number], with registered office at [address], validly represented by Mr/Mrs [name] and Mr/Mrs [name], respectively in their quality of [function] and [function], identified for the purposes hereof as "the CDSO", hereby grants permission for the Delivery Point(s) identified below, which is(are) part of its CDS with power measured by CDSO meters, to participate, for the period DD/MM/YYYY to DD/MM/YYYY, to the Service organized by ELIA, as defined in the Functioning Rules for the Capacity Remuneration Mechanism,

In the knowledge that the power measured at this (these) Delivery Point(s) under specific circumstances and under specific conditions can be reduced and/or interrupted in order to supply the Service,
In the knowledge that this(these) Delivery Point(s) correspond(s) fully or partly with the CDS Access Point of [company name], a company incorporated under [nationality] law, enterprise number [number], with registered office at [address], recognized as a User of the CDS that is managed by the CDSO,

And

Undertakes to conclude a cooperation agreement with ELIA in accordance with the model which can be found on ELIA website or can be obtained upon request to ELIA and which describes the conditions for exchanging metering data between ELIA and the CDSO, and to do so prior to the submission of the Delivery Point(s) as part of the Prequalification File following Functioning Rules for the Capacity Remuneration Mechanism.

And

Informs ELIA whether there is a risk of full or partial load transfer from the Delivery Point(s) that is part of the CDS, as detailed below.

Detail of the Delivery Point(s):

CDS User	CDS Access Point	Delivery Point Identification

Risk of full or partial load transfer (to be described by the CDS Operator):

.....
.....
.....
.....
.....
.....
.....

And

Confirms that it has obtained express permission from the CDS User to send to ELIA the confidential information, including metering data (quarter-hourly values of active power) for the above-identified Delivery Point and the corresponding CDS Access Point, since such communication is necessary for the correct invoicing of the CRM service with respect to the Capacity Provider, which to that end makes use of the CDS User's Delivery Point.

Done in [location], on DD/MM/YYYY

Signature of the CDS Operator:

Name:

Title:

17.1.9. ANNEX A.9: BASELINE METHODOLOGY

This annex serves as a description of the baselining methodology for CRM products. It aligns to the highest extent possible with the latest known Transfer of Energy (ToE) rules[33], as the goal in the long-term is to contribute to the uniformity of products in the grid. This is beneficial, as CRM products are contracted to be performant and available in the energy market.

In this regard, it is important to note that this is merely an ad hoc view and that evolutions of the ToE rules are still possible. In this case, the CRM design should follow ToE design rather than stick to this initial design (to the extent it doesn't harm the integrity of the product).

17.1.9.1. 09/09/2019 baselining methodology

Of the baselining methodologies listed in the latest ToE draft proposal, the baselining methodology for Day-Ahead/Intra-Day products aligns closest to the CRM product (as it is inherently design to respond to day-ahead). These products adhere to the 'Highest X of Y*' methodology. The latest version of the design for ToE DA/ID can be found on Elia's website[12]. As a summary:

- Identify Y reference days (i.e. 'weekend/holiday' vs 'workday')
- Take X days of highest average consumption out of Y reference days
- The baseline is the average consumption during the same quarter-hour over the X days

X = 4 and Y = 5 for workdays and X = 2 and Y = 3 for weekend/holidays.

There are some criteria to exempt certain days (see chapter 8 for the exhaustive list).

The Capacity Provider can also request an adjusted Baseline in accordance with section 8.4.3.2.3.3 if they can prove, by demonstrating a lower RMSE deviation.

17.1.9.2. Applying the CRM baseline

In the largest part, the ToE baselining is suitable for the CRM Product. There are a few optimizations specific for the CRM which are described in the following sections.

17.1.9.2.1. Quarter-hour vs hourly value

Since the CRM product is defined as an hourly product, the baseline for Availability Monitoring should be taken as the average for the four quarter hours.

This is specified in the section 8.4.3.2.3.3.

17.1.9.2.2. Exemption due to high market price

One criterion for exemption is the occurrence of a high market price, which is fixed in the ToE rules at a value of 150€/MWh. For the CRM design, it is best suited to be able to exclude any day where at least one of the CMU's declared prices was surpassed.

However, the CRM-specific criteria could also be specified in the Functioning Rules (as is the case today).

[33] https://www.elia.be/en/electricity-market-and-system/electricity-market-facilitation/transfer-of-energy

17.1.9.2.3. Derogation for different methodology

The request for an adjusted Baseline according to the ToE rules (i.e. via RMSE-verification) are allowed in CRM as well. The standard method shall apply in case no derogation was requested by the Capacity Provider for the CMU.

17.1.9.2.4. Exemption on days where maintenance took place (optional)

The ToE rules state the following: *"In case the justification of the exclusion of a potential representative day corresponds to one of the circumstances ii-iv indicated above, the justification is only valid in case those circumstances do not also apply for the day of the activation (e.g. a day with maintenance cannot be excluded if on the day of the activation there was also a maintenance). »*

For the CRM, demand response products may desires to continue to be monitored during maintenance if their consumption is reduced during the maintenance. This is not possible with the higher-mentioned rule. This is why the CRM product is exempted from this particular rule.

17.1.9.2.5. Proposal for application of baseline:

For Delivery Points with a net off-take, a baseline will be established for every quarter-hour falling within a monitored AMT Hour or Availability Test start and end time according to the 'Highest X of Y*' methodology in the Transfer of Energy rules. (Additional to the criteria mentioned therein to exclude certain days, the Capacity Provider can exclude days for which one of its declared prices were surpassed.)

The hourly baseline value for the Availability Monitoring is the average of the four quarter-hourly baseline values during the AMT Hour under consideration.

17.1.10. APPENDIX A.10: LETTER FOR THE RENUNCIATION OF OPERATING AIDS

According to the Royal Decree on the Eligibility Criteria for the Prequalification Process meant in art.7undecies §4, 1° and 2° of the Electricity Act, CRM Candidates undertake not to apply for the benefit of operating aid measures during the Delivery Period(s) during which they contract one or more Capacities via the CRM.

In the situation where the CRM Candidate benefits from an operating aid during the Delivery period(s) for which he wants to prequalify one or more CMU(s), a letter is to be provided to ELIA during the Prequalification Process in order to state that the CRM Candidate will renounce the operating aid in case a Capacity Contract is signed.

The template for this letter will be provided by the FPS Economy at a later stage.

17.1.11. ANNEX A.11: OPT-OUT NOTIFICATION RELATED TO A Y-4 AUCTION

The following annex gives an overview of the questions that will be asked to the CRM Candidate or the Capacity Provider in case he wants to do an Opt-Out Notification for a Y-4 Auction. This annex is provided for information only. Indeed, the whole process described in the annex is done via the CRM IT Interface. No template is therefore to be filled in by the CRM Candidate or the Capacity Provider.

Opt-Out Notification in Auction year 20XX

Related to the Y-4 Auction (Delivery Period Nov 20XX – Oct 20XX)

1. Provide the following general information:
- CMU ID: _____
- CMU type:

i. Existing CMU or Additional CMU: _____
ii. Aggregated CMU or individual CMU: _____

- Nominal Reference Power of the CMU:_____
- Opt-Out Volume: _____ MW OR _____ % of CMU Nominal Reference Power

Additional information: For a CMU that goes through the fast track Prequalification Process, the CMU type is at all times equal to existing AND non-aggregated, and the Opt-Out Volume is at all times equal the Nominal Reference Power of the CMU.

➔ *Next step:*

CMU Type	**Aggregated**	**Non-aggregated**
Existing	*Continue to Question 3.*	*Continue to Question 3.*
Additional	*Continue to Question 2.*	*The Opt-out Notification is complete.*

2. Indicate whether the Opt-Out Volume relates to:

☐ Additional Capacity

→ The Opt-Out Notification is complete.

☐ Existing Capacity

→ Continue to question 3.

☐ A mix of Additional and Existing Capacity: _____ MW OR _____ % of the Opt-Out Volume relates to Existing Capacity

→ Continue to question 3.

Additional information: Existing Capacity is Capacity that, at the moment of submission of the Prequalification File, could already inject electricity or reduce its consumption in the market and which can be measured by a metering device which is compliant requirements as described in Appendix A.1 and Appendix A.2.

Additional Capacity is Capacity that, at the moment of submission of the Prequalification File, could not inject electricity or reduce its consumption in the market and which can be measured by a metering device which is compliant requirements as described in Appendix A.1 and Appendix A.2.

3. The Opt-Out Volume related to Existing Capacity, is applicable to the specified Delivery Period:

☐ Related to the non-firm capacity as part of a G-flex connection contract.

Please add a copy of this connection contract.
→ The Opt-Out Notification is complete.

☐ To be decommissioned as a condition in a conditional technical agreement of another CMU that participates to this Auction, provided the offer, related to this CMU and subject to this technical agreement, is selected.
Please add a copy of this conditional technical agreement.
→ The Opt-Out Notification is complete.

☐ Subject to a notification for definitive closure in accordance with Art. 4bis of the Electricity.
Please add a copy of this notification.
→ The Opt-Out Notification is complete.

☐ Subject to a notification for definitive structural reduction of capacity in accordance with Art. 4bis of the Electricity.
Please add a copy of this notification.
→ The Opt-Out Notification is complete.

☐ Subject to a notification for temporary closure in accordance with Art. 4bis of the Electricity.
Please add a copy of this notification.
→ The Opt-Out Notification is complete.

☐ Subject to a notification for temporary structural reduction of capacity in accordance with Art. 4bis of the Electricity.
Please add a copy of this notification.
→ The Opt-Out Notification is complete.

☐ Other.
→ The Opt-Out Notification is complete.

Additional information: In case only the first box is ticked and the Opt-Out Volume as indicated in question 1 is higher the non-firm capacity of the G-flex connection contract, the Opt-Out Volume in excess of the non-firm capacity of the G-flex connection contract is by default assigned to "Other."

Date ___/___/___

Name and signature _____

_____

17.1.12. ANNEX A.12: OPT-OUT NOTIFICATION RELATED TO A Y-1 AUCTION

The following annex gives an overview of the questions that will be asked to the CRM Candidate or the Capacity Provider in case he wants to do an Opt-Out Notification for a Y-1 Auction. This annex is provided for information only. Indeed, the whole process described in the annex is done via the CRM IT Interface. No template is therefore to be filled in by the CRM Candidate or the Capacity Provider.

Opt-Out Notification in Auction year 20XX

Related to the Y-1 Auction (Delivery Period Nov 20XX – Oct 20XX)

1. Provide the following general information:

☐ CMU ID: _____
☐ CMU type:
i. Existing or additional: _____
ii. Aggregated or individual: _____
☐ Nominal Reference Power of the CMU:_____
☐ Opt-Out Volume: _____ MW OR _____ % of CMU Nominal Reference Power

Additional information: For a CMU that goes through the fast track Prequalification Process, the status of the Opt-Out Volume is at all times equal to existing, the CMU is at all times an individual CMU and the Opt-Out Volume at all times equals to the Nominal Reference Power of the CMU.

➔ *Next step:*

CMU Type	**Aggregated**	**Non-aggregated**
Existing	*Continue to Question 3.*	*Continue to Question 3.*
Additional	*Continue to Question 2.*	*The Opt-out Notification is complete.*

2. Indicate whether the Opt-Out Volume relates to:

☐ Additional capacity.
→ The Opt-Out Notification is complete.
☐ Existing capacity.
→ Continue to question 3.
☐ A mix of additional and existing capacity: _____ MW OR _____ % of the Opt-Out Volume relates to existing capacity
→ Continue to question 3 and reply w.r.t. the Opt-Out Volume related to Existing Capacity.

Additional information: Existing Capacity is Capacity that, at the moment of submission of the Prequalification File, could already inject electricity or reduce its consumption in the market and which can be measured by a metering device which is compliant requirements as described in Appendixes 17.1.1 and 17.1.2.

Additional Capacity is Capacity that, at the moment of submission of the Prequalification File, could not inject electricity or reduce its consumption in the market and which can be measured by a metering device which is compliant requirements as described in Appendixes 17.1.1 and 17.1.2.

3. The Opt-Out Volume related to Existing Capacity (if any) is applicable to the specified Delivery Period:

☐ To be decommissioned as a condition in a conditional technical agreement of another CMU that participates to this Auction **and only when the bid related to the CMU subject to the conditional technical agreement is selected**.

Please add a copy of this conditional technical agreement.

→ The Opt-Out Notification is complete.

☐ Subject to a notification for definitive closure in accordance with Art. 4bis of the Electricity Act.

Please add a copy of this notification.

→ The Opt-Out Notification is complete.

☐ Subject to a notification for definitive structural reduction of capacity in accordance with Art. 4bis of the Electricity Act.

Please add a copy of this notification.

→ Continue to question 4 only if the Opt-Out Volume is higher than the structural capacity reduction volume. Otherwise, the Opt-Out Notification is complete.

☐ Subject to a notification for temporary closure in accordance with Art. 4bis of the Electricity Act.

Please add a copy of this notification.

→ The Opt-Out Notification is complete.

☐ Subject to a notification for temporary structural reduction of capacity in accordance with Art. 4bis of the Electricity Act.

Please add a copy of this notification.

→ Continue to question 4 only if the Opt-Out Volume is higher than the structural capacity reduction volume. Otherwise, the Opt-Out Notification is complete.

☐ Other.

→ Continue to question 4.

4. Indicate whether the Opt-Out Volume, during the Delivery Period covered by this Opt-Out Notification, shall be:

☐ IN the market (contributing to adequacy).

- *→ The Opt-Out Notification is complete.*

☐ OUT of the market (not contributing to adequacy).

→ Continue to question 5.

5. Please choose one of the following reasons to explain why the Opt-Out Volume will be OUT of the market during Delivery Period covered by this Opt-Out Notification:

☐ Capacity related to the non-firm capacity as part of a G-flex connection contract.

Please add a copy of this connection contract.

- *→ The Opt-Out Notification is complete.*

☐ Installation(s) (partly) out of service and/or capacities (partly) not available anymore, but not subject to notification according to Art. 4bis of the Electricity Law.

Please motivate below.

- *→ The Opt-Out Notification is complete.*

☐ Inaccurate Derating Factor w.r.t. this CMU.

Please motivate below.

- *→ The Opt-Out Notification is complete.*

☐ Extensive maintenance planned.

Please motivate below.

- *→ The Opt-Out Notification is complete.*

☐ Other.

Please specify and motivate in the page below. Add documentation to support choice.

- *→ The Opt-Out Notification is complete.*

_____
_____
_____
_____
_____
_____

<u>Additional information</u>: In case only the first box is ticked and the Opt-Out Volume indicated as "OUT" in question 4 is higher the non-firm capacity of the G-flex connection contract, the Opt-Out Volume in excess of the non-firm capacity of the G-flex connection contract is by default assigned to category "IN" in question 4.

Date _____

Name and signature _____

_____

17.1.13. ANNEX A.13: DERATING FACTOR

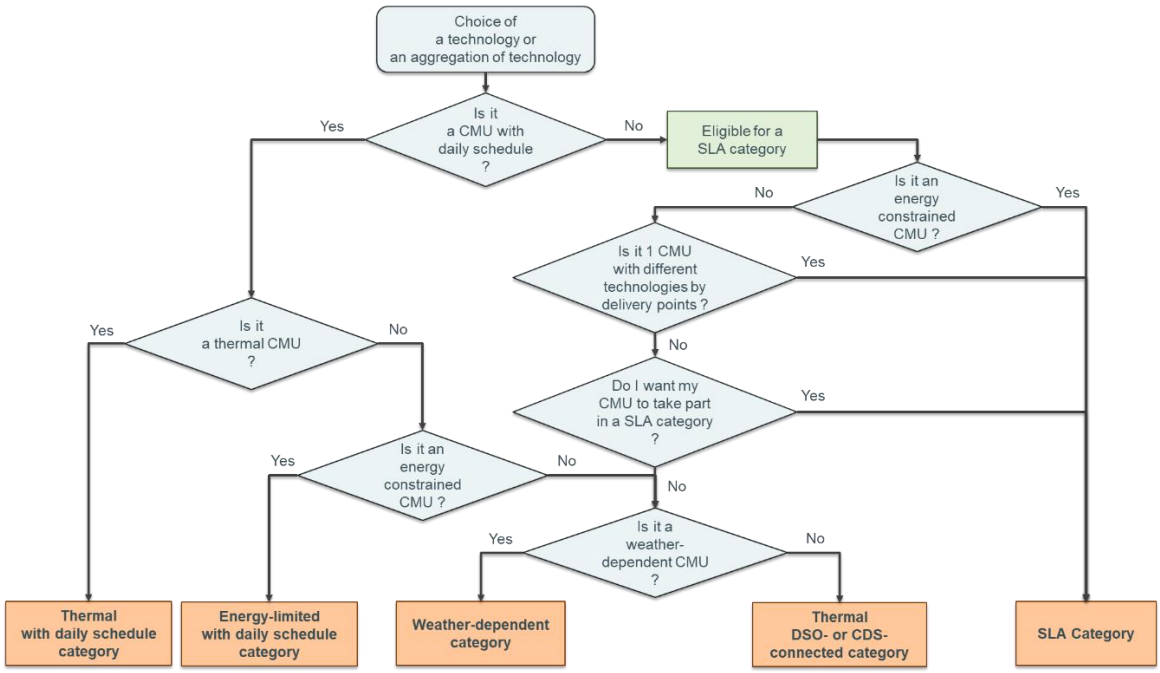
This annex is a reminder of information shared in the design note on the Derating Factors that can be found on the ELIA website (https://www.elia.be/-/media/project/elia/elia-site/ug/crm/2020/crm-updated-design-notes---march-2020---all---clean-version.pdf). It is also in line with art. 13 of the Royal Decree on Methodology meant in art. 7undecies, §2 of the Electricity Act.

The first criterion to choose a category is related to the Daily Schedule. Every technology with Daily Schedule is associated to the Derating Factor related to its technology (according to the list of technology in the table 3 in the chapter *Derating factors* of the *Updated CRM Design Note:* and the different categories defined in the Royal Decree on the methodology for calculation of the required volume and the parameters needed for the organization of the Auctions in the context of the Capacity Remuneration Mechanism, meant in art. 7undecies, §2 of the Electricity Act).

Every technology without Daily Schedule is eligible for a SLA category. In this situation, there are two particular cases:

- The selection of a SLA category (associated to an availability duration) is an obligation for:
- Energy Constrained CMUs; and
- CMUs with Delivery Points associated to different technologies.
- The CRM Candidate can choose between a SLA category (associated to an availability duration) and a derating category (associated to a technology) in any other cases.

This selection process is presented on the figure below:



17.1.14. ANNEX A.14: PROJECT EXECUTION PLAN FOR ADDITIONAL AND VIRTUAL CMUs

This annex defines what a project execution plan is. This plan is sent during the Prequalification Process by a CRM Candidate who wants to participate to the Service with an Additional or a Virtual CMU. As already stated in the chapter 5, a project execution plan can be linked to more than one CMU and a CMU can be linked to more than one project execution plan.

The main purpose of the project execution plan is to ensure to ELIA that the Additional and Virtual Contracted Capacity(ies) become(s) Existing Capacity(ies) before the start of the related Transaction Period(s).

The project execution plan is prepared & adapted by the CRM Candidate himself in function of his project's specificities. The information and format provided can therefore differ from the list below, given as an example.

17.1.14.1. Content of the project execution plan

A project execution plan describes how the CRM Candidate plans to get its additional (virtual) capacity prequalified as "Existing" prior the start of the Delivery Period it is offered to in the Auction. It identifies y the potential key issues and critical activities specific to the project and lists the decisions to be taken by the CRM Candidate in subsequent phase(s). Through the project execution plan, the CRM Candidate defines and states the objectives of the project and the means used to ensure its effective realization.

There is no template for such a plan. However and to facilitate its preparation, ELIA lists below some information the document as provided by the CRM Candidate to ELIA could contain:

- A **description of the project**;
- The **key milestones** dates (see section 17.1.14.2);
- The **strategy** adopted to achieve each of the identified key milestones in a timely manner;
- The list of the potential **key issues (risks)** that could be met during the realization phase of the project and the identification of "mitigation measures" taken by the CRM Candidate to cover them;
- The list of the **required Infrastructure Works** DSOs and/or Gas Infrastructure Operator identify as a pre-requisite to the CRM Candidate's project effective realization. The Infrastructure Works identified in that list may be subject to the fallback procedure described in section 14.9;
- A Signed **conditional offer to connect to the gas network infrastructure**:

For gas technology, a signed conditional offer from the gas network infrastructure is provided to ELIA by the CRM Candidate as part of the project execution plan.

- The identification of **permits** which are relevant for the project:

- Environnemental permit;
- Construction permit (included right of way and permits);
- Governmental approval;
- Etc.

The validity date of each permit is also to be mentioned and should cover at least the related Delivery Period(s).

- For Virtual CMUs specifically, details on how the 75 % and 100 % target will be respected

Update of such information is to be provided on a regular basis, through the quarterly report provided by the Capacity Provider to ELIA (according to section 7.3.2) during the Pre-delivery Period(s) related to the CMU. The project execution plan is also considered as a referential framework. Therefore, any slippage or major change impacting the project execution introduced with the Prequalification File is to be detailed in the quarterly report, along with a mitigation plan (according to chapter 7).

17.1.14.2. List of key milestones

In the table below, ELIA proposes key milestones that might be relevant for the CRM Candidate's project. However, it is the CRM Candidate's responsibility to select (or add) the milestones that are applicable to his project and detail them as part of the project execution plan.

Key milestones	Description of the key milestones	Key milestone date
#1 Spatial plan	At this stage, the CRM Candidate indicates at which date he plans to receive the modification of the sector plan (if required for implementation of its project)	…/…/…
#2 Workforce and capacity planning	A workforce and capacity planning is a process of determining and planning the workforce to ensure that the Capacity Provider has the right mix and numbers of staff, with the right skills and knowledge, to meet demand, now and in the future. The key milestone indicates when this planning is scheduled to be written in its final form.	…/…/…
#3 Permitting	The key millstone is reached when all necessary licenses/permits for the construction of the project have been obtained.	…/…/…
#4 Commencement of construction works	The date for this key milestone represents the moment at which the two following milestones are achieved : - Whether an engineering, procurement and construction (EPC) contract (or any contract or suite of contracts having the same effect) is in full force and effect in respect of each new or refurbished production/consumption unit providing the Contracted Capacity(ies); - Whether work specific to on-site construction of each actual new or refurbished production/consumption unit providing the Contracted Capacity(ies) has commenced which, for the avoidance of doubt, does not include design work, minor civil works or works to prepare the site for construction work.	…/…/…
#5 Final purchase order for the main equipment	The key milestone is reached when the last main equipment has been ordered through a purchase order (PO) and the delivery date is known by the CRM Candidate. The last main equipment is: - In respect of a new or refurbished production/consumption unit, the primary mechanism to generate electricity (whether this is via a turbine, any mechanical or electrical device or installation of any other technology, e.g. photo voltaic);	…/…/…
#6 Mechanical completion	The key milestone is achieved: - In respect of a new or refurbished production/consumption unit, when the primary mechanism to generate electricity (whether this is via a turbine, any mechanical or electrical device or installation of any other technology, e.g. photo voltaic) is installed on-site;	…/…/…

#7 Commissioning tests	The key milestone is achieved when the required offline and online commissioning tests are finalized and successful. The online commissioning tests required by ELIA for the commissioning of a generation/consumption unit are not linked to the CRM and therefore not specified here. For further information on this subject, the Capacity Provider is invited to contact his Key Account Manager within ELIA.	…/…/…
#8 Final completion	The key milestone is achieved when: - The project has achieved all the technical and performance requirements set out in the construction contract; - The contractor has transferred to the owner of the project title to all materials and equipment used in the construction of the project; - All the Additional Capacities contracted and related to that project are compliant with the metering requirements (as per annexes 17.1.1 & 17.1.2); - The Capacity Provider is able to complete his file(s) by changing his Contracted Capacity(ies) considered as Additional Capacity(ies) to Existing Capacity(ies) (as per 17.1.19).	…/…/…

17.1.15. ANNEX A.15: APPLICATION FORM COMPLIANCE CHECK

The purpose of this annex is to list the criteria's ELIA will use to know if the application form can be considered as compliant or not.

These criteria's can lead to an inability to submit the application form to ELIA because the checks are done instantly and automatically by the CRM IT Interface or to a rejection of the application form after being analyzed by an ELIA's operator.

In any case, audits will be also organized randomly throughout the lifetime of the application form (including at first submission) in order to check in more detail the truthfulness and accuracy of the data provided by the Capacity Holder. In the event that an erroneous data is identified during an audit, the Prequalification File(s) related to this application form may be rejected and the access of the related CMU(s) to the Primary Market or the Secondary Market denied.

Crosses with an asterisk in the table below indicates the cases in which the CRM Candidate has the obligation to submit the information in the CRM IT Interface in order to be considered as compliant.

	Requirements	Is the information automatically checked by ELIA when analyzing the Application Form?	Legal person	Natural person
Company details	**Company Name**	No. The data is considered as true and accurate by ELIA.	**X***	
	Address - Head Office	No. The data is considered as true and accurate by ELIA.	**X***	
	Telephone	No. The data is considered as true and accurate by ELIA.	**X**	
	Fax	No. The data is considered as true and accurate by ELIA.	**X**	
	Registration Number (VAT)	**Yes**. ELIA will check if the VAT number is: - Not already used in another application form; - Part the European database or any other database in order to verify that it is a real VAT.	**X***	
	Business Number	No. The data is considered as true and accurate by ELIA.	**X***	
	Date of foundation (dd/mm/yyyy)	No. The data is considered as true and accurate by ELIA.	**X**	
	Energy Identification Code (EIC)	**Yes**. ELIA will check that the EIC code is part of the European database.	**X***	
Bank details	**Company Name**	No. The data is considered as true and accurate by ELIA.	**X**	
	E-mail address	No. The data is considered as true and accurate by ELIA.	**X**	
	Bank Name	No. The data is considered as true and accurate by ELIA.	**X***	
	Street	No. The data is considered as true and accurate by ELIA.	**X**	
	Postal code	No. The data is considered as true and accurate by ELIA.	**X**	
	City	No. The data is considered as true and accurate by ELIA.	**X**	

	Country	No. The data is considered as true and accurate by ELIA.	**X**	
	IBAN	No. The data is considered as true and accurate by ELIA.	**X***	
	SWIFT / BIC	No. The data is considered as true and accurate by ELIA.	**X***	
	Currency (ordering & invoicing)	No. The data is considered as true and accurate by ELIA.	**X***	
Contact details	**Language**	No. The data is considered as true and accurate by ELIA.	**X**	**-**
	Civil status	No. The data is considered as true and accurate by ELIA.	**X**	**-**
	First Name	No. The data is considered as true and accurate by ELIA.	**X***	**-**
	Last Name	No. The data is considered as true and accurate by ELIA.	**X**	**-**
	Function	No. The data is considered as true and accurate by ELIA.	**X***	**-**
	Telephone	No. The data is considered as true and accurate by ELIA.	**X**	**-**
	Mobile	No. The data is considered as true and accurate by ELIA.	**X***	**-**
	E-mail	No. The data is considered as true and accurate by ELIA.	**X***	**-**

In addition to the checks listed in the above table, ELIA verifies that the format of the provided data are compliant (e.g. the format of an e-mail address is XX@XX.XX or a phone number only includes numbers).

17.1.16. ANNEX A.16: PREQUALIFICATION FILE COMPLIANCE CHECK

The purpose of this annex is to list the criteria that ELIA will use for each requirement of section 5.4.1 and 5.4.2 to know if the CRM Candidate submitted a compliant Prequalification File or not.

The criteria can lead to an inability to submit the Prequalification File to ELIA because the check can be done instantly and automatically by the CRM IT Interface or to a rejection of the Prequalification File because the check is done manually by an ELIA's operator.

In any case, audits will be also organized randomly throughout the lifetime of the Prequalification File (including from the time the File is submitted)in order to check in more detail the truthfulness and accuracy of the data provided by the CRM Candidate. In the event that an erroneous data is identified during an audit, the principles of section 5.1 apply.

17.1.16.1. Standard and Specific Prequalification Processes

Crosses with an asterisk in the table below indicates the cases in which the CRM Candidate has the obligation to submit the information in the CRM IT Interface in order to be considered as compliant (as per section 5.5). Therefore, if the CRM Candidate does not provide anything for these cases, the Prequalification File is automatically considered as rejected.

17.1.16.1.1. Requirements per Existing and Additional Delivery Points

		Delivery Point's status	
Requirements	**Is the information automatically checked by ELIA when analyzing the Prequalification File?**	**Existing**	**Additional**
Type of Delivery Point	No. The data is considered as true and accurate by ELIA.	**X***	**X***
Delivery Point's name	No. The data is considered as true and accurate by ELIA.	**X***	**X***
Single line diagram	**Yes**. ELIA checks if the combinability rules (described in annex 17.1.3) are respected thanks to the single line diagram.	**X***	**X**
Technology	No. The data is considered as true and accurate by ELIA.	**X***	**X***
Linked Capacities	**Yes**. ELIA checks if these links are in line with the concept of Linked Capacity defined in art. 1 §2, 6° of the Royal Decree on Investment Thresholds and Eligible Investment Costs meant in Art. 7undecies, §5 of the Electricity Act.	**X**	**X**

CDSO Declaration	**Yes.** ELIA checks that the CDSO Declaration: - Is uploaded if the Delivery Point is a CDS-connected Delivery Point; - Respects the template provided in annex 17.1.8; - Is signed by the CDS Operator and the CRM Candidate; - Is at least valid until the Auction gate opening time.	**X**	**X**
EAN code of the Access Point	**Yes**. ELIA checks that: - The provided EAN code is in ELIA's database of Access Points; - The related Delivery Point is properly connected to this Access point on the basis of the information provided in the single line diagram.	**X***	**X**
EAN code(s) of the Delivery Point	**Yes**. ELIA checks that the provided EAN code is: - In ELIA's database of Delivery Points; - Not already used in another Prequalification File or twice in the related Prequalification File[34].	**X***	
Expected Nominal Reference Power	No. The data is considered as true and accurate by ELIA.	**X***	
CO_2 emission attestation	No. The data is considered as true and accurate by ELIA.	**X***	
CO_2 emission	No. The data is considered as true and accurate by ELIA.	**X***	
Preferred Nominal Reference Power methodology	No. The data is considered as true and accurate by ELIA.	**X***	
Prequalification test profile for method 3	**Yes**. ELIA checks if: - The CRM Candidate provides a date while selecting method 3 for the determination of the Nominal Reference Power; - The chosen test date is in line with the rules of paragraph 94.	**X**	
Baseline adjustment	No. The data is considered as true and accurate by ELIA.	**X***	
Unsheddable Margin	**Yes**. ELIA checks if the provided value for the Unsheddable Margin is lower or equal to the Expected Nominal Reference Power.	**X**	
Nameplate capacity of generation	No. The data is considered as true and accurate by ELIA.	**X***	
Net offtake/ net injection	No. The data is considered as true and accurate by ELIA.	**X***	
Full technical injection Capacity	No. Data are considered as correct and acurate by ELIA.	**X***	
Full technical offtake Capacity	**Yes**. ELIA checks if the provided value for the Full technical offtake Capacity is lower or equal to than Expected Nominal Reference Power.	**X***	

[34] The CRM Candidate has still the right to prequalify a same Delivery Point in several of his CMUs in case these CMUs are bid as mutual exclusive bids.

Grid User Declaration	**Yes**. ELIA checks if the provided document: - Respects the template provided in annex 17.1.6; - The Delivery Point(s) included in the Grid User Declaration are not part of another Grid User Declaration related to the CRM; - Is signed by the CRM Candidate and the Grid User; - Is valid at least until the Auction gate opening time.	**X**	
Renouncing the operating aid	**Yes**. ELIA checks if the provided document: - Respects the rules described in annex 17.1.10; - Is signed by the CRM Candidate; - Is valid in case a Capacity Contract is signed.	**X**	
Declared Nominal Reference Power	No. The data is considered as true and accurate by ELIA.		**X***
Existing connection capacity	**Yes**. ELIA checks if the provided value for the existing connection capacity correspond to the ones of the said connection agreement.		**X***
Information related to production permit	**Yes**. - In case of licence production, ELIA checks if: o The document is signed by the CRM Candidate and the FPS Economy; o The licence is valid at least until the notification of the Auction results; - In case of evidence of the submission of a licence production request, ELIA checks if: o The document is signed by the CRM Candidate and the FPS Economy; o The production permit has been submitted to FPS Economy at least fifty Working Days before the start of the Prequalification File submission date; o The request has been introduced to FPSO at least fifty Working Days from the start of the Prequalification submission period		**X**

In addition to the checks listed in the above table, ELIA verifies that the format of the provided data are compliant (e.g. the accepted granularity for provided numbers is 0,01 or an EAN includes only 18 digits).

17.1.16.1.2. Requirements per Existing, Additional and Virtual CMUs

		CMU's status		
Requirements	**Is the information checked by ELIA when analyzing the Prequalification File?**	**Existing**	**Additional**	**Virtual**
Information linked to financial security	**Yes**. For a **cash payment**, ELIA checks if: - The amount is in line with the rules defined in the chapter 10; - The bank account number corresponds to one of ELIA's account numbers. For a **bank guarantee**, ELIA checks if: - The amount is in line with the rules of the chapter 10; - The rating of the bank corresponds to the rules defined in the chapter 10; - The template used corresponds to the template of the annex A related to the chapter 10; - The expiry date of the guarantee is in line with the rules of the chapter 10. For a **parent company guarantee**, ELIA checks if: - The amount is in line with the rules of the chapter 10; - The rating of the parent company corresponds to the rules defined in the chapter 10; - The template used corresponds to the template of the annex B related to the chapter 10; - A proof from an external legal firm that the guarantee is legal, valid, binding and enforceable is provided in addition to the template; - The expiry date of the guarantee is in line with the rules of the chapter 10.	**X***	**X***	**X***
Opt-Out Notification	**Yes**. ELIA checks if all the required questions (listed in annex 17.1.11 for an Opt-out Notification related to a Y-4 Auction and annex 17.1.12 for an Opt-out Notification related to a Y-1) are answered.	**X**	**X**	
Project ID	**Yes**. When the CRM Candidate provides himself a Project ID, ELIA checks if this project ID already exists in the database of Prequalification Files that already sent a file to CREG.	**X**	**X**	
Choice of a Derating Factor	No. The data is considered as true and accurate by ELIA.	**X***	**X***	

Link(s) with (an)other CMU(s) in case of multiple use of a same Delivery Point	No. The data is considered as true and accurate by ELIA.			
Project execution plan	No. The data is considered as true and accurate by ELIA.		**X***	**X***
Expected start date of the project	No. The data is considered as true and accurate by ELIA.		**X***	
Declared Eligible Volume	**Yes**. ELIA checks that the Declared Eligible Volume is: - Higher than or equal to the minimum Capacity threshold defined by the Royal Decree on Eligibility Criteria related to Cumulative Support and Minimal Participation Thresholds meant in art. 7undecies. §4 2° of the Electricity Act; - Lower than or equal to 400 MW.			**X***
Information for method 2 (Nominal Reference Power determination)	**Yes**. ELIA checks if: - No other method (method 1 and 3) has been selected by the CRM Candidate for the Delivery Point(s) part the related CMU; - A date has been provided and this date is within a 12 month period, which ends as of the Prequalification File submission date.	**X**		
Link with a Virtual CMU	**Yes**. ELIA checks if the ID provided corresponds to the ID of a Transaction made in the Primary Market for a Virtual CMU.	**X**		
Participation to the Primary Market or the Secondary Market	No. The data is considered as true and accurate by ELIA.	**X***		
ID of the technical agreement	**Yes**. ELIA checks if the provided ID exists in the ELIA's database of technical agreements.		**X**	

17.1.16.2. Fast track Prequalification Process

Crosses with an asterisk in the table below indicates that the cases in which the CRM Candidate has the obligation to submit an information. Therefore, if the CRM Candidate does not provide anything via the CRM IT Interface, the Prequalification File is automatically considered as non-compliant.

Requirements	Is the information checked by ELIA when analyzing the Prequalification File?
Type of Delivery Point	No. The data is considered as true and accurate by ELIA.
EAN of the Delivery Point	**Yes**. ELIA checks that the provided EAN code is: - In ELIA's database of Delivery Points; - Not already used in another Prequalification File.
Delivery Point's name	No. The data is considered as true and accurate by ELIA.
EAN of the Access Point	**Yes**. ELIA checks that: - The provided EAN code is in ELIA's database of Access Points; - The related Delivery Point is properly connected to this Access point on the basis of the information provided in the single line diagram.
Fast Track Nominal Reference Power	No. The data is considered as true and accurate by ELIA.
Choice of a Derating Factor	No. The data is considered as true and accurate by ELIA.
Opt-Out Notification	**Yes**. ELIA checks if all the required questions (listed in annex 17.1.11 for an Opt-out Notification related to a Y-4 Auction and annex 17.1.12 for an Opt-out Notification related to a Y-1) are answered.

17.1.17. ANNEX A.17: NOMINAL REFERENCE POWER DETERMINATION WITH METHOD 1 & 3

This annex aims to represents the way the Nominal Reference Power of a Delivery Point is determined by using the method 1 (Use of historical data) or the method 3 (prequalification test). The graphs below serve only as examples and are not based on actual data.

In the event that the CRM Actor choses the method 1 for determining a Nominal Reference Power, the first step is to extract the 15-minutes measurements related to a Delivery Point over a certain period of time. If the Delivery Point is connected to the grid since more than twelve months, this period is equal to twelve months. If not, the period starts with the date of the first injection or offtake into the Grid and ends with the Prequalification File submission date.

The second step is to divide the time period into time series of thirthy six hours (starting from 12:00 until 23:45 of the following day) and to determine the highest power variation during each of these thirty six hours. How this variation is determined depends on whether the Delivery Point is a consuming, injecting or both.

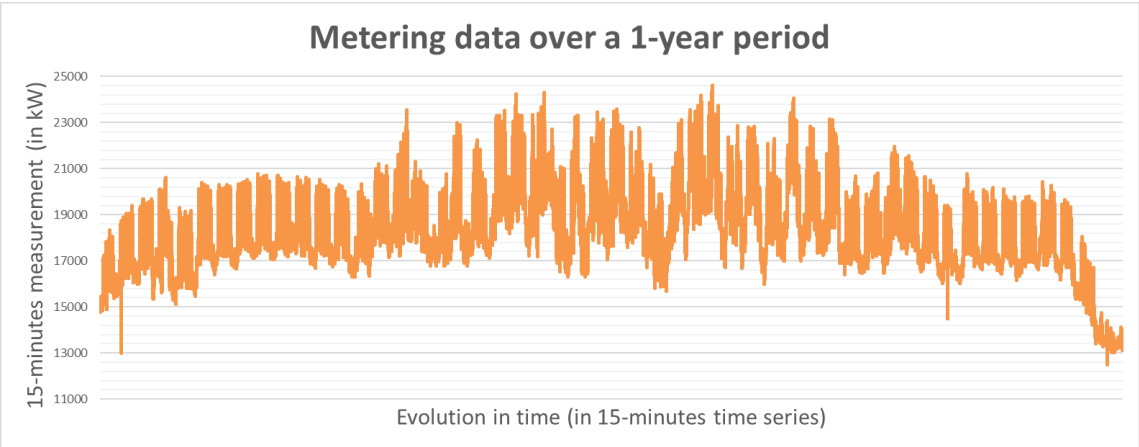
Finally, the third step is to determine the Nominal Reference Power of the Delivery Point by taking the highest power variation among all the power variation identified for each of the time series of 36 hours.

If the CRM Actor choses the method 3 for determining a Nominal Reference Power, only the second and the third steps apply.

17.1.17.1. Illustration with an offtake Delivery Point

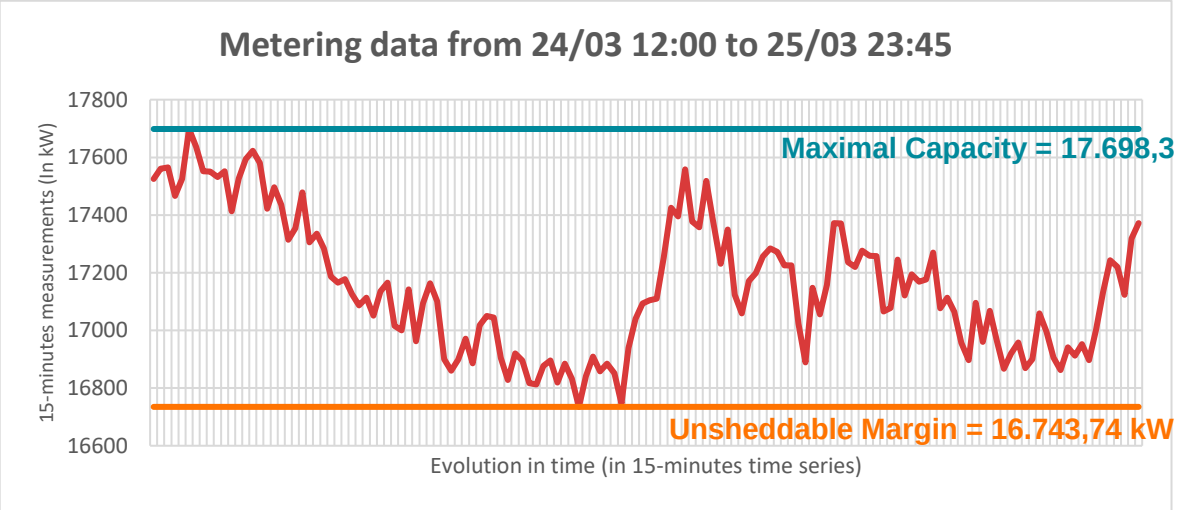
17.1.17.1.1. Step 1 – Historical data:

The following graph represents the 15-minutes measurement for a consumption Delivery Point over 12 months.



17.1.17.1.2. Step 2[35] – Zoom on one period of 36 hours:

The graph below is an extension of the period from March 24th at 12:00 to March 25th at 23:45.



The Nominal Reference Power of the Delivery Point for the period going from March 24th 12:00 to March 25th 23:45 is obtained by determining the highest power variation. In case of offtake, this variation is done by making the difference between the maximal capacity and the Unsheddable Margin (communicated by the CRM Candidate into the Prequalification file).

$$Nominal\ Reference\ Power_{period\ x} = 17.698{,}3 - 16.743{,}74 = 954.56\ kW = 0.95MW$$

17.1.17.1.3. Step 3 – Maximum of all (365) periods

In this way, to determine the Nominal Reference Power of the Delivery Point – used for the CRM – ELIA selects the highest Nominal Reference Power amongst 365 (in case of leap year) calculations, over a 12 months period of time:

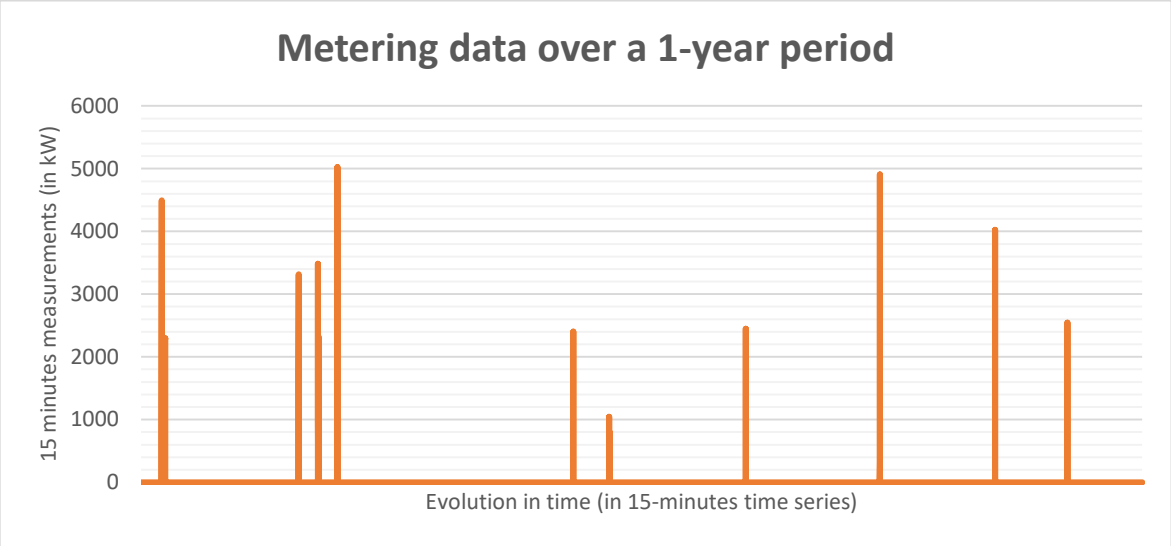
$$NRP_{Delivery\ Point} = Max\left(NRP_{period\ 1}; NRP_{period\ 2}; \ldots;\ NRP_{period\ 365}\right) = 1{,}25MW$$

17.1.17.1.4. Illustration with an injection Delivery Point

17.1.17.1.5. Step 1 – Historical data:

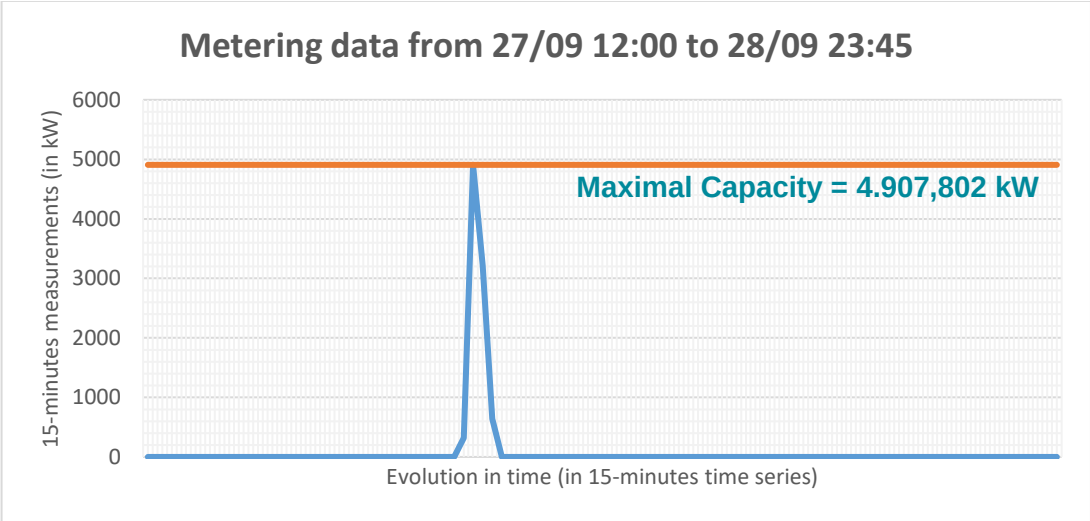
The following graph represents the 15-minutes measurement for a consumption Delivery Point over 12 months.

[35] In the event that the CRM Candidate choses the method 3 (section 6.1.1.1.1.3) for determining a Nominal Reference Power, ELIA will go straight and only to this step two (2) as the CRM Candidate does not want to use the historical data.



17.1.17.1.6. Step 2[36] – Zoom on one period of 36 hours:

The graph below is an extension of the period from September 27th at 12:00 to September 28th at 23:45.



To evaluate the Nominal Reference Power of a Delivery Point which is injecting electricity in the grid, ELIA determines the highest power variation. In case of injection, this variation is done by making the difference between the maximal capacity and zero.

$$Nominal\ Reference\ Power_{period\ x} = 4.907{,}802 - 0 = 4.907{,}802\ kW = 5\ MW$$

[36] In the event that the CRM Candidate choses the method 3 (section 6.1.1.1.1.3) for determining a Nominal Reference Power, ELIA will go straight and only to this step two as the CRM Candidate does not want to use the historical data.

17.1.17.1.7. Step 3 – Maximum of all (365) periods

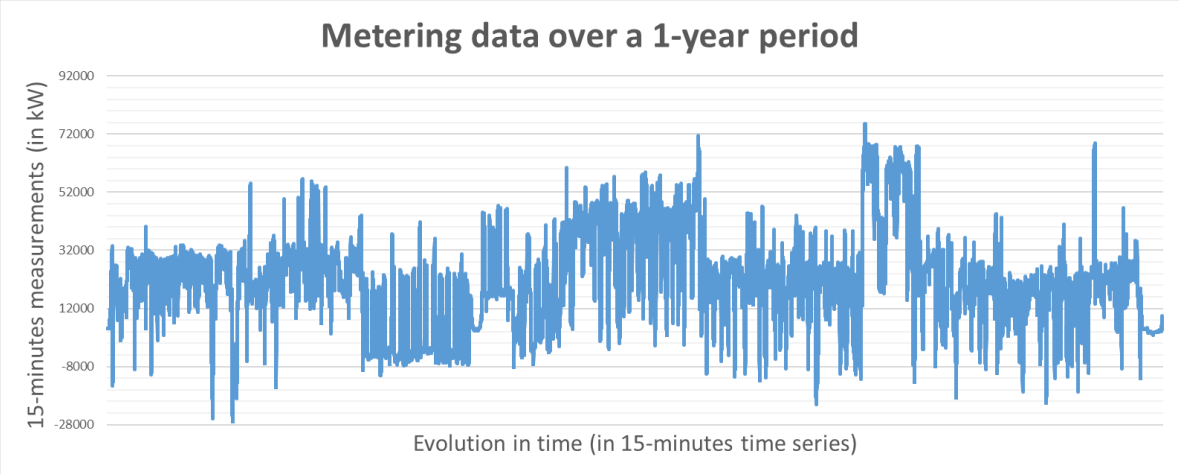
In this way, to determine the Nominal Reference Power of the Delivery Point – used for the CRM – ELIA selects the highest Nominal Reference Power amongst the 365 (in case of leap year) calculations, over a 12 months period of time:

$$NRP_{Delivery\ Point} = Max\left(NRP_{period\ 1}; NRP_{period\ 2}; \ldots; NRP_{period\ 365}\right) = 5{,}03\ MW$$

17.1.17.2. Illustration with both injection and offtake Delivery Point

17.1.17.2.1. Step 1 – Historical data:

The following graph represents the 15-minutes measurement for a Delivery Point which is both injecting and consuming on the ELIA Grid over a period of 12 months.

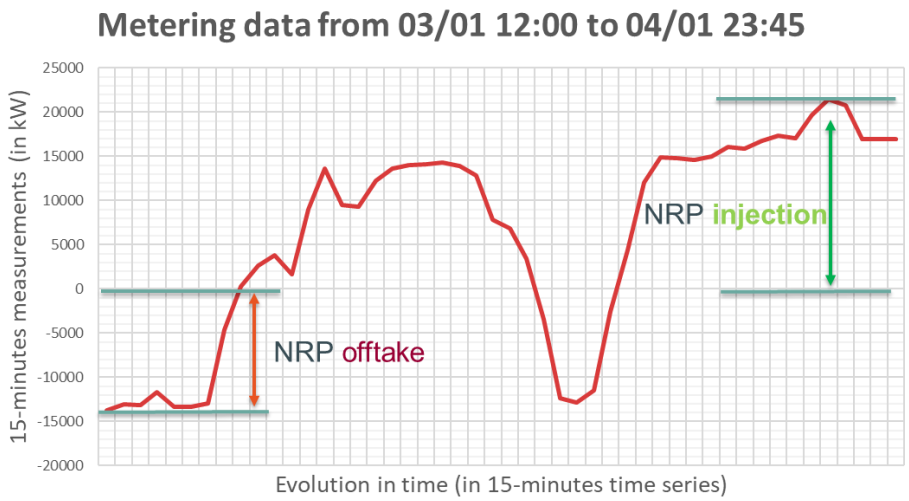


The positive data refers to injection in the Grid and the negative data to the consumption on the Grid.

17.1.17.2.2. Step 2[37] – Zoom on one period of 36 hours:

The graph below is an extension of the period from January 03rd at 12:00 to January 04th at 23:45.

[37] In the event that the CRM Candidate choses the method 3 (section 6.1.1.1.1.3) for determining a Nominal Reference Power, ELIA will go straight and only to this step two as the CRM Candidate does not want to use the historical data.



To evaluate the Nominal Reference Power of a Delivery Point combining injection and offtake over a specific period of time (as represented in the graph above), ELIA applies the methodologies for both offtake Delivery Points & injection Delivery Points in parallel. This means that the corresponding Nominal Reference Power is equal to the sum of the Nominal Reference Power from the offtake and the Nominal Reference Power from the injection.

$$Nominal\ Reference\ Power_{period\ x} = |0 - 13.782{,}80| + |21.478{,}54 - 0| = \ 35.261{,}34\ kW = 35{,}26MW$$

17.1.17.2.3. Step 3 – Maximum of all (365) periods

In this way, to determine the Nominal Reference Power of the Delivery Point – used for the CRM – ELIA selects the highest Nominal Reference Power amongst the 365 (in case of leap year) calculations, over a 12 months period of time:

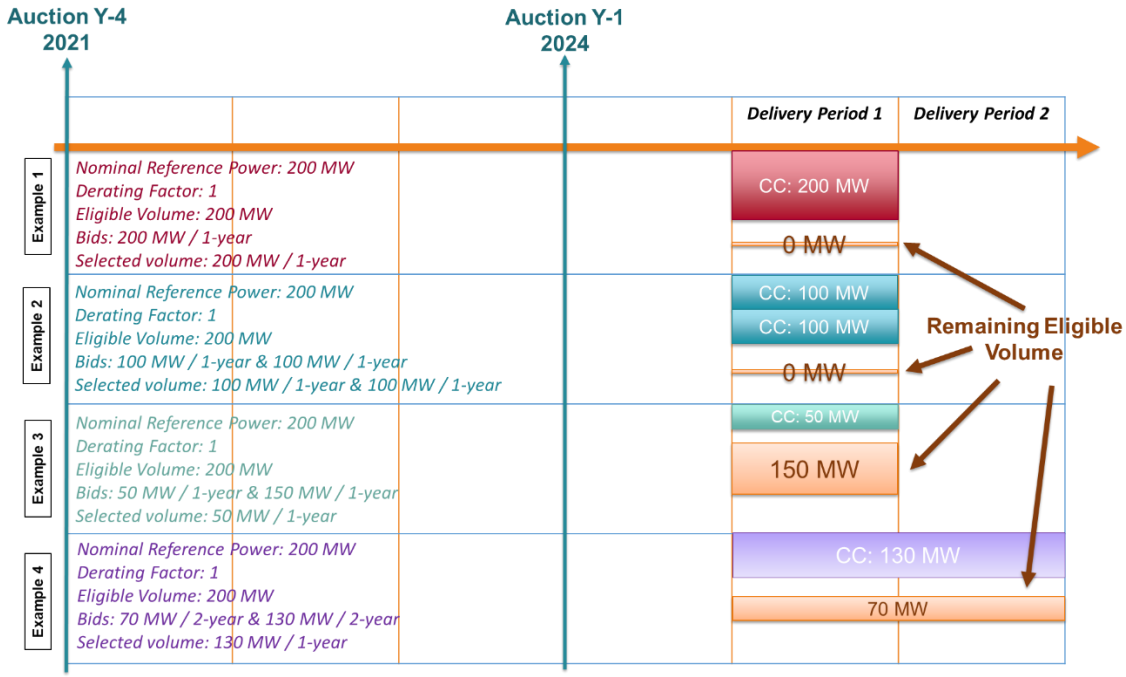
$$NRP_{Delivery\ Point} = Max\left(NRP_{period\ 1}; NRP_{period\ 2}; \ldots;\ NRP_{period\ 365}\right) = 57{,}05MW$$

17.1.18. ANNEX A.18: REMAINING ELIGIBLE VOLUME

This annex aims to resume schematically what is a Remaining Eligible Volume in some different possible cases. Of course, a combination of these cases is also possible in practice. In such circumstances, ELIA applies the corresponding combination of the rules to determine the Remaining Eligible Volume.

17.1.18.1. Illustration 1: Contracted Capacity lower than the Eligible Volume (200 MW)

The following diagram includes four situations that could happen following the Auction Y-4 of 2021 (the presented examples can be applied to other Auction years). The Capacity Provider contracted some Capacities for the Delivery Period 1 in example 1, 2 and 3 and for the Delivery Period 1 and the Delivery Period 2 in example 4.



The Remaining Eligible Volume of the four examples represents the maximum capacity of a Transaction on the Primary Market that the Capacity Provider can contract for the Delivery Period 1 in case of examples 1, 2 and 3 and for the Delivery Period 1 and the Delivery Period 2 in the case of example 4. This volume differs from the Eligible Volume because the Capacity Provider already contracted a Capacity for the same Delivery Period(s):

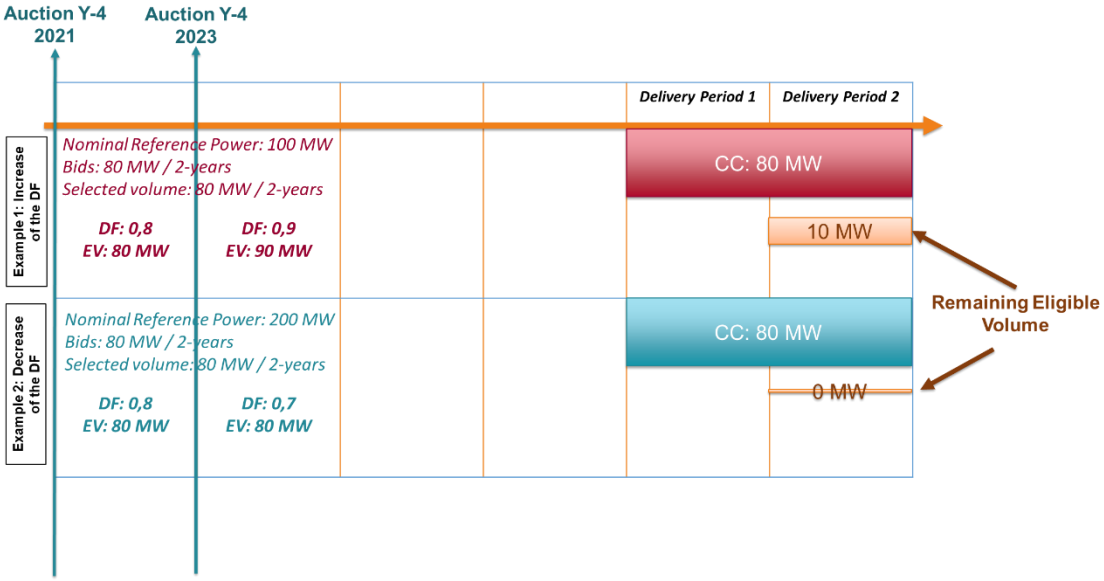
$$[Remaining\ Eligible\ Volume]_{CMU,TP} = Max\left(0\ ;\ [Eligible\ Volume]_{CMU} - [Total\ Contracted\ Capacity]_{CMU,TP}\right)$$

In the above examples, the Remaining Eligible Volume is equal to:

- $Max\ (0\ ;\ 200 - 200) = 0\ MW$, for example 1;
- $Max\ (0\ ;\ 200 - [100 + 100]) = 0\ MW$, for example 2;
- $Max\ (0\ ;\ 200 - 50) = 150\ MW$, for example 3;
- $Max\ (0\ ;\ 200 - 130) = 70\ MW$, for example 4;

17.1.18.2. Illustration 2: Increase of the Derating Factor over time

The following diagram includes two situations that could happen following the Auction Y-4 of 2021 (the presented examples can be applied to other Auction years). The Capacity Provider contracted some Capacities for the Delivery Period 1 and the Delivery Period 2.



The Remaining Eligible Volume of the two examples represents the maximum capacity of a Transaction on the Primary Market that the Capacity Provider can contract for the Delivery Period 2. This volume differs from the Eligible Volume because the Capacity Provider already contracted a Capacity for the same Delivery Period(s):

$$[Remaining\ Eligible\ Volume]_{CMU,TP} = Max\left(0\ ;\ [Eligible\ Volume]_{CMU} - [Total\ Contracted\ Capacity]_{CMU,TP}\right)$$

In the above examples, the Remaining Eligible Volume is equal to:

- $Max\ (0\ ;\ 90 - 80) = 0\ MW$, for example 1;
- $Max\ (0\ ;\ 70 - 80) = 0\ MW$, for example 2;

17.1.19. ANNEX A.19: CHANGE FROM ADDITIONAL TO EXISTING CMU

To achieve the target defined for the Additional CMU in paragraph 303 and therefore to make the Contracted Capacity(ies) available before the start of the related Delivery Period(s) DP, the Capacity Provider accesses the Prequalification File related to his Additional CMU via the CRM IT Interface and follows the process below:

1. The information directly related to this Additional CMU (e.g. the "Choice of a Derating Factor" – as defined in the chapter 5) are not adapted to make the Contracted Capacity(ies) available before the start of the Delivery Period DP because these data has been already submitted to ELIA at the time of the Additional CMU's prequalification;

2. In this Additional CMU, the Capacity Provider accesses each Additional Delivery Point(s) part of the CMU that he wants to change in Existing Delivery Point and provides the data and documents listed in section 5.4.1.1.1, related to Existing Delivery Points and not submitted during the prequalification of the Additional CMU;

3. When the data and documents has been filled in for each Additional Delivery Point(s) part of the CMU that the Capacity Provider wants to change in Existing Delivery Point, the Capacity Provider submits his file to ELIA;

4. ELIA reviews the changes implemented by the Capacity Provider in the file by following the same process and timing as defined from paragraph 72 to 76 (The purpose of this step is to know if the file can be considered as "compliant" after the implementation of the changes).

5. If the file gets its "compliant" status, ELIA starts with the volumes determination process:

a. The Nominal Reference Power of each new Existing Delivery Point is determined following the processes and timings of the section 5.6.1.1.1;

b. The Nominal Reference of the CMU is determined by ELIA following the formula of the section 5.6.1.1.3;

c. The Nominal Reference Power of the CMU, the Opt-Out Volume, the Reference Power, the Eligible Volume and the Secondary Market Eligible Volume are determined by ELIA by respectively following the rules of sections 5.6.1.1.3, 5.6.2, 5.6.3, 5.6.4.1 and 5.6.5;

d. The results notification of these volumes to the Capacity Provider is done by following the rules and timings of section 5.5.2.

By following the process described above, the Capacity Provider shall also respect the rules defined below:

- The submission of the data into the file to make the Contracted Capacity(ies) available before the start of the Delivery Period(s) DP is consistent with the information received in the quarterly reports;

- The Capacity Provider, his CMU(s) and his Delivery Point(s) are compliant with the eligibility conditions defined in section 5.3;

- The Capacity Provider can access the file to change an Additional Delivery Point whenever he wants during the related Pre-delivery Period(s);

- It is the Capacity Provider's responsibility to include the time needed by ELIA to consider the file as "approved" and to determine the volumes before the start of the Delivery Period DP it has been initially contracted for;

- ELIA cannot be held responsible in the event that the Capacity Provider has not the possibility

to finalize his file(s) prior to the target defined for the Additional CMU in paragraph 303;

17.1.20. ANNEX A.20: CHANGE FROM VIRTUAL TO EXISTING CMU

To achieve the two targets defined for the VCMU in paragraph 303 and therefore to change from a VCMU to one or more Existing CMU(s) in order to make the Contracted Capacity(ies) available before the start of the Delivery Period DP, the Capacity Provider shall prequalify one or more CMU(s) and respect the following rules:

- The Capacity Provider prequalifies only Exiting CMU(s);
- His CMU(s) and his Delivery Point(s) are compliant with the eligibility conditions defined in section 5.3;
- There is no limit for the number of Existing CMUs to prequalify;
- To prequalify the Existing CMU(s), the Capacity Provider follows the entire standard Prequalification Process (as per the chapter 5);
- The rules and the timings to prequalify the Existing CMU(s) are exactly the same as the ones described for a standard Prequalification Process in the chapter Prequalification Processes;
- The Capacity Provider can prequalify an Existing CMU whenever he wants during the related Pre-delivery Period;
- The link of the created Existing CMU(s) with the VCMU is notified (as per section 5.4.1.1.2) during the related Prequalification Process(s) and as part of the first Prequalification File submission date (date defined in paragraph 60) for each CMU;
- It is the Capacity Provider's responsibility to include the time needed by ELIA to prequalify the Existing CMU(s) before the two targets defined for the VCMU in paragraph 303;
- ELIA cannot be held responsible in the event that the Capacity Provider has not the possibility to finalize his Prequalification File(s) prior to the two targets defined for the VCMU in paragraph 303;
- To complete his Existing CMU(s), the Capacity Provider cannot use Delivery Points that already went through a standard or a fast track Prequalification Process in the past.

The link with the VCMU is done during this standard Prequalification Process. However, this is not sufficient to consider that the VCMU has become one or more Existing CMU(s). Indeed, to do so, the Contracted Capacity(ies) related to the VCMU has(have) also to be transferred to the created Existing CMU(s). This transfer happens via the Secondary Market. The rules and timings of the chapter 9 apply in that situation.

Therefore, as soon as an Existing CMU is prequalified by the Capacity Provider, the latter uses the Secondary Market to transfer the Contracted Capacity(ies) related to the Transaction(s) on the VCMU towards the associated Existing CMU.

The Capacity Provider can use more than one CMUs to take over the obligations of a same Transaction (related to the VCMU) and a same CMU to take over the obligations of more than one Transactions (related to the VCMU).

17.2. ANNEX B: PRE-DELIVERY PROCESS

17.2.1. ANNEX B.1: PRE-DELIVERY PERIOD CHARACTERISTICS

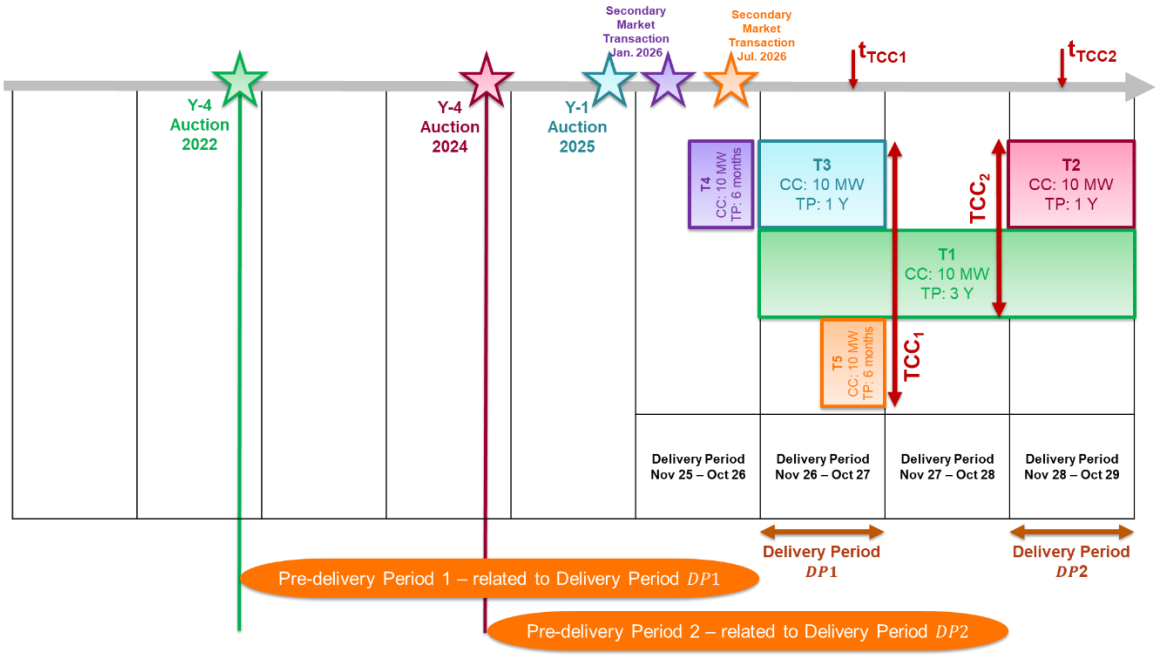
As stated in section 7.2.1.1, the Pre-delivery Period is related to one (Virtual) CMU and one Delivery Period. This Delivery Period – referred to hereafter as the Delivery Period DP – is related to at least one Transaction provided that such Transaction(s):

- Result(s) from one or more selection(s) in the Primary Market; or
- Correspond(s) to one or more validated Secondary Market Transaction(s) but only if the related Transaction Date takes place before the start of the Delivery Period containing the Transaction Period start date.

In addition to the above and related to the same CMU, it is interesting to also mention that:

- The Delivery Period DP may include or be overlapped by one or more Transaction Period;
- The Delivery Period DP includes at least the start date of one Transaction Period;
- The Delivery Period DP is located after the end date of the Delivery Period in which a pre-delivery control takes place;
- There are as many Pre-delivery Periods as there are Delivery Periods related to the CMU which include different Transaction Period start date.

All of the above is illustrated with an example in the following diagram:



In the diagram above:

- Transaction 4 is not linked to a Pre-delivery Period because the related Transaction Date takes place after the start of the Delivery Period containing the Transaction Period start date;

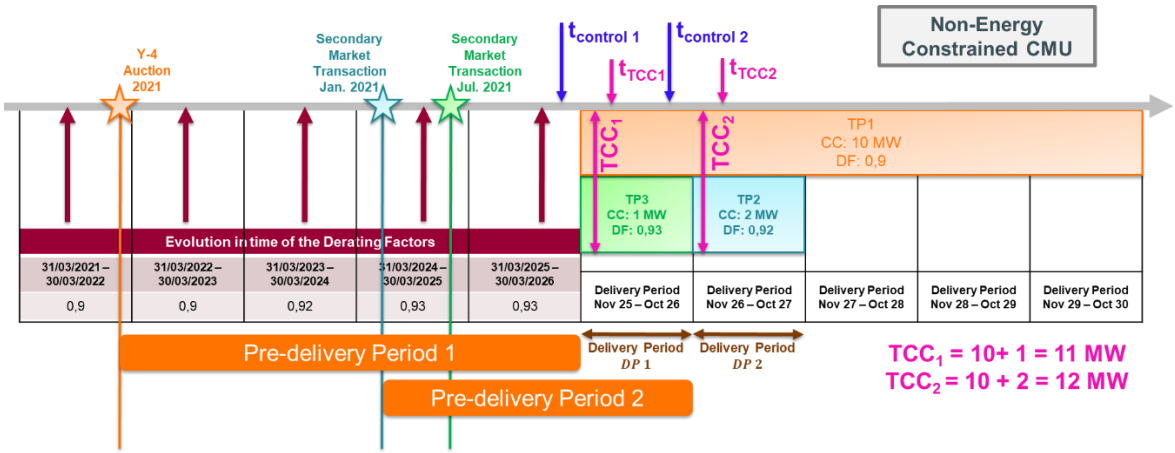
- There are two Pre-delivery Periods in this example because there are two Delivery Periods including a different Transaction Period start date:
    - Delivery Period "November 2026 – October 2027" includes three Transaction start dates:
        - The one related to Transaction 1
        - The one related to Transaction 3
        - The one related to Transaction 5
    - Delivery Period "November 2028 – October 2029" includes one Transaction start date:
        - The one related to Transaction 2
- The Pre-delivery Period 1:
    - Starts with the first Transaction Validation Date which is the one related to Transaction 1;
    - Is only related to Transaction 1 between the Transaction Validation Date of Transaction 1 and the Transaction Validation Date of Transaction 3
    - Is common for Transaction 1 and 3 from the Transaction Validation Date related to Transaction 3 and until the Transaction Validation Date related to Transaction 5;
    - Is common for Transaction 1, 3 and 5 from the Transaction Validation Date related to Transaction 5;
    - Ends when the Delivery Period $DP1$ starts;
    - Is related to a maximum Total Contracted Capacity which is equal to:
        - $TCC_1 = 10\ MW\ (CC\ T1) + 10\ MW (CC\ T3) + 10\ MW (CC\ T5) = 30\ MW$
- The Pre-delivery Period 2:
    - Starts with the first Transaction Validation Date which is the one related to Transaction 2;
    - Is only related to Transaction 2;
    - Ends when the Delivery Period $DP2$ starts;
    - Is related to a maximum Total Contracted Capacity which is equal to:
        - $TCC_2 = 10\ MW\ (CC\ T2) + 10\ MW (CC\ T1) = 20\ MW$
- The Delivery Period "November 2027 – October 2028" is not linked to a Pre-delivery Period because it does not include a Transaction Period start date;

17.2.2. ANNEX B.2: PRE-DELIVERY OBLIGATION FOR AN EXISTING CMU

The two following diagrams represents two examples of how to identify the Pre-delivery Obligation for an Existing CMU:

- The first example is for a Non-Energy Constrained CMU;
- The second example is for an Energy Constrained CMU.

17.2.2.1. Non-Energy Constrained CMU



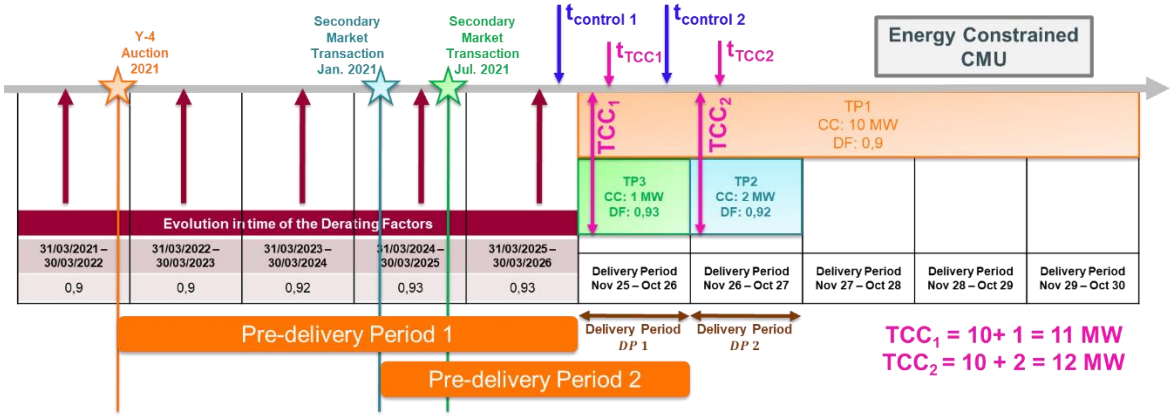
- **The Pre-delivery Obligation for a control at $t_{control\ 1}$**

$$[PreDelivery\ Obligation]_{control\ 1}$$
$$= 80\% \times \left(Total\ Contracted\ Capacity_{max}(CMU, DP) - \sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t_{control\ 1}, t_{TCC1})] \right)$$
$$= 80\% \times ((10 + 1) - 0) = 8{,}8\ MW$$

- **The Pre-delivery Obligation for a control at $t_{control\ 2}$**

$$[PreDelivery\ Obligation]_{control\ 2}$$
$$= 80\% \times \left(Total\ Contracted\ Capacity_{max}(CMU, DP) - \sum_{i=1}^{n} [Contracted\ Capacity\ (CMU, Transaction_i, t_{control\ 2}, t_{TCC2})] \right)$$
$$= 80\% \times ((10 + 2) - 10) = 1{,}6\ MW$$

17.2.2.2. Energy Constrained CMU



- **The Pre-delivery Obligation for a control at $t_{control\ 1}$**

$$Derating\ Factor\ (CMU,\ t_{TCC1})$$
$$= \frac{\sum_{i=1}^{n}\ [Contracted\ Capacity\ (CMU,\ Transaction_i, t_{TCC1}) * Derating\ Factor(CMU,\ Transaction_i)]}{Total\ Contracted\ Capacity_{max}(CMU,\ DP)}$$

$$= \frac{(10\times0{,}9+1\times0{,}93)}{10+1} = 0{,}9$$

$$[PreDelivery\ Obligation]_{control\ 1}$$

$$= 80\% \times \left(\frac{Total\ Contracted\ Capacity_{max}(CMU, DP)}{Derating\ Factor\ (CMU,\ t_{TCC1})} - \sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU,\ Transaction_i,\ t_{control\ 1}, t_{TCC1})]}{Derating\ Factor\ (CMU,\ Transaction\ i)}\right)$$

$$= 80\% \times \left(\frac{10+1}{0{,}9} - 0\right) = 9{,}78\ MW$$

- **The Pre-delivery Obligation for a control at $t_{control\ 2}$**

$$Derating\ Factor\ (CMU,\ t_{TCC2}\ )$$
$$= \frac{\sum_{i=1}^{n}\ [Contracted\ Capacity\ (CMU,\ Transaction_i, t_{TCC2}\ ) * Derating\ Factor(CMU,\ Transaction_i)]}{Total\ Contracted\ Capacity_{max}(CMU,\ DP)}$$

$$= \frac{(10\times0{,}9+2\times0{,}92)}{10+2} = 0{,}9$$

$$[PreDelivery\ Obligation]_{control\ 2}$$

$$= 80\% \times \left(\frac{Total\ Contracted\ Capacity_{max}(CMU, DP)}{Derating\ Factor\ (CMU,\ t_{TCC2})} - \sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU,\ Transaction_i,\ t_{control\ 2}, t_{TCC2})]}{Derating\ Factor\ (CMU,\ Transaction\ i)}\right)$$

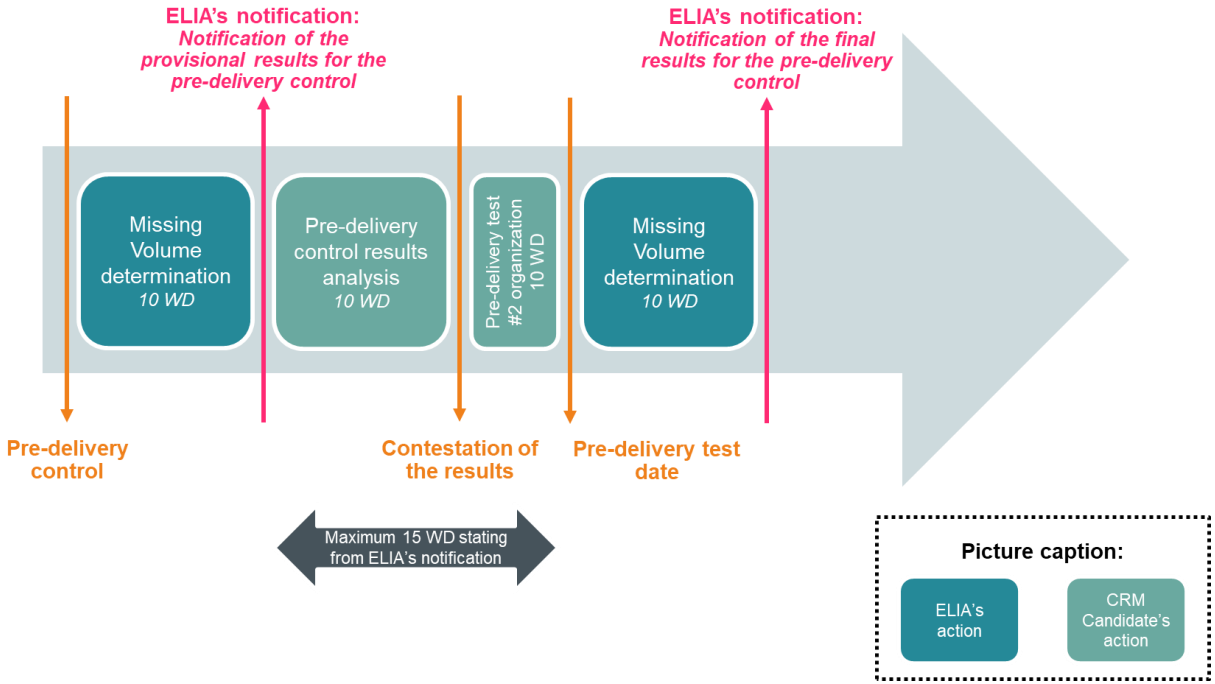
$$= 80\% \times \left(\frac{10+2}{0{,}9} - \frac{10}{0{,}9}\right) = 1{,}78\ MW$$

17.2.3. ANNEX B.3: TIME REQUIREMENTS FOR THE PRE-DELIVERY CONTROL OF AN EXISTING CMU

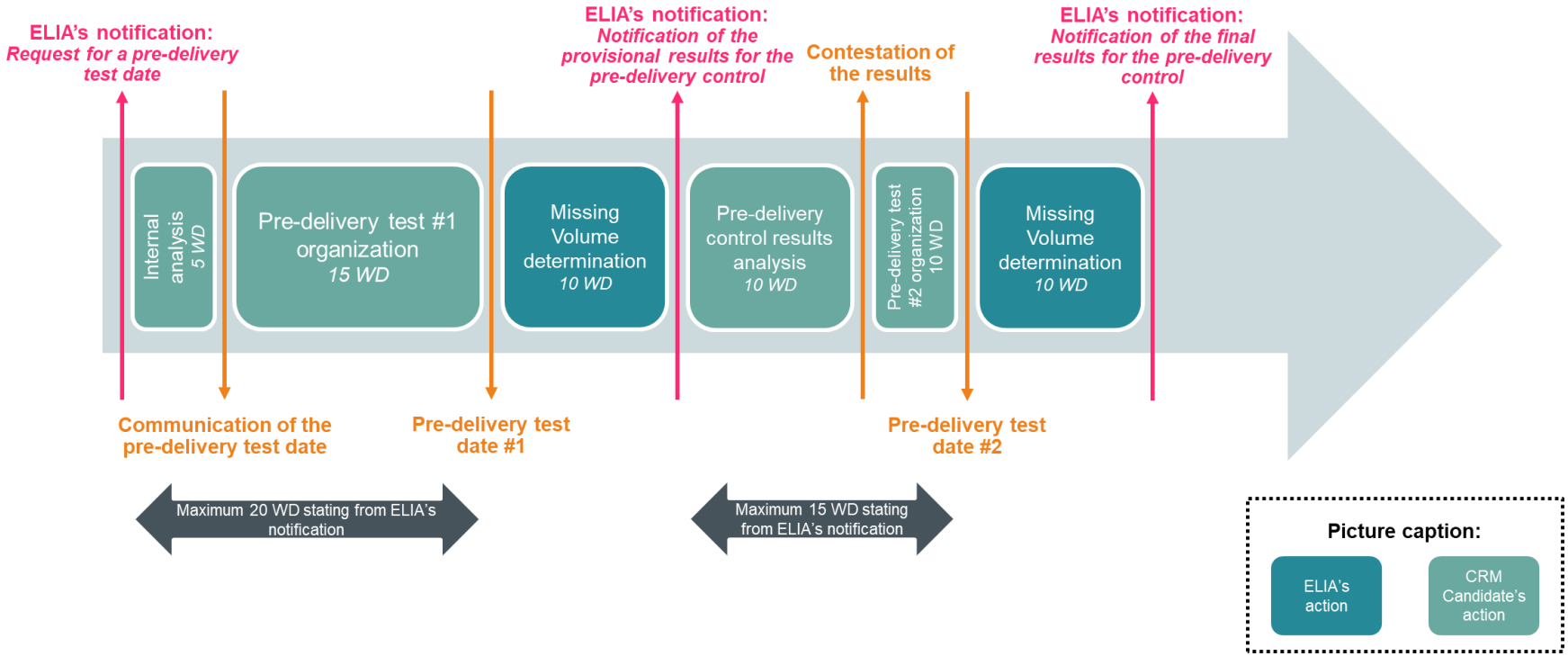
The following diagrams are provided for the purpose of clarifying the timing aspects related to the pre-delivery control of an Existing CMU or for an Additional CMU which includes Delivery Point(s) compliant with the metering requirements.

The Working Days shown in the images below indicate the maximum number of days taken by ELIA or the CRM Candidate for a specific task.

17.2.3.1. Pre-delivery control when using method 1



17.2.3.2. Pre-delivery control when using method 2



17.2.4. ANNEX B.4: QUARTERLY REPORT – ADDITIONAL CMU

To support the Capacity Provider, ELIA provides below a "check list" of questions that require an answer in each quarterly report; along with a detailed explanation for each questions. This list is provided for informational purposes only and may be completed by the Capacity Provider himself to cope with his project's specificities. This list of questions is to be communicated to ELIA in addition to the information listed in section 7.3.2.1.2.2.

Questions requiring an answer in each quarterly report	**Explanations**
Which Delivery Period(s) DP is(are) concerned by the quarterly report?	To properly evaluate the amount of the Pre-delivery Obligation, ELIA needs to know Which Delivery Period(s) DP is(are) concerned by the quarterly report.
What is the Missing Volume? (in MW)	In each of his quarterly report, the Capacity Provider is invited to communicate the amount of the Missing Volume (even when it is equal to zero). In case of positive Missing Volume, the Capacity Provider also provides the details and the justifications of his calculations to justify the amount of this Missing Volume.
For which period does the Missing Volume apply? (From DD/MM/YY to DD/MM/YY)	This information indicates for how long will there be a Missing Volume.
To which Transaction(s) related to the (V)CMU concerned by the quarterly report does the Missing Volume relates?	In the event that a residual delay is declared during the phase 1 of the Pre-delivery Period, ELIA needs to know to which Transaction(s) does the Missing Volume relates in order to properly adapt the Capacity Contract(s).
Is the delay, resulting in a Missing Volume, a residual delay? (Yes/No) If the answer is no, why?	If the delay announced by the Capacity Provider is not a residual delay, the latter needs to justify it.
What's causing the delay?	To justify the delay, the Capacity Providers communicates the reason for this delay to ELIA.
Is the (residual) delay linked to Project Works? (Yes/No)	To properly evaluate the amount for the potential penalties, ELIA needs to know if the Missing Volume is due to a delay in the Project Works or not.
Is the (residual) linked to Infrastructure Works? (Yes/No)	To properly evaluate the amount for the potential penalties, ELIA needs to know if the Missing Volume is due to a delay in the Infrastructure Works or not.
Is there already a mitigation plan to cover the Missing Volume? (Yes/No)	If the answer is yes, the Capacity Provider needs to provide a mitigation plan in his quarterly report.
Will there be a mitigation plan to cover the Missing Volume? (Yes/No)	If the answer is yes, the Capacity Provider needs to provide a mitigation plan in a future quarterly report but obligatorily before the pre-delivery control at $t_{control\,2}$ if he wants his mitigation plan to be considered by ELIA.
Is the key milestone #3 (as defined in annex 17.1.14) relevant for the concerned project and already reached by the Capacity Provider at the time of sending the quarterly report concerned? (Yes/No)	To properly evaluate the amount for the potential penalties, ELIA needs to know if the key milestone #3 is relevant for the concerned project and already reached by the Capacity Provider at the time of sending the quarterly report concerned.
Is the key milestone #3 (as defined in annex 17.1.14) not relevant for the concerned project? (Yes/No)	To properly evaluate the amount for the potential penalties, ELIA needs to know if the key milestone #3 is not relevant for the concerned project.

17.2.5. ANNEX B.5: IMPACTS ON THE CAPACITY CONTRACT FOR AN ADDITIONAL CMU

In this annex, an example of Capacity Contract adaptation, due to a Missing Volume detection in the Pre-delivery Period phase 1, is proposed.

17.2.5.1. Step 1: Prequalification

The information related to the standard Prequalification Process of the Additional CMU are presented below (The CMU is made of two Additional Delivery Points):

$Declared\ Nominal\ Reference\ Power_{DP1} = 6\ MW$

$Declared\ Nominal\ Reference\ Power_{DP2} = 4\ MW$

$Nominal\ Reference\ Power_{CMU} = 10\ MW$

$OptOut\ Volume = 0\ MW$

$Reference\ Power = 10\ MW$

$Derating\ Factor = 0{,}9$

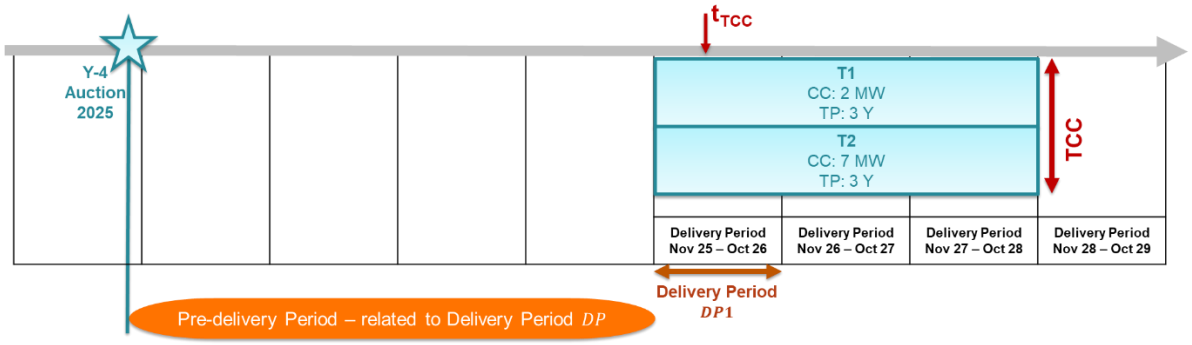
$Eligible\ Volume = 9\ MW$

17.2.5.2. Step 2: Auction

The results of the Auction are gather in the table below:

	Transaction 1	Transaction 2
Selected Bid volumes	2 MW	7 MW
Capacity contract duration	3 years	3 years
Transaction Periods	Nov 2025 – Oct 2028	Nov 2025 – Oct 2028

The two Transactions made by the Capacity Provider via the Primary Market are illustrated in the following diagram:



17.2.5.3. Step 3: Pre-delivery control

The following details an example of pre-delivery control by ELIA at $t_{control\ 1}$.

- **Determination of the Pre-delivery Obligation:**

As the CMU is an Energy Constrained CMU:

$$[PreDelivery\ Obligation]$$

$$= \frac{Total\ Contracted\ Capacity_{max}(CMU, DP)}{Derating\ Factor} - \sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU, Transaction_i, t_{control1}, t_{TCC1})]}{Derating\ Factor\ (CMU, Transaction_i)}$$

$$= \frac{2+7}{0{,}9} - 0$$

$$= 10\ MW$$

As no Contracted Capacitiy overlaps the time $t_{control1}$ and the time t_{TCC1} (as detailed in the diagram above): $\sum_{i=1}^{n} \frac{[Contracted\ Capacity\ (CMU, Transaction_i, t_{control1}, t_{TCC1})]}{Derating\ Factor\ (CMU, Transaction_i)} = 0$

- **Quarterly report analysis:**

By analyzing the quarterly report, ELIA notices that a residual delay has been notified by the Capacity Provider:

- The delay is linked to Project Works and not to Infrastructure Works;
- The Missing Volume is higher than 1 MW (as detailed in the next bullet point);
- No solution to compensate the delay has been found by the Capacity Provider and detailed in a mitigation plan as part of the quarterly report;
- The delay will have an impact on the availability of part the Contracted Capacities related to the CMU during the entire Delivery Period DP_1 (> 1 month);
- The delay is declared in a quarterly report submitted to ELIA in phase 1;
- The Missing Volume only relates to the Transaction 2.

- **Determination of the Missing Volume:**

In his quarterly report, the Capacity Provider declares that his Missing Volume is equal to 2 MW:

$$Missing\ Volume = 2\ MW$$

- **Evaluation of the financial penalties and the impact on the Capacity Contract:**

$$\%Missing\ Volume\ (in\ \%) = \frac{Missing\ Volume}{[PreDelivery\ Obligation]} = \frac{2}{10} = 20\ \%$$

$$Financial\ penalty\ (in\ EUR) = \beta \times \%Missing\ Volume \times Total\ Contracted\ Capacity_{max}(CMU, DP) = 15.000 \times 20\% \times 9 = 27.000€$$

$\beta = 15.000€$ because the key milestone #3 has been reached by the Capacity Provider before the submission of the concerned quarterly report.

In phase 1, in addition to the financial penalty, a Missing Volume leads to an adaptation of the contracted capacities by the corresponding Missing Volume. In case the Contracted Capacities for an Additional CMU are associated to more than one Transactions, the adaptation of the Contracted Capacities is done pro rata between all the Contracted Capacities linked to the residual delay and chosen by the Capacity Provider as part of the quarterly report announcing the Missing Volume to ELIA and sent before $t_{control\,1}$. As the Capacity Provider declared that his Missing Volume is only

related to the Transaction 2, the Capacity Contracts are adapted as follows:

- The volume of the Contracted Capacities related to the Additional CMU is as follows:
  - Related to Transaction 1: 2 MW
  - Related to Transaction 2: 7 MW
- The Contracted Capacities are adapted by the Missing Volume (2 MW) as follows:
  - Related to Transaction 1: The new Contracted Capacity is equal to $[2 - 0] = 2\ MW$
  - Related to Transaction 2: The new Contracted Capacity is equal to $[7 - 2] = 5\ MW$

- **Communication of the pre-delivery control results:**

	Results of the pre-delivery control at $t_{control\ 1}$
Pre-delivery Obligation	10 MW
Missing Volume	2 MW
%Missing Volume	20 %
Financial penalties	27.000€
Updated Capacity Contract	Related to Transaction 1: 2 MW over 3 years Related to Transaction 2: 5 MW over 3 years

A Capacity Contract is always adapted for his entire Transaction Period.

17.2.6. ANNEX B.6: IMPACTS ON THE CAPACITY CONTRACT FOR A VIRTUAL CMU

The three following sections aims to describe an example of a situation that can happen to a Victual CMU and that can lead to an adaptation of the Capacity Contract because of a Missing Volume identified at time $t_{control\ 1}$.

17.2.6.1. Step 1: Prequalification

The information related to the specific Prequalification Process of the VCMU are presented below:

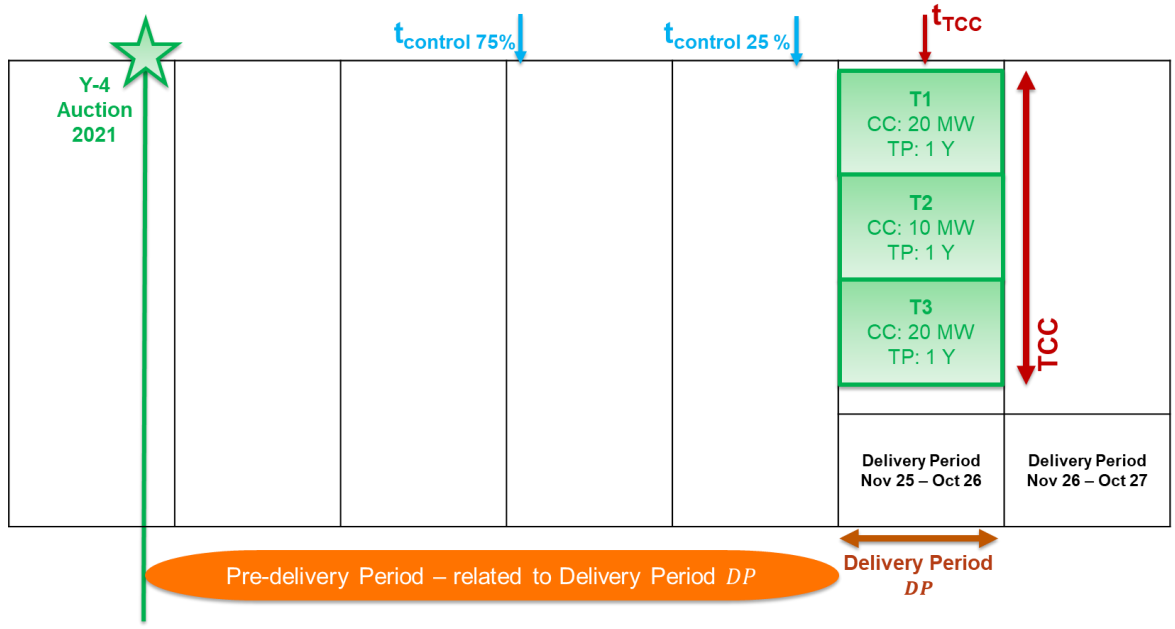
$$Declared\ Eligible\ Volume = 50\ MW$$

17.2.6.2. Step 2: Auction

The results of the Auction are gather in the table below:

	Transaction 1	Transaction 2	Transaction 3
Selected Bid volumes	20 MW	10 MW	20 MW
Capacity contract duration	1 year	1 year	1 year
Transaction Periods	Nov 2025 – Oct 2026	Nov 2025 – Oct 2026	Nov 2025 – Oct 2026

The three Transactions made by the Capacity Provider via the Primary Market are illustrated in the following diagram:



17.2.6.3. Step 3: Pre-delivery control

17.2.6.3.1. Prequalification of Existing CMU(s) before $t_{control\ 1}$

Three Existing CMUs are prequalified by the Capacity Provider during the Pre-delivery Period, prior to $t_{control\ 1}$.

The prequalification results of these three CMUs are gathered in the below table:

	CMU 1	CMU 2	CMU 3
Nominal Reference Power	25,02 MW	4,5 MW	5,15 MW
Opt-Out Volume	0 MW	0 MW	0 MW
Reference Power	25,02 MW	4,5 MW	5,15 MW
Derating Factor	0,8	0,6	0,8
Eligible Volume	20,02 MW	2,7 MW	4,12 MW
Secondary Market Eligible Volume	25,02 MW	2,7 MW	4,12 MW

As mentioned in section 5.8.4.1.1, Derating Factors evolve over time. Below, you will find the evolution of the Derating Factors[38] related to CMU 1, 2 and 3 over the pre-delivery period:

	CMU 1	CMU 2	CMU 3
31/03/2021 – 30/03/2022	0,8	0,62	0,78
31/03/2022 – 30/03/2023	0,81	0,6	0,8
31/03/2023 – 30/03/2024	0,81	0,6	0,81
31/03/2024 – 30/03/2025	0,82	0,63	0,81
31/03/2025 – 30/03/2026	0,83	0,64	0,85

From the moment the Existing CMUs are prequalified, the Capacity Provider uses the Secondary Market to transfer the Contracted Capacities related to the Transaction(s) on the VCMU towards the associated Existing CMU(s). The Capacity Provider decides to make 4 Transactions:

- Transaction 4: CMU 1 takes over all (20 MW) obligations of Transaction 1

  → Contracted **Capacity of selected volume 1** becomes equal to [20 – 20] = **0 MW**
- Transaction 5: CMU 1 takes over 5,02 MW of the obligations of Transaction 3

  → Contracted Capacity of selected volume 3 becomes equal to [20 – 5,02] = 14,98 MW
- Transaction 6: CMU 2 takes over 2,7 MW of the obligations of Transaction 3

  → Contracted Capacity of selected volume 3 becomes equal to [14,98 – 2,7] = 12,28 MW
- Transaction 7: CMU 3 takes over 4,12 MW of the obligations of Transaction 3

  → **Contracted Capacity of selected volume 3** becomes equal to [12,28 – 4,12] = **8,16 MW**

[38] These values are purely fictive.

17.2.6.3.2. Pre-delivery Control at $t_{control\ 1}$

- **Determination of the Pre-delivery Obligation:**

$$PreDelivery\ Obligation_1$$

$$= 75\% \times Total\ Contracted\ Capacity_{max}(CMU, DP)$$

$$= 75\ \% \times (20\ MW + 10\ MW + 20\ MW)$$

$$= 37{,}5\ MW$$

- **Determination of the prequalified volume:**

$$prequalified\ volume_1$$

$$= \sum_{i=1}^{n} [Reference\ Power\ (CMU_i) \times Derating\ Factor(CMU_i; t_{bid})]$$

$$= [25{,}02 \times 0{,}8] + [4{,}5 \times 0{,}62] + [5{,}15 \times 0{,}78]$$

$$= 20{,}02 + 2{,}79 + 4{,}02$$

$$= 26{,}83\ MW$$

- **Determination of the Missing Volume:**

$$Missing\ volume_1$$

$$= Max(0\ ; [PreDelivery\ Obligation_1] - [prequalified\ volume_1])$$

$$= Max\ (0\ ;\ [37{,}5 - 26{,}83])$$

$$= Max\ (0\ ;\ [10{,}67])$$

$$= 10{,}67\ MW$$

$$\%Missing\ volume_1$$

$$= \frac{Missing\ volume_1}{[PreDelivery\ Obligation_1]}$$

$$= \frac{10{,}67}{37{,}5}$$

$$= 28{,}45\ \%$$

- **Evaluation of the financial penalties and the impact on the Capacity Contract:**

$$Financial\ penalty_{\ 1}$$

$$= 75\% \times 20.000 \times Missing\ volume_1 \times Total\ Contracted\ Capacity_{max}(CMU, DP)$$

$$= 75\% \times 20.000 \times 28{,}45\% \times (20 + 10 + 20)$$

$$= 213.375\ €$$

At $t_{control\ 1}$, in addition to the financial penalty, a Missing Volume leads to an adaptation of the Contracted Capacities by the corresponding Missing Volume. In case the Contracted Capacities for a VCMU are associated to more than one Transactions, the adaptation of the Contracted Capacities is done pro-rata on the remaining volume of the Contracted Capacities related to the VCMU.

The initial volume of the Contracted Capacities is as follows:

- Related to Transaction 1: 20 MW
- Related to Transaction 2: 10 MW
- Related to Transaction 3: 20 MW

According to the information coming from Transaction made by the Capacity Provider via the Secondary Market, the remaining volume of the Contracted Capacities related to the VCMU is as follows:

- Related to Transaction 1: 0 MW

- Related to Transaction 2: 10 MW
- Related to Transaction 3: 8,16 MW

The contracted capacities are therefore adapted pro-rata by the Missing Volume which is equal to 10,67 MW):

- Related to Transaction 1: The new Contracted Capacity is equal to 0 MW
- Related to Transaction 2: The new Contracted Capacity is equal to $\left[10 - \frac{10{,}67 \times 10}{10+8{,}16}\right] = 5{,}88\ MW$
- Related to Transaction 3: The new Contracted Capacity is equal to $\left[8{,}16 - \frac{10{,}67 \times 8{,}16}{10+8{,}16}\right] = 4{,}79\ MW$

- **Communication of the pre-delivery control results:**

	Results of the pre-delivery control at $t_{control\ 1}$
Pre-delivery Obligation	37,5 MW
Prequalified volume	26,83 MW
Missing Volume	10,67 MW
%Missing Volume	28,45%
Financial penalties	213.375 €
Updated Capacity Contracts	Related to Transaction 2 : 5,88 MW over 1 year Related to Transaction 3: 4,79 MW over 1 year

17.2.7. ANNEX B.7: PARTIAL EXISTING PRE-DELIVERY CONTROL

For each Delivery Period DP, an Additional CMU is subject to two types of pre-delivery control:

- The first one which is described in section 7.3.2; and
- The second one which is described in this annex.

The purpose of the pre-delivery control described in this annex – referred to hereafter as the "partial existing pre-delivery control" – is to verify that the Capacity Provider provided accurate information in his quarterly reports.

The partial existing pre-delivery control respects the test modalities described hereunder:

- It is realized at CMU level (one CMU at a time);
- It is related to one Delivery Period DP;
- It is performed once by ELIA at $t_{control\,2}$.

This partial existing pre-delivery control is divided in 6 steps:

- **Step 1: Determination of the Pre-delivery Obligation**

  The Pre-delivery Obligation related to the partial existing pre-delivery control is equal to the difference between the Pre-delivery Obligation defined in section 7.3.1.1.1 and the last Missing Volume declared by the Capacity Provider in one of his quarterly report.

- **Step 2: Determination of the Delivery Point's Pre-delivery Measured Power**

  In the event that the Additional CMU became an Existing CMU at $t_{control\,2}$, ELIA follows exactly the same procedure as described in section 7.3.1.1.2 to determine the Pre-delivery Measured Power.

  The only difference in case the Additional CMU did not yet become an Existing CMU but it includes one or more Delivery Point(s) which already respects the metering requirements, is that ELIA does not only evaluate the Pre-delivery Measured Power of each the Existing Delivery Point part of the CMU but of all the Delivery Points which respect the metering requirements (even if it is Additional Delivery Points). In this situation, ELIA therefore needs the EAN of all the Delivery Point(s) which respect(s) the metering requirements to properly evaluate the Pre-delivery Measured Power. It is therefore the Capacity Provider's responsibility to provide this(these) EAN code(s) in the Prequalification File of the Additional CMU.

- **Step 3: Determination of the CMU's Pre-delivery Measured Power**

  To determine the pre-delivery Measured Power of the CMU, ELIA uses the same formula as in section 7.3.1.1.3.

- **Step 4: Step 4: Determination of the Missing Volume**

  To determine the Missing Volume, ELIA uses the same formula as in section 7.3.1.1.4.

- **Step 5: Determination of the financial penalties**

  In case a positive Missing Volume is identified via the partial existing pre-delivery control, ELIA/Contractual Counterparty applies a financial penalty. To determine the amount of this financial penalty ELIA uses the same formula as in section 7.3.2.2.1 (the ones for a Missing Volume declared between $t_{control\,1}$ and $t_{control\,2}$) while considering that the $\%Missing\ Volume$ of the formula in section 7.3.2.2.1 is equal to one hundred percent.

- **Step 6: Pre-delivery control results notification**

The notification of the (provisional) results – contestation process included – of the partial existing pre-delivery control follows the same rules and timings as described in section 7.3.1.1.5.

17.3. ANNEX C: SECONDARY MARKET PROCESS

17.3.1. ANNEX C.1: SECONDARY MARKET EXCHANGE MANDATE FORM

Prequalified CRM Candidate / Capacity Provider:
[[•]*(mandatory field)*]
Prequalified CRM Candidate ID, as specified in the CRM IT Interface during the Prequalification Process / Capacity Provider ID, as specified in his Capacity Contract annex A, and as specified in the CRM IT Interface:
[[•]*(mandatory field)*]
Address:
[[•]*(mandatory field)*]
Represented by:
[[•]*(mandatory field)*]
Function:
[[•]*(mandatory field)*]

Hereafter the "**Prequalified CRM Candidate / Capacity Provider**"

And,

Exchange:
[[•]*(mandatory field)*]
Address:
[[•]*(mandatory field)*]
Represented by:
[[•]*(mandatory field)*]
Function:
[[•]*(mandatory field)*]

Hereafter the "**Exchange**".

Please select the appropriate option:

☐ Option A. Secondary Market Exchange Mandate granting: The **Prequalified CRM Candidate / Capacity Provider** gives a Secondary Market Exchange Mandate to the **Exchange** in order to notify Secondary Market transactions in the CRM as of **[[•]*(mandatory field)*]**. The Exchange commits to comply with the Exchange definition of the CRM. Any modification leading to a non-compliance to the Exchange definition will lead to an automatic and immediate revocation of the mandate.

Or,

☐ Option B. Secondary Market Exchange Mandate revocation: The **Prequalified CRM Candidate / Capacity Provider** revokes unilaterally the ongoing Secondary Market Exchange Mandate given to the **Exchange**.

For the Prequalified CRM Candidate / Capacity Provider, Read and approved, Name:	For the Exchange, Read and approved, Name:

Function: Place: Date: Signature:	Function: Place: Date: Signature:

17.4. ANNEX D: FINANCIAL SECURITIES

17.4.1. ANNEX D.1: STANDARD BANK GUARANTEE FORM ASSOCIATED WITH THE FUNCTIONING RULES [●]

Bank guarantee at first request issued by **[●]** in favour of: **[●] (name of the Contractual Counterparty to be added)**, hereafter called the Beneficiary, in the context of the Capacity Remuneration Mechanism introduced by article 7undecies of the Belgian Act of 29 April 1999 on the organization of the electricity market (hereafter called the Electricity Act).

Our payment guarantee references: **[●] (to be filled in by the financial institution)** (to be mentioned in all correspondence).

(Select one of the two paragraphs below: the first paragraph applies to a Transaction on the Primary Market, the second paragraph to a transaction on the Secondary Market).

[Our client **[●] (name of the CRM Candidate/Capacity Provider)** informs us that on **[●] (date of foreseen submission of Prequalification File)** it will submit a Prequalification File with the reference **[●]** to Elia Transmission Belgium NV/SA for the CMU with identification number **[●]** (**identification number of the Capacity Market Unit)** in relation to the Functioning Rules[39] referred to in article 7undecies of the Electricity Act.**]**

OR: **[**Our client **[●] (name of the CRM Candidate/Capacity Provider)** informs us that on **[●] (date of the foreseen notification of transaction on the Secondary Market)** it will notify to Elia Transmission Belgium NV/SA a Secondary Market transaction with the reference **[●]** for the CMU with identification number **[●] (identification number of the Capacity Market Unit)** in relation to the Functioning Rules referred to in article 7undecies of the Electricity Act.**]**

The terms of the Functioning Rules provide for the issue of an irrevocable bank guarantee payable at first demand for the amount of **[●] (Euro and amount in figures and words)** in order to secure the requested and punctual fulfilment by our client of its obligations in respect of the pre-delivery control processes with respect to the CMU **[**or, as the case may be, (a) future CMU(s) of our client to which the obligations of a Virtual CMU are transferred**] (to be added for a Virtual CMU)**.

Accordingly we, **[●]** (**to be filled in by the financial institution**), hereby irrevocably and unconditionally undertake to pay, in one or more payments, the amount of which corresponds to the penalty applied to the non-fulfilment of a pre-delivery obligation, up to a maximum amount of **[●] (Euro and amount in figures and words)** upon a simple request on the Beneficiary's part and being unable to dispute the grounds for such payment.

This guarantee shall enter into force as of today.

This guarantee can only be invoked by the Beneficiary as of **[**the publication of the Auction results (validated by CREG), confirming the selection of (part of) the CMU in the Auction**]** ***OR:,*** **[**the notification by the Beneficiary to our client of the validation of a transaction for (part of) its CMU in the Secondary Market**].** We are aware that the pre-delivery obligations of our client are monitored in an undivided way on the level of a CMU and that our obligations under this guarantee is proportionately limited to the part that the capacity covered by this guarantee takes in that CMU, as the case may be.

To be valid, any invoking of this guarantee respects the following modalities:

- Must reach us by ten Working Days after **[●] (expiry date of the guarantee)**; and

[39] Terms in this template starting with a capital letter, if not already defined in this template, are defined terms under the Functioning Rules.

- Be accompanied by **[**the publication of the Auction results (validated by CREG), confirming the selection of its CMU in the auction**]**, ***OR:*** **[**the notification by the Beneficiary to our client of the validation of a transaction in the Secondary Market**]**; and

- Be accompanied by the Beneficiary's written statement to the effect that our client has not fulfilled its pre-delivery obligations under the Functioning Rules, as further specified, as the case may be, in a Capacity Contract with respect to the CMU, **[**or, as the case may be, (a) future Capacity Market Unit(s) of our client to which the obligations of a Virtual CMU are transferred**] (to be added for a Virtual CMU)** and has not made the payment(s) concerned on the due date; and

- Be accompanied by a copy of the unpaid due invoiced penalties and a copy of the Beneficiary's letter of default.

If the guarantee is not invoked in accordance with the conditions stated above or unless an extension is granted as approved by us, this guarantee automatically becomes null and void on the first calendar day after **[●] (expiry date of the guarantee)**.

This guarantee is governed by and interpreted in accordance with Belgian law and only the Belgian tribunals and courts shall be competent to resolve any disputes with regard to this guarantee.

Signature

Function:

Date:

17.4.2. ANNEX D.2: APPENDIX B: STANDARD PARENT COMPANY GUARANTEE FORM ASSOCIATED WITH THE FUNCTIONING RULES [●]

Guarantee at first request issued by **[●]** in favour of: **[●] (name of the Contractual Counterparty to be added)**, hereafter called the Beneficiary, in the context of the Capacity Remuneration Mechanism introduced by article 7undecies of the Belgian Act of 29 April 1999 on the organization of the electricity market (hereafter called the Electricity Act).

Our payment guarantee references: **[●] (to be filled in by the parent company)** (to be mentioned in all correspondence).

(Select one of the two paragraphs below: the first paragraph applies to a Transaction on the Primary Market, the second paragraph to a transaction on the Secondary Market).

[Our subsidiary **[●] (name of the CRM Candidate/Capacity Provider)** informs us that on **[●] (date of foreseen submission of Prequalification File)**) it will submit a Prequalification File with the reference **[●]** to Elia Transmission Belgium NV/SA for the CMU with identification number **[●] (identification number of the Capacity Market Unit)** in relation to the Functioning Rules[40] referred to in article 7undecies of the Electricity Act.**]**

OR: **[**Our subsidiary **[●] (name of the CRM Candidate/Capacity Provider)** informs us that on **[●] (date of the foreseen notification of transaction on the Secondary Market)** it will notify to Elia Transmission Belgium NV/SA a Secondary Market transaction with the reference **[●]** for the CMU with identification number **[●] (identification number of the Capacity Market Unit)** in relation to the Functioning Rules referred to in article 7 undecies of the Electricity Act.**]**

The terms of the Functioning Rules provide, as an alternative to an irrevocable bank guarantee payable at first demand, for the issue of an irrevocable parent company guarantee payable at first demand for the amount of **[●]** (**Euro and amount in figures and letters**) in order to secure the requested and punctual fulfilment by our subsidiary of its obligations in respect of the pre-delivery control processes with respect to the CMU **[**or, as the case may be, (a) future Capacity Market Unit(s) of our subsidiary to which the obligations of a Virtual CMU are transferred**] (to be added for a Virtual CMU)**.

Accordingly we, **[●] (to be filled in by the parent company)**, hereby irrevocably and unconditionally undertake to pay, in one or more payments, the amount of which corresponds to the penalty applied to the non-fulfilment of a pre-delivery obligation, up to a maximum amount of **[●]** (Euro and amount in both figures, and words) upon a simple request on Beneficiary's part and being unable to dispute the grounds for such payment. A legal opinion provided by an internationally recognized law firm should confirm that the guarantee is legal, valid, binding and enforceable under the applicable law.

This guarantee shall enter into force as of today.

This guarantee can only be invoked by the Beneficiary as of **[**the publication of the Auction results (validated by CREG), confirming the selection of (part of) its CMUs in the Auction**]** ***OR:,*** **[**the notification by the Beneficiary to our subsidiary of the validation of a transaction for (part of) its CMU in the Secondary Market**]**. We are aware that the pre-delivery obligations of our subsidiary are monitored in an undivided way on the level of a CMU and that our obligations under this guarantee is proportionately limited to the part that the capacity covered by this guarantee takes in that CMU, as the case may be.

To be valid, any invoking of this guarantee respects the following modalities:

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[40] Terms in this template starting with a capital letter, if not already defined in this template, are defined terms under the Functioning Rules.

- Must reach us by ten Working Days after the **[●] (expiry date of the guarantee)**; and
- Be accompanied by **[**the publication of the Auction results (validated by CREG), confirming the selection of its CMU in the Auction**]**, ***OR:*** **[**the notification by the Beneficiary to our subsidiary of the validation of a transaction in the Secondary Market**]**; and
- Be accompanied by the Beneficiary's written statement to the effect that our subsidiary has not fulfilled its pre-delivery obligations under the Functioning Rules, as further specified, as the case may be, in a Capacity Contract with respect to a CMU **[**or, as the case may be, future Capacity Market Unit(s) of our subsidiary to which the obligations of the Virtual CMU are transferred**]** and has not made the payment(s) concerned on the due date; and
- Be accompanied by a copy of the unpaid due invoiced penalties and a copy of the Beneficiary's letter of default.

If the guarantee is not invoked in accordance with the conditions stated above or unless an extension is granted as approved by us, this guarantee automatically becomes null and void on the first calendar day after **[●] (expiry date of the guarantee)**.

This guarantee is governed by and interpreted in accordance with Belgian law and only the Belgian tribunals and courts shall be competent to resolve any disputes with regard to this guarantee.

Signature

Function:
Date:

17.4.3. ANNEX D.3: ILLUSTRATION OF EVOLUTION IN TIME

The Financial Security Volume for one CMU can change over time in function of his Transactions on the Primary Market and/or on the Secondary Market as illustrated by the fictive examples below.

17.4.3.1. Example of Transactions in the Primary Market

In this example, the Capacity Provider closes three consecutive Transactions in the Primary Market: in the Y-4 Auction in 2021 (for Delivery Period starting in 2025 DP_{25}), the Y-4 Auction in 2022 (for Delivery Period starting in 2026 DP_{26}) and in the Y-1 Auction in 2024 (for Delivery Period starting in 2025 DP_{25}), as illustrated in Figure 1 below.

The figure below also shows that:

- A Validity Period is always linked to a Transaction.
- Overlapping Validity Periods are possible.
- The maximal Total Contracted Capacity over a Delivery Period varies over time in function of Transactions on the Primary Market.

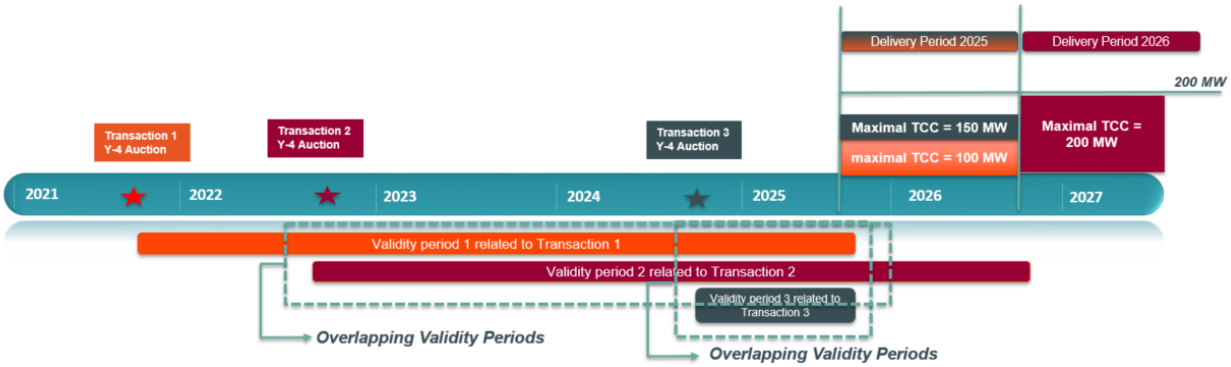

Figure 1: Overview of 3 consecutive Transactions on the Primary Market

Transaction 1

For the Y-4 Auction in October 2021 and the Delivery Period starting in 2025, the CRM Candidate prequalifies 150MW for a CMU, of which 100 MW is finally selected in the Auction.

Parameter	Value
Year Y-4 Auction	October 2021
Validity Period related to the Transaction	October 2021 – October 2025
Start Delivery Period	November 2025
Eligible Volume (after the Prequalification Process)	150 MW
Contracted Capacity (after the Auction)	100 MW

At any moment *t* of the Validity Period 1, associated to Transaction 1, the Financial Security Volume should be covered by a Financial Security. This Financial Security Volume is calculated as follows:

At the moment of Prequalification File submission:

The maximal Total Contracted Capacity over DP_{25} is calculated on the assumption that the maximum volume that is prequalified, would be selected in the Auction.

- *Validity Period 1: From October 2021 until October 2025:*

Any moment *t* between October 2021 and October 2025 is part of Validity Period 1 that relates to the Delivery Period starting in 2025. The Financial Security Volume therefore equals the maximal Total Contracted Capacity over DP_{25} :

$$Financial\ Security\ Volume\ (CMU, t) = Total\ Contracted\ Capacity_{max}(CMU, DP_{25}) = 150\ MW$$

At the moment of signing of the Capacity Contract:

- The maximal Total Contracted Capacity over DP_{25} and thus the Financial Security Volume is reduced to 100MW at any moment during the Validity Period 1:

$$Financial\ Security\ Volume\ (CMU, t) = Total\ Contracted\ Capacity_{max}(CMU, DP_{25}) = 100\ MW$$

Transaction 2

For the Y-4 Auction in October 2022 and the Delivery Period starting in 2026, the CRM Candidate renews the prequalification of the CMU for an Eligible Volume of 200 MW, of which 200 MW is finally selected in the Auction.

Parameter	Value
Year Y-4 Auction	October 2022
Validity Period related to the Transaction	October 2022 – October 2026
Start Delivery Period	November 2026
Eligible Volume (after the Prequalification Process)	200 MW
Contracted Capacity (after the Auction)	200 MW

At any moment *t* of the Validity Period 2, associated to Transaction 2, the Financial Security Volume should be covered by a Financial Security. The Financial Security Volume is calculated as follows:

At the moment of Prequalification File submission:

- It concerns the second Transaction for the CMU, so the previous Transaction is to be taken into account to calculate the maximal Total Contracted Capacity over a Delivery Period.
- The maximal Total Contracted Capacity over DP_{26} is calculated on the assumption that the maximum volume that is prequalified, would be selected in the Auction.

Part 1 of Validity Period 2: From October 2022 until October 2025:

Any moment *t* between October 2022 and October 2025 is part of Validity Period 1 and Validity Period 2 that relate to the Delivery Period starting in 2025 and 2026 respectively. The Financial Security Volume therefore equals the maximum of the maximal Total Contracted Capacity over DP_{25} and the maximal Total Contracted Capacity over DP_{26}.

$$\begin{aligned} &Financial\ Security\ Volume(\ CMU, t) \\ &= Max\left(Total\ Contracted\ Capacity_{max}(CMU, DP_{25})\ ;\ Total\ Contracted\ Capacity_{max}(CMU, DP_{26})\right) \\ &= Max\ (100\ MW\ ;\ 200\ MW) = 200\ MW \end{aligned}$$

Part 2 of Validity Period 2: From November 2025 until October 2026 :

Any moment *t* between October 2025 and October 2026 is only part of Validity Period 2 that relates to the Delivery Period starting in 2026. The Financial Security Volume therefore equals the maximal Total Contracted Capacity over DP_{26}.

$$Financial\ Security\ Volume\ (CMU, t) = \ Total\ Contracted\ Capacity_{max}(CMU, DP_{26}). = 200\ MW$$

At the moment of signing of the Capacity Contract:

The full Eligible Volume was selected in the Auction, so the Financial Security Volumes above remain unchanged.

Transaction 3

For the Y-1 Auction in October 2022 and the Delivery Period starting in 2025, the CRM Candidate renews the prequalification for the CMU for a Remaining Eligible Volume of 100 MW, of which 50 MW is finally selected in the Auction.

Parameter	Value
Year Y-1 Auction	October 2024
Validity Period related to the Transaction	October 2024 – October 2025
Start Delivery Period	November 2025
Remaining Eligible Volume (after the Prequalification Process)	100 MW
Contracted Capacity (after the Auction)	50 MW

At any moment *t* of the Validity Period 3, associated to Transaction 3, the Financial Security Volume should be covered by a Financial Security. The Financial Security Volume is calculated as follows:

At the moment of Prequalification File submission:

- It concerns the third Transaction for the CMU, so the previous Transactions are to be taken into account to calculate the maximal Total Contracted Capacity over a Delivery Period.
- The maximal Total Contracted Capacity over DP_{25} is calculated on the assumption that the maximum volume that is prequalified, would be selected in the Auction.

Validity Period 3 : From October 2024 until October 2025:

Any moment *t* between October 2024 and October 2025 is part of Validity Period 1, Validity Period 2 and Validity Period 3 that relate to the Delivery Periods starting in 2025 and 2026. The Financial Security Volume therefore equals the maximum of the maximal Total Contracted Capacity over DP_{25} and the maximal Total Contracted Capacity over DP_{26}.

$$Financial\ Security\ Volume(\ CMU, t)$$
$$= Max\left(Total\ Contracted\ Capacity_{max}(CMU, DP_{25})\ ;\ Total\ Contracted\ Capacity_{max}(CMU, DP_{26})\right)$$
$$= Max\ (200\ MW\ ; 200\ MW) = 200\ MW$$

- ➔ No additional Financial Security is to be provided for this Transaction as the Financial Security Volume has not increased.

-

At the moment of signing of the Capacity Contract:

- The Contracted Capacity is lower than the Remaining Eligible volume, so the Financial Security is calculated as follows:

$$Financial\ Security\ Volume(\ CMU, t)$$
$$= Max\left(Total\ Contracted\ Capacity_{max}(CMU, DP_{25})\ ;\ Total\ Contracted\ Capacity_{max}(CMU, DP_{26})\right)$$
$$= Max\ (150\ MW\ ; 200\ MW) = 200\ MW$$

- ➔ No additional Financial Security is to be provided as no increase of the Financial Security

Volume.

Conclusion

During the overlapping Validity Periods, no double Financial Security obligation applies, only the maximum Total Contracted Capacity over the related Delivery Periods is to be covered.

17.4.3.2. Example of Transactions in the Secondary Market

In this example, the Capacity Provider closes 3 consecutive Transactions, starting with a Transaction in the Primary Market (Y-4 Auction in 2021), followed by 2 Transactions in the Secondary Market.

The figure below shows that the maximal Total Contracted Capacity can change within a Delivery Period in function of Transactions on the Secondary Market.

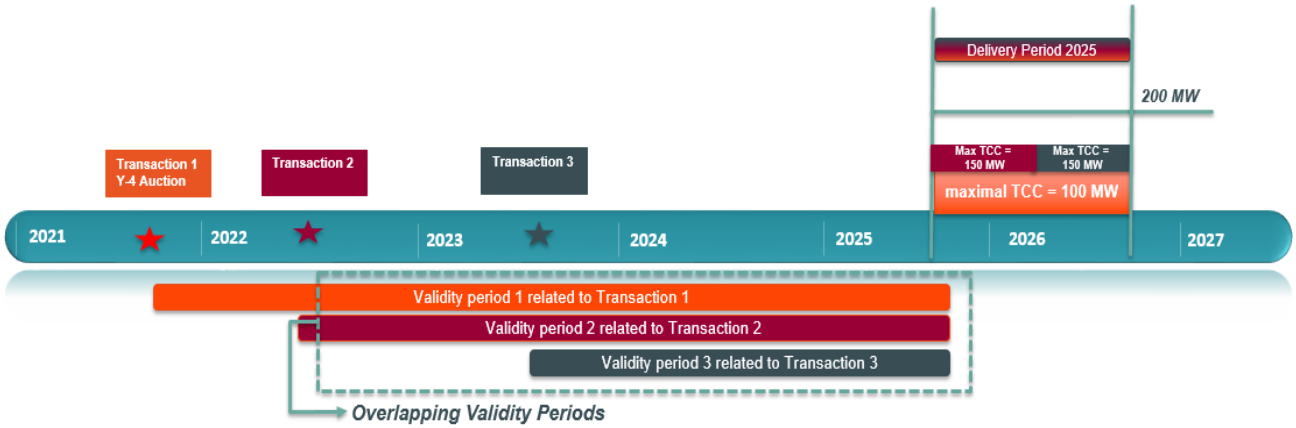

Figure 2: Overview of 3 consecutive Transactions on the Primary Market or the Secondary Market

Transaction 1

Transaction 2

As a second Transaction, the Capacity Provider buys an additional volume of 50MW for the CMU on the Secondary Market at a Transaction Date before the start of the Delivery Period containing the start date of the Transaction Period. The Transaction Period covers the first 6 months of the Delivery Period starting in 2025.

At any moment *t* of the Validity Period 2, associated to Transaction 2, the Financial Security Volume should be covered by a Financial Security. The Financial Security Volume is calculated as follows:

At the moment of notification of the transaction on the Secondary Market:

- It concerns the second Transaction for the CMU, so the previous Transaction is to be taken into account to calculate the maximal Total Contracted Capacity for a Delivery Period.
- The maximal Total Contracted Capacity over DP_{25} is calculated on the assumption that ELIA approves the notified transaction.

Validity Period 2: From the moment of approval until October 2025

Any moment *t* between the moment of approval and October 2025 is part of Validity Period 1 and Validity Period 2 that both relate to the Delivery Period starting in 2025. The Financial Security Volume therefore equals the maximal Total Contracted Capacity over DP_{25}.

$$Financial\ Security\ Volume(\ CMU, t) = (Total\ Contracted\ Capacity_{max}(CMU, DP_{25})\ )$$

$$= 150\ MW$$

At the moment of signing of the Capacity Contract:

The transaction on the Secondary Market was approved, so the Financial Security Volume above remains unchanged.

Transaction 3

As a third Transaction, the Capacity Provider buys an additional volume of 50MW for the CMU on the Secondary Market at a Transaction Date before the start of the Delivery Period containing the start date of the Transaction Period. The Transaction Period covers the last 6 months of the Delivery Period starting in 2025.

At any moment *t* of the Validity Period 3, associated to Transaction 3, the Financial Security Volume should be covered by a Financial Security. The Financial Security Volume is calculated as follows:

At the moment of notification of the transaction on the Secondary Market:

- It concerns the third Transaction for the CMU, so the previous Transactions are to be taken into account to calculate the maximal Total Contracted Capacity over a Delivery Period.
- The maximal Total Contracted Capacity over DP_{25} is calculated on the assumption that ELIA approves the notified transaction.

Validity Period 3 : From the moment of approval of the transaction until October 2025

Any moment *t* between the moment of approval and October 2025 is part of Validity Period 1, Validity Period 2 and Validity Period 3 that all relate to the Delivery Period starting in 2025. The Financial Security Volume therefore equals the maximal Total Contracted Capacity over DP_{25}.

$$Financial\ Security\ Volume(\ CMU, t) = (Total\ Contracted\ Capacity_{max}(CMU, DP_{25})\ )$$

$$= 150\ MW$$

➔No additional Financial Security is to be provided to cover the third Transaction as the Financial Security Volume is not increased.

At the moment of signing of the Capacity Contract:

- The transaction on the Secondary Market was approved, so the Financial Security Volume above remains unchanged.

Conclusion

As a result of Transactions on the Secondary Market, the Total Contracted Capacity can be different within a certain Delivery Period. During the related Validity Period(s), the Financial Security Volume is always calculated in function of the maximal Total Contracted Capacity over the Delivery Period.

17.5. ANNEX E: TRANSPARENCY

17.5.1. ANNEX E.1: OVERVIEW OF THE OPT-OUT VOLUMES IN THE AUCTION REPORT

The annex represents the information on the Opt-out Volumes that at least will be presented in the Auction report. However, the type of information that is provided can be extended (e.g. graphs, figures, etc.), building further around the same kind of data.

17.5.1.1. For every Auction report related to a Y-4 Auction

	Additional CMUs	**Existing CMUs**					
	Total	***Definitive notification***	***Temporary notification***	***Grid constraints***			***Other***
				G-flex	Conditional agreement		
					IN	OUT	
Opt-out Volumes (MW)							

In addition, the total Opt-out Volume contributing to adequacy ("IN") (derated) and the total Opt-out Volume related to a fast track Prequalification Process will be published separately.

17.5.1.2. For every Auction report related to a Y-1 Auction

	Additional CMUs	**Existing CMUs**						
	Total	***Definitive notification***	***Temporary notification***	***Grid constraints***			***Other***	
				G-flex	Conditional agreement		IN	OUT
					IN	OUT		
Opt-Out Volumes (MW)								

In addition, the total Opt-out Volume contributing to adequacy ("IN") (derated) and the total Opt-

out Volume related to a fast track Prequalification Process will be published separately.

17.5.2. ANNEX E.2: OVERVIEW OF THE INFORMATION ON THE SUBMITTED BIDS IN THE A UCTION REPORT

The annex represents the information on the submitted Bids that at least will be presented in the Auction report. However, the type of information that is provided can be extended (e.g. graphs, figures, etc.), building further around the same kind of data.

17.5.2.1. Bid information

		Submitted Bids (MW)
Bid volume weighted average price	Subject to IPC	
	Not subject to IPC	
Average capacity volume		
Total number of Bids	Total	
	Of which mutually exclusive (in %)	
Total volume of mutually exclusive Bids		
Maximum volume of mutually exclusive Bids that can be selected		
Total number of CMUs		
Total number of unique CRM Candidates		

17.5.2.2. Capacity volume information

			Submitted Bids (MW)
Total capacity volumes	Total		
Capacity Contract Duration	15 years		
	14 years		
	13 years		
	12 years		
	11 years		
	10 years		
	9 years		
	8 years		
	7 years		
	6 years		
	5 years		
	4 years		
	3 years		
	2 years		
		IPC	

	1 year	No IPC	
CMU Status	Existing		
	Additional		
	Virtual		
Technology classes	*In function of categories in Royal Decree on Methodology.*		
Type of connection	TSO-connected		
	DSO-connected		
	Unproven Capacity		

17.5.3. ANNEX E.3: OVERVIEW OF THE INFORMATION ON THE SELECTED BIDS IN THE AUCTION REPORT

The annex represents the information on the selected Bids that at least will be presented in the Auction report. However, the type of information that is provided can be extended (e.g. graphs, figures, etc.), building further around the same kind of data.

17.5.3.1. Bid information

		Selected Bids (MW)
Bid volume weighted average price	Subject to IPC	
	Not subject to IPC	
Average capacity volume		
Total number of Bids		
Total number of CMUs		
Total number of unique CRM Candidates		

17.5.3.2. Auction clearing price

Auction price (EUR/MW)

17.5.3.3. Capacity volume information

		Selected Bids (MW)
Total capacity volumes	Total	
Capacity Contract Duration	15 years	
	14 years	
	13 years	
	12 years	
	11 years	
	10 years	
	9 years	
	8 years	
	7 years	
	6 years	
	5 years	

	4 years		
	3 years		
	2 years		
	1 year	IPC	
		No IPC	
CMU Status	Existing		
	Additional		
	Virtual		
Technology classes	*In function of categories in Royal Decree on Methodology.*		
Type of connection	TSO-connected		
	DSO-connected		
	Unproven Capacity		

17.5.4. ANNEX E.4: OVERVIEW OF THE INFORMATION IN THE PRE-DELIVERY CONTROL REPORT

The annex represents the information on the pre-delivery controls that at least will be presented in the pre-delivery report. However, the type of information that is provided can be extended (e.g. graphs, figures, etc.), building further around the same kind of data.

	Contracted Capacities (in MW)	**Missing Volumes (in MW)**	
		Identified before Y-1 volume determination	Identified after Y-1 volume determination
Existing CMU			
Additional CMU			
Virtual CMU			

-

17.5.5. ANNEX E.5: OVERVIEW OF THE INFORMATION IN THE REPORT BEFORE THE START OF THE DELIVERY PERIOD

The annex represents the information on the Delivery Period that at least will be presented in the report. However, the type of information that is provided can be extended (e.g. graphs, figures, etc.), building further around the same kind of data.

	Information on Delivery Period starting on '1 Nov of Year x' until '31 Oct of Year x +1'		
	Contracted Capacities (in MW)	Calibrated Strike Price (in EUR/MW)	Calibrated AMT Price (in EUR/MW)
Y-4 Auction			
Y-1 Auction			
Contracted Capacities in earlier Auctions			