



**EXPLANATORY NOTE RELATED TO THE PUBLIC CONSULTATION ON  
THE PROPOSAL OF REVIEW OF THE TERMS AND CONDITIONS  
APPLICABLE TO PROVIDERS OF RESTORATION SERVICES (T&C RSP)  
AND PROCUREMENT PROCESS FOR RESTORATION SERVICES**

**ELIA**

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## TABLE OF CONTENTS

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<b>Table of Contents .....</b>	<b>3</b>
<b>Practical Information .....</b>	<b>4</b>
<b>Introduction.....</b>	<b>5</b>
<b>Terms and conditions for the Restoration Service Providers and Procurement process for restoration services explanation.....</b>	<b>6</b>
1. Structure of the T&C RSP.....	Error! Bookmark not defined.
2. Structure and content of the Procurement process for restoration services document Error! Bookmark not defined.	
3. Revision of the pricing structure.....	Error! Bookmark not defined.
4. Evaluation of the Black Start Service proposals .....	Error! Bookmark not defined.
5. Update of references .....	Error! Bookmark not defined.

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## PRACTICAL INFORMATION

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This note aims to contextualize the documents to be submitted by ELIA for approval to the CREG as required by Regulation EU 2017/2196 establishing a network code on electricity emergency and restoration (NC ER).

At the end of the public consultation, all comments will be made public on Elia's website, with an explanation of how Elia responded to these remarks or the reasons why they were not considered. Elia will respect the potential request for confidentiality and/or anonymity of respondents.

Comments concerning items outside the scope of the documents will not be considered by Elia.

The documents submitted for consultation can be consulted on the Elia website.

Stakeholders have one month to comment. Reactions must be sent no later than Monday 25/03/2024 using the online form available on the Elia website.

Questions relative to the consultation can be sent to the following email address: [consultations@elia.be](mailto:consultations@elia.be).

## INTRODUCTION

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### *Review of the Terms and Conditions applicable to providers of restoration service (T&C RSP)*

In accordance with Article 7 of the European Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a grid code for emergency and restoration of the electricity grid (E&R NC), Elia is conducting a formal public consultation on the proposed changes to the specific terms and conditions of the standard contract for restoration service providers.

The revision of the specific conditions of the T&C RSP follows CREG's decision (B) 2557 of 8<sup>th</sup> June 2023 approving the T&C currently in force. In this decision, the CREG indicates that the current T&C are applicable until the end of 2026 and that a new version must be submitted for approval for the contractual period starting in 2027.

The main changes to the T&C RSP are:

1. **Extending the participation** to the Black-start service to more units (e.g. combination of small CHP with large thermal unit) via extended **aggregation possibilities**.
2. Proposing a **new public procurement process (competitive dialogue)** for the Black-start service that will allow innovative solutions to be proposed by RSPs to deliver the service.
3. Changing the **settlement** of the Black-start service via the introduction of a **capital cost component** for the remuneration of the service.
  - Including relevant modalities related to the availability check and the settlement of Black-start tests.
4. Updating the **procurement procedures** and **awarding criteria**.
5. Updating the **structure of the contract** in line with the other contracts related to ancillary services.

The largest part of these changes are related to the Elia [design note](#) from 2018.

The T&C RSP contains a "General Conditions" section. These General Conditions were the subject of a public consultation in November 2021, common to all ancillary services, and were submitted to CREG for approval in March 2022. The current public consultation concerns only the changes to the Specific Conditions of the T&C RSP.

### *Procurement process for restoration services*

In application of Article 8 §1/1 of the Electricity Law, Elia is also submitting a proposal for the procurement process for providers of restoration services for public consultation. The changes in this proposal mainly relate to the new public procurement process and the introduction of the Capital cost.

Given the extent of the changes, this document describes the changes in the contract Section per Section. The changes in the Procurement Procedures are less extensive and will have a more high-level description in combination with a Track changes document.

## TERMS AND CONDITIONS FOR THE RESTORATION SERVICE PROVIDERS EXPLANATION

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### 1. CONDITIONS FOR THE RSP

This Section describes the modalities that the RSP needs to maintain throughout the duration of the contract.

The link to the Procurement Procedures is made in Art.2.1. This describes that all modalities in the Procurement Procedures need to remain valid throughout the duration of the contract.

Art. 2.2 governs the identification of the RSP. A new concept is also introduced here, the Lead Grid User. This is the Grid User of the Main Generator. This entity is identified because of the introduction of the Black Start PG. In the new setup multiple grid users can combine into 1 Black Start PG. To avoid complexity to assign an RSP, this role is given to the Lead Grid User.

Art. 2.3 Describes all documents that need to be filled out in function of the composition of the Black Start PG. 2.A assigns an RSP, 2.B covers the case of multiple grid users in the same Black Start PG. Finally, 2.C and 2.B respectively govern the CDSO and DSO declaration.

Art. 2.4 introduces a new requirement, namely cyber security. The reason is to give Elia more guarantees that the Black Start PG is protected to an adequate level against cyber-attacks. Elia refers here to the applicable laws and certificates.

Art. 2.5 describes the actions that need to be taken when there is a change of RSP.

The next subsection describes the control of Elia on the conditions described higher. If the RSP is no longer compliant he needs to notify Elia. Elia also has the right to evaluate during the contract duration if the RSP is still compliant. In either case, Elia will send a registered letter to the RSP which requires the RSP to become compliant again. If the RSP remains uncompliant Elia can proceed following Art. 11 of the General Conditions.

The final subsection describes the end of service and more specifically when a temporary or definitive closure of the Black Start PG is announced. The RSP needs to comply with the modalities of the Electricity Act, Art. 4bis.

### 2. CONDITIONS FOR BLACK START PROVIDING GROUPS

The next Section describes the modalities that the Black Start PG needs to comply with. Art. 3.1 describes that a TU can only be part of 1 active Black Start PG. This is to avoid a single point of failure.

Art. 3.3 describes how a Black Start PG should behave. In the end this means that the aggregations need to have a similar behavior to a single TU on the Elia grid when providing the Black Start Service.

Elia still requests the RSP to provide technical characteristics to Elia so Elia can have a good view on how the Black Start PG would function during a Black Start Activation.

Art., 3.5, groups all technical requirements to be able to deliver the Black Start Service. The main changes in this article are:

1. Move the Start-up Time requirements to this section.
2. Reduce the minimal reactive power absorption requirement to 20 MVar, but Elia will perform simulations on a case-by-case basis in order to adjust this upwards if needed.
3. The area in Figure 1 has been slightly enlarged in order to improve the stability of the Black Start Activation.
4. Because of the automatic introduction of renewable energy when the frequency is for more than 1 minute in the 49.9 – 50.1 range, Elia needs to restart the grid at a different frequency. As such Elia requires the Black Start PG to be able to handle the 47.5-51.5 Hz range.

Art. 3.6 and 3.7 regard the energy supply. Black Start PGs not relying on a LER need to have guarantees that there is a fuel supply that allows for full load operation. In case the Black Start PG is reliant on a LER, a minimal volume needs to be reserved at all times. This volume is defined during the Procurement Procedures.

Art. 3.8 describes the communication requirements for the RSP. It is clarified that Elia needs to contact the Black Start PG directly. On the other hand, the offline communication has been removed since it added no value to the Service delivery.

### 3. COMMUNICATION TEST AND PREQUALIFICATION TEST

This section describes the testing that the Black Start PG needs to do before the contract can take effect.

Art. 4.1 clarifies that the communication and prequalification test need to be executed in line with the requirements in the Test Plan. As long that this has not happened, the asset will be deemed Unavailable. Furthermore, as defined in Art. 4.2, the Communication test need to occur before the Prequalification test.

Art. 4.6 defines the modalities when the prequalification test does not need to be performed. This is only the case if the Service was delivered during the previous delivery period and no changes have occurred to the Black Start PG.

Art. 4.7 describe the simulations that the RSP need to deliver in order to assure Elia of the compliance with the Federal Grid code of all Technical Units in the Black Start PG. Black Start PGs that participated to the Service in the previous contract period are exempt.

### 4. AVAILABILITY STATUS OF NON-OPA TECHNICAL UNITS

The new design will also make use of the OPA availability status. However, given the fact that not necessarily all TUs in the Black Start PG fall under the OPA requirements, there are two separate sections, 1 for OPA TUs and 1 (this) for non-OPA TUs. For non-OPA TUs the



requirement remains for the RSP to inform Elia in case of any event that impacts the Black Start PGs ability to deliver the Service. If Elia does not receive any information, the asset will be assumed to be available.

## 5. AVAILABILITY STATUS OF OPA TECHNICAL UNITS

For OPA TUs, the OPA status will be used as a reference. However, events that occur that do impact the Black Start PGs ability to deliver the Service, but not put the OPA status to “Unavailable” still need to be notified to Elia.

## 6. AVAILABILITY STATUS OF A BLACK START PG

Based on the availability status of the TUs, Elia can also determine the availability status of the Black Start PG. If a TU is not available for the Black Start PG (Testing or Unavailable), and this means that the Black Start PG can no longer execute the Restoration Plan, the Black Start PG will be considered Unavailable.

Art. 7.2 adds onto this. If the LER of a Black Start PG with a LER drops below the minimal volume for 1 Qh, Elia will consider the Black Start PG to be Unavailable for the whole day.

Art. 7.3 similarly imposes that if a Black Start PG was unavailable for longer than 48 Qh of a Day, then the asset will be put to Unavailable for the whole day.

Art. 7.4 and Art.7.5 concern planned outages of the Black Start PGs. Since Elia needs to, at all times, be able to restore the grid, only 1 planned outage should occur at the same time.

## 7. ACTIVATION OF THE START-UP

This Section makes the link between the Restoration Plan and the T&C RSP.

## 8. CAPABILITY TESTING

This Section describes the capability testing that needs to be performed during the Delivery period in order to make sure that the Black Start PGs are able to execute the Restoration plan. This is done via the modalities described in the Test Plan. The test itself is scheduled together with the RSP, as defined in Art. 9.3 unless the RSP does not schedule the Test within 2 months after the request from Elia.

Finally, the consequences of a failed capability test are referred to in Art.9.6 and described in Annex 8.C. These consequences concern the capital, operational and opportunity costs, with a more severe consequence for failing the test twice, since this puts the availability of the Black Start PG seriously into question.

## 9. REMUNERATION

This section describes the remuneration of the Black Start Service. In the typical monthly remuneration, Elia will assume that the asset was 100% available and will also remunerate using this hypothesis. The remuneration consists of the test Cost, operational cost, capital cost and opportunity cost. At the end of the year, the remuneration reductions are calculated and applied on the next Monthly invoice.

Art. 10.4 describes how the capital cost will be remunerated. This will be done on a monthly basis throughout the duration of the Delivery Period.



Finally in Art. 10.6 the indexation, only applied on the operational and test costs is described. As explained in the Procurement Procedures, the initial cost needs to concern the cost for the year of the offer and the indexation will be applied on all years before the start of the delivery period and during the delivery period.

## 10. REMUNERATION REDUCTIONS

This section describes the Remuneration reductions, with a reference to annex 8. These reductions are done based on :

1. Availability status of the assets
2. Excessively long outages
3. Failed capability tests.

## 11. INVOICING AND PAYMENT

This section describes the interactions between the RSP and Elia regarding the invoicing and payment. The steps are high-level:

1. RSP sends a report to Elia with the provision of the Black Start Service.
2. Elia will respond if they agree with the report.
3. If yes, Elia creates an invoice containing the elements described in Art.12.2.
4. If no, the RSP will still take the report from Elia into account and will continue the discussions with Elia.

Finally in Art. 12.4 the formula for the remuneration reductions is presented. This takes the elements described throughout the contract and in annex 8 into account. The 3 components are:

1. Remuneration reductions related to being “unavailable”.
2. The consequences of an excessively long outage.
3. The impact of a failed capability test.

## 12. CONTRACT DURATION

This section describes the contract duration. This duration will be longer than the delivery period, given the remuneration reduction that needs to happen at the end of the contract and the potential investments that the RSP needs to do in order to be compliant with the T&C RSP.

## 13. ANNEX 2

The declarations have been adapted in line with the changes described in Art. 2.2 and 2.3. The idea is to have 1 declaration between the Lead Grid User and the RSP and 1 declaration for all TU's in the Black Start PG. This is supported by the required CDSO/DSO declarations.

## 14. ANNEX 8

As already mentioned, this annex contains the modalities regarding the Remuneration Reductions.

## 15. ANNEX 9

This annex implements, if applicable, the additional requirements of the Black Start PG in order to be able to execute the Restoration Plan. These values are set by during the procurement process.

## 16. REMOVED FROM THE CONTRACT

The references to the Strategic Reserve Contract have been removed since they are no longer relevant.

Art. 4.3 in the current T&C RSP has been integrated in the availability status of the Black Start PG. The option for Elia to delay Planned outages has been added.

Art. 4.4 in the current T&C RSP has been changed to only being allowed to have 1 Black Start PG in maintenance at the same time.

Art. 4.7 in the current T&C RSP has been integrated in the simulations performed in the scope of the procurement process.

## PROCUREMENT PROCESS FOR RESTORATION SERVICES EXPLANATION

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## 17. DELIVERY PERIOD

With the introduction of the new type of procurement process, Elia also defined the notion of Delivery Period. During this period the RSP will actually deliver the Black Start Service. In addition, this Delivery Period has been split up into 2 different elements, the Minimal Delivery Period and the Delivery Period. The Minimal Delivery Period concerns the period that Elia needs to cover in the framework of the continuity of the Service. All Black Start PGs can offer for this period. However, there is also an increased Delivery Period that runs until 31/12/2038. For this period, only assets that currently do not have a Black Start Capability can offer. This will allow to spread the investments required to obtain the Black Start Capability over a longer period and thus reduce the yearly capital cost.

To complement this, the notion that every offer should be divisible on a Calendar year basis is also introduced. This is to complement the Black Start PG proposals with and without a Black Start capability.

## 18. TYPE OF PROCUREMENT PROCEDURES

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The tendering process ELIA applies, for awarding the Black Start Service, is the competitive dialogue. This means that Elia will allow for discussion with the RSP candidates in order to enable them to refine their offer during the discussion with Elia and to also open the Service for creative solutions. Concretely this means that the following steps are taken during the beginning of the procurement process:

1. Becoming qualified supplier
2. Submission initial offer
3. Assessment of offers (feasible – feasible under certain conditions – unfeasible) by Elia.
  - a. Feasible under certain conditions is new and means that the proposal needs to be adapted in order to become feasible.
4. Discussions with Elia on initial offer
5. Submission of the Final offer

All steps in the process can be found in the timing table at the end of the Procurement Procedures document.

## **19. AWARDING**

In the awarding criteria, there has been 1 addition on the operational complexity. This has been introduced in order to still be able to make the distinction between “simple” Black Start PGs where the number of points of failure are limited, in comparison with complex Black Start PGs.

In addition, given the introduction of a minimal Delivery Period, an option to iterate over the Black Start PG proposals has also been introduced in order to look at all combinations possible to cover this period. Here the divisibility of the Delivery Periods also comes into play.

## **20. EXAMPLE**

The example has been updated in order to reflect the new elements that have been introduced in the procurement process.