



Results from the rerun of the first CRM auction (Y-4) published on elia.be

BRUSSELS | The Belgian transmission system operator Elia has published the results of the so-called 'rerun' of the first capacity remuneration mechanism (CRM) auction, which was triggered following the ministerial order of 25 March 2022. The first CRM auction, which was originally held in October 2021, related to the delivery year 2025-2026 and was aimed at maintaining the country's security of supply after 5 of 7 Belgian nuclear reactors have been closed. A rerun of the first auction was necessary because one of the successful bidders - an ENGIE gas plant in Vilvoorde - was not granted the permit it requires to operate. The Federal Government subsequently ordered to terminate the contract with ENGIE. A gas-fired power station from Luminus in Seraing was selected as the successful bidder following the rerun of the auction. As was legally stipulated, the bid price was the same as the bid price in the October auction. Luminus has confirmed that it has the necessary operating permit.

During the first CRM auction held in October 2021, each of the market parties involved offered sufficient capacity up as competitive bids. 40 projects, amounting to a total capacity of 4,447.7 MW, were successful. This translated into 66% of the total capacity offered up as competitive bids for the auction. However, one of the successful bidders - an ENGIE gas-fired power station in Vilvoorde - had to withdraw from the process, since ENGIE was not granted a permit to operate as it had intended. Following this, the Federal Government set up a rerun of the auction. As part of this, companies who were not successful following the original auction in October were invited to resubmit their (original) bids. In line with the legal framework, the bidders taking part in the rerun could not change their original bids and had to prove that they had the required permits.

Following the rerun, Luminus' bid was selected. Luminus' offer comprises a new 805 MW gas production unit in Seraing, which has a similar capacity to the ENGIE station in Vilvoorde (796.25 MW). Given that only one bidder has been selected during the rerun, the average price of the selected bids from the first Y-4 auction is not being disclosed. Indeed, disclosing this information would distort the market, since the confidential nature of the bids submitted by Luminus and ENGIE would be compromised.

The total cost of the CRM for the 2025-2026 delivery year cannot yet be determined. In 2024 (Y-1), there will be another auction for the same delivery year. This will allow the auction to be as aligned as possible with the needs of that point in time and will guarantee that a wide range of technologies will be able to be included in the bids.

Both the rerun and its result have been validated by the CREG.



For further information, please contact:

Jean Fassiaux (FR) | M +32 474 46 87 82 | jean.fassiaux@elia.be

Marie-Laure Vanwanseele (NDL) | M +32 499 86 51 58 | marie-laure.vanwanseele@elia.be

Marleen Vanhecke (EN) | M +32 486 49 01 09 | marleen.vanhecke@elia.be

The result of the re-run CRM auction can be found on this website:

<https://www.elia.be/en/grid-data/adequacy/crm-auction-results>

The CRM in a nutshell

CRM stands for 'capacity remuneration mechanism'. The use of the CRM in Belgium aims to ensure that sufficient capacity is available to maintain the country's security of supply against the backdrop of the (partial) nuclear phase-out. The mechanism is intended to reward market players who promise to make capacity available to the electricity market and who are not in receipt of subsidies in any other form.

The CRM offers a financial payment to market parties in exchange for their availability to provide capacity and not for their actual provision of electricity production. Ultimately, the market will determine who actually produces the required energy, in accordance with the principle of supply and demand.

Financial support is needed to address what has been called the 'missing money' problem. This refers to the difference between actual production costs (including the investments needed to produce electricity) and what the market can offer producers. Without financial support, there is no guarantee that the necessary capacity will be available when it is needed. This could jeopardise Belgium's security of supply.



About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,192 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

More information: [eliagroup.eu](https://www.eliagroup.eu)

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Corporate Communication

Jean Fassiaux (FR) | M +32 474 46 87 82 | jean.fassiaux@elia.be

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Marleen Vanhecke (EN) | M +32 486 49 01 09 | marleen.vanhecke@elia.be

Elia Transmission Belgium SA/NV