Terms and Conditions for Tertiary Control by Non-CIPU Technical Units

CONTENTS

1 Definitions

Access Point(s)	An Injection Point and/or an Offtake Point to Transmission or Distribution Grid;
Balance Responsible Party or "BRP"	Any natural person or legal entity, as defined in article 2 (7) of the Electricity Balancing Guideline, and listed in the register of balancing responsible parties in accordance with the Federal Grid Code;
Auction Rules	Rules that describe how Capacity Bids made by a BSP are treated;
Balancing Rules	A document, validated by the CREG, describing the market operation rules for the compensation of quarter-hourly imbalances, pursuant to Article 203 of the Federal Grid Code;
Balancing Services	As defined in article 2 (3) of the Electricity Balancing Guideline;
Balancing Service Provider or “BSP”	Any natural person or legal entity, as defined in article 2 (6) of the Electricity Balancing Guideline, and with whom ELIA has concluded a Contract to provide Balancing Services;
Base	A Period defined as all hours of the day and all days of the year and that is equivalent to the superposition of the Long Off Peak and Peak Periods;
Baseline	Estimated values (in MW) representing the average power on a quarter-hourly basis of the power that would have been measured on the considered Delivery Point without an activation of Tertiary Control Power;
Bidding Obligations for Capacity Bids	The obligations to be respected by the BSP when submitting Capacity Bids;
BSP-DSO contract	An agreement between the BSP and DSO allowing the BSP to provide the Service to ELIA with the Delivery Points listed in the corresponding Contract;
Capacity Bid(s)	A number of combinations of offered volumes (in MW) in combination with a price offer (€/MW/h), allowing ELIA to procure the Service for a defined Delivery Period;
CIPU Contract	The contract for the coordination of injection of production units concluded with ELIA in respect of art 271 of the Federal Grid Code;

Closed Distribution System or “CDS”	The closed distribution system (or, according to the Electricity Act and the electricity decrees and/or ordinances, closed industrial system or closed professional system) is the grid directly connected to the ELIA Grid and recognised by the relevant authorities as a Closed Distribution System;
Closed Distribution System Operator or “CDSO”	A natural or legal person appointed by the relevant authority as the operator of the Closed Distribution System;
Communication Test	A test in which ELIA certifies the BSP's ability to exchange information that are necessary to execute the contract;
Confirmed Transfer of Obligation	A quantity of Reserve Power to be made available by a Counterpart BSP to ELIA resulting from a transfer of obligations from the BSP to said Counterpart BSP, declared to ELIA and accepted by ELIA;
Contracted Tertiary Control Power or “Contracted R3”	The quantity of the Tertiary Control Power (in MW) contracted by ELIA with the BSP in relation to the present Terms & Conditions;
Control Area	The area in which a transmission grid operator controls the permanent balance between demand and offer of electricity, taking into account the exchanges of active power with the control areas of other transmission grid operators;
Counterpart BSP	A party holding a valid Contract for the Service that is allowed to perform Transfers of Obligations;
CREG	The federal regulatory authority of gas and electricity markets in Belgium;
Day	Period of one day starting at 0:00 hrs morning until 24:00 hrs;
Delivery Period	The timeframe in which the corresponding reserve power has to be made available and delivered to ELIA;
Delivery Point	A point on an electricity grid or within the electrical facilities of a Grid User where a balancing or SDR service is delivered – this point is associated with a metering and/or measurement system that enables ELIA to control and assess the delivery of the Service;
Distribution System Operator Concerned 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 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 Distribution Grid to meet reasonable demands for electricity distribution;
Dossier Volumes	A document, validated by the CREG, defining the required volumes of FCR, secondary and tertiary Control Power to be procured by ELIA, pursuant to Article 244, of the Federal Grid Code;
Elia Control Area	The area in which ELIA controls the permanent balance between demand and offer of electricity, taking into account the exchanges of active power with the control areas of other transmission grid operators;
ELIA grid	The electricity grid to which Elia holds the property right or at least that of using and operating it, and for which Elia has been designated as the transmission and local transmission system operator;
Energy Bid(s)	A combination of volumes (in MW) and activation prices (in €/MW/h), nominated by the BSP to ELIA;
ENTSO-E	European Network of Transmission System Operators for Electricity;
Federal Grid Code	The provisions of the Royal Decree of 19 December 2002, as amended from time to time, regarding the technical regulations for operating an electricity grid and access thereto;
Flex Tertiary Control Power or “R3 Flex”	A specific Tertiary Control Power Service Type;
Forced Outage	An unforeseen and unpredictable (full or partial) outage of Technical Units making it impossible for the BSP to deliver (part of) the Service;
Grid User	The natural person or legal entity connected to the Elia Grid, CDS or Distribution Grid as producer or consumer;
Grid User Declaration	Official declaration of the Grid User, as provided by template foreseen in the Contract, authorizing the BSP to offer the Service using his Delivery Point;
Headmetering	Measurement of electrical energy associated with the Access Point as determined by ELIA, or the DSO (for the Distribution Grid), by means of one or more meters installed by ELIA for the ELIA Grid and the DSO for the Distribution Grid (hereinafter referred to as "Headmeter(s)");

Injection	The net 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;
Long Off Peak or "LOP"	A Period defined as follows : the hours between 08:00 hrs and 20:00 hrs for all 7 the days of the week and the hours between 08:00 hrs and 20:00 hrs on Saturday and Sunday;
Month	Period starting at 0hrs the 1st of the month until 24hrs the last day of the month;
Monthly Remuneration	The remuneration for the reservation of the Service, as specified in the Contract, calculated on a monthly basis irrespective of the Delivery Period of the products;
Non-CIPU Technical Unit	A Technical Unit that is not undertaken in a valid CIPU contract being technically capable of making available and supplying the concerned Service through a Delivery Point;
Offtake	Value indicating the net 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;
Open Qualification Procedure	A pre-qualification procedure in which prospective BSPs are screened based on criteria set by ELIA in a publication on ted.europe.eu.;
Peak or "P"	A Period defined as follows: the hours between 08:00 hrs and 20:00 hrs during weekdays (from Monday till Friday, including holidays)
Period	A tariff period : Peak (P), Long Off-Peak (LOP) hours or Base (BASE) hours;
Pool	A group of Delivery Points;
Power measured or "Pmeasured"	The active power measured at a physical location connected to the Elia Grid or the Distribution Grid at a certain voltage level (sum of offtake and injection). Net consumption from the Elia Grid is considered as a positive value, net injection into the Elia Grid is considered as a negative value;

Prequalified Power or "PQP"	Quantity of power (expressed in MW) per Delivery Point connected to the Distribution Grid that is prequalified by the DSO concerned;
Procedure For Delivery Point Acceptance	Procedure for which the Delivery Point must fulfil all conditions in order to participate in the Service;
Procedure For BSP Acceptance	Procedure for which the BSP must fulfil all conditions in order to participate in the Service;
R3 Missing MW	The difference (in MW) between Tertiary Control Power Obligation and Tertiary Control Power Made Available by the BSP;
R3 Service Type	One of the Tertiary Control Services, being either Standard Tertiary Control or Flex Tertiary Control;
R3max	The maximum between R3max,std and R3max,flex;
R3max,flex	The maximal volume of Flex Tertiary Control Power that can be offered by the BSP;
R3max,std	The maximal volume of Standard Tertiary Control that can be offered by the BSP;
R3ref	The reference Tertiary Control Power supplied by a Delivery Point, as defined in the Contract for Delivery Points connected to Elia grid and in the BSP-DSO contract for Delivery Points connected to DSO grid ;
Standard Tertiary Control Power or "R3 Std"	A specific Tertiary Control Power Service Type;
Strategic Demand Reserve (SDR)	Supply of strategic reserves by means of demand as foreseen in article 7quinquies §2,1° of the Electricity Law and as defined in the contract for SDR;
Submeter Technical Info Checklist	Report demonstrating that the minimum technical requirements established by ELIA for the Submetering facility are fulfilled;
Submetering	Measurement of the electrical energy consumed or injected by a Technical Unit by means of one or more meters (hereinafter referred to as "Submeter(s)") situated downstream of the Headmeter(s);

Technical Unit	A facility (part of CIPU Contract or not) connected within the Control Area of ELIA, able to provide balancing services to ELIA;
Terms and Conditions	The Terms and Conditions for the provision of the corresponding service in compliance with article 18 of the European guideline on electricity balancing ;
Tertiary Control or “R3”	The increase of active power, for a duration of a multiple of 15 minutes, on the ELIA Grid based on a request of ELIA. Also indicated in the Guideline on electricity balancing by the term "Manual Frequency Restoration Reserve" or "mFRR";
Tertiary Control Non Reserved Service by Non-CIPU Technical Units or “R3NR”	The Balancing Service described by the Terms and Conditions for Tertiary Control Non-Reserved Service by Non-CIPU Technical Units;
Tertiary Control Power Made Available or “R3_mad”	The quantity of Tertiary Control Power of the Service (in MW) actually made available to ELIA by the BSP;
Tertiary Control Power Obligation "R3_obligation"	The sum of Contracted Tertiary Control Power and Confirmed Transfers of Obligation of the Service;
Tertiary Control Power Required or "R3 Req"	The Tertiary Control Power to be supplied by the BSP to ELIA, expressed in an average power [MW] during a quarter hour;
Tertiary Control Power Supplied or “R3 Sup”	The quantity of Tertiary Control Power of the Service physically supplied by the BSP to ELIA, expressed in an average power [MW] during a quarter hour;
Tertiary Control Power	A quantity of Tertiary Control Power expressed in MW;
Tertiary Control Service by Non-CIPU Technical Units	The Tertiary Control service supplied by Non-CIPU Technical Units and that is governed by the Tertiary Control Contract, comprising at least the following: - the provision of the Tertiary Control Power Obligations; and - the activation of this Tertiary Control Power in accordance with the provisions of the Contract;
Transfer of Obligations	Part or all of the quantity of contracted reserve power that the BSP transfers to a Counterpart BSP;
Unsheddable Margin	Value representing either the minimum amount of power (expressed in [MW]) which cannot be curtailed (inflexible or unsheddable power in case of a load shedding action) at the Delivery Point, or the maximal amount of power above which a BSP cannot inject. The value for ELIA grid connected Delivery

	Points is mutually agreed upon between ELIA and the BSP in the Contract. The value for DSO grid connected Delivery Points is agreed between the concerned DSO and the BSP in the BSP-DSO contract;
Week	Period starting at 0:00 hrs Monday morning until 24:00 hrs the next Sunday;

2 Application of the Terms and Conditions

2.1. The BSP makes its best effort (not being unreasonable) by signature of this Contract to participate in the procurement for the Service and in case of Contracted Tertiary Control Power by non-CIPU Technical Unit for a Delivery Period, to provide the Service throughout this Delivery Period.

2.2. The Contract will come into force subject to the conditions set forth in Article 3.1.a.

3 Conditions for participation in the Service

3.1. BSPs Conditions

a. The Contract will come into force subject to the conditions set forth in the Open Qualification Procedure (requirements for signature of the Contract).

b. ELIA is entitled to evaluate, at any time during the validity period of the Contract, whether the BSP complies with the conditions mentioned in Article 3.1.a. For the avoidance of doubt, this does not entail any right for ELIA to physically access BSP's assets but without prejudice to any other regulation, i.e. the Federal Grid Code, regarding access to the grid user's connection installations. Also, ELIA reserves the right to physically access the grid user's installations for verification of the submetering installation only in case of explicit authorization given by the grid user as stipulated in Annex 5C.

c. If it is confirmed that the BSP no longer complies with conditions in Art. 3.1, ELIA will notify the BSP via a registered letter. If after 15 working days after reception of notification the BSP remains uncompliant to these conditions, the Contract will be terminated without prior approval by a court of law in accordance with the terms of Article 11 of the General Conditions. This implies, after termination, that if BSP wants to offer the Service, he must re-apply via the Open Qualification Procedure and sign a new Contract for the Service with ELIA, subject to compliance with said conditions.

d. For the avoidance of doubt, the Parties are aware of the mutual relationships that exist between the present Contract, other Balancing Service contracts, the SDR contract(s), the SGR contract(s), the ARP Contract(s) and the Connection and Access Contract(s) with ELIA and/or the DSO Concerned, as each of them is an essential constituent of the means that ELIA uses to ensure the safety, reliability and efficiency of the ELIA Grid. The observance of the rules set out in the aforementioned contracts is necessary for the proper implementation of the Contract.

e. The Parties shall ensure that the proper performance of this Contract is always based on the existence and proper performance of the requisite contractual agreements with third parties involved.

f. The BSP allows ELIA to publish aggregated and anonymized information relating to the procurement results on ELIA's website.

g. Once the Contract is signed and before submitting a Capacity Bid, the BSP must successfully complete the communication test as specified in Annex 4. In no case shall ELIA be liable for any direct or indirect damages to third parties resulting from or occurring during the communication test. The general liability regime organised by Article 6 of the General Conditions is applicable to the BSP during the test.

h. The BSP must be in respect of the requirements of the communication test at all times during the Delivery Period. If ELIA establishes that the BSP no longer respects these requirements during the Delivery Period, the Service will be considered as unavailable starting from the moment of notification by ELIA and the penalty described in Article 9.1 will be applied for the period of non-respect. The BSP has to succeed a new communication test in order to be considered as available by ELIA.

i. BSPs not in respect with articles 3.1.g and 3.1.h are not allowed to participate in procurement.

3.2. Conditions for all Delivery Points

a. A Delivery Point may be:

- an Access Point connected to the ELIA Grid;
- an Access Point connected to the Distribution Grid
- another point within the electrical facilities of a grid user downstream of an Access Point connected to the ELIA Grid (hereinafter referred to as "Submetering Delivery Point");
- another point within the electrical facilities of a grid user downstream of an Access Point connected to the Distribution Grid (hereinafter referred as "DSO Submetering Delivery Point");
- a point within a CDS connected to the ELIA Grid.

A list of the Delivery Points for the delivery of Tertiary Control Power is agreed between ELIA and the BSP as described in Annex 2

b. All Delivery Points described in 3.3 and 3.4 must respect the following conditions:

- A Delivery Point supplying Tertiary Control by non-CIPU Technical Unit cannot be a part of another Balancing Service except for Frequency Containment Reserve Service by non-CIPU Resources on the condition that the BSP of Frequency Containment Reserve and Tertiary Control is the same party;
- A Delivery Point supplying Tertiary Control by non-CIPU Technical Unit cannot be a part of a Strategic Demand Reserve contract;
- Any other Delivery Point upstream of the Delivery Point supplying Tertiary Control by non-CIPU Technical Unit cannot be part of another Balancing Service or Strategic Demand Reserve contract with ELIA.

c. Technical Units which are included in a CIPU Contract are not allowed to participate in the provision of Tertiary Control by non-CIPU Technical Unit.

d. ELIA reserves the right to disqualify a Delivery Point if the participation of the Delivery Point in the Tertiary Control Service jeopardizes the ELIA Grid security in the Belgian Control Area.

e. The BSP declares that the Delivery Points, as mentioned in Article 3.2, are related to Access Point(s) included in valid Access Contract(s) and are in the Perimeter of an ARP having a valid ARP Contract.

f. The BSP declares that in case of an activation of the Service, the consumption of active power at a Submetering Delivery Point will not be transferred to another process or to a production unit resulting in a decrease of its original injection at the Access Point. An activation of the Service must have an overall effect of either reducing net offtake or increasing net injection at the level of the Access Point compared to usual practice.

g. All Delivery Points must comply with the metering requirements set forth in Annex 6.

3.3. Conditions for Delivery Points Connected to the ELIA grid

a. The BSP and ELIA agree on the list of Delivery Points connected to the ELIA grid and the BSP declares that all these listed Delivery Points connected to the ELIA grid are technically capable of providing the Service and in respect with all conditions set forth in this Article 3.3. The agreed list is based on the template in Annex 2.

b. The BSP declares for all Delivery Points connected to the ELIA grid the R3ref value and the Unsheddable Margin as mentioned in Annex 2.

c. All Delivery Points connected to the ELIA grid in the list must have successfully completed the following elements of the Procedure For Delivery Point Acceptance, as per Annex 5:

- Grid User Declaration as specified in Annex 5A;
- In case of Submetering Delivery Points: Submeter Commissioning Test as specified in Annex 5C;
- In case of Delivery Points within a CDS: CDSO declaration as specified in Annex 5D.

In no case shall ELIA be liable for any direct or indirect damages to third parties resulting from or occurring during the Submeter Commissioning Test. The general liability regime organized by Article 6 of the General Conditions is applicable to the BSP during the test.

3.4. Conditions specific for the Delivery Points Connected to the DSO grid

a. The BSP and the DSO agree, in a contract (BSP-DSO contract) on a list of Delivery Points connected to the DSO grid and the BSP declares that all these listed Delivery Points connected to the DSO grid are technically capable of providing the Service.

b. ELIA must receive a copy of the signed BSP-DSO contract.

c. The list of DSO connected Delivery Points is provided by the DSO to ELIA. ELIA will only consider this list; in particular for monitoring of Tertiary Control made available and Tertiary Control Required, as per articles 7.10 and 7.11. The BSP keeps ELIA informed of the latest list of DSO connected Delivery Points for informative purposes only.

d. For Delivery Points connected to the DSO grid, the associated R3ref of each Delivery Point is declared in the BSP-DSO contract. The R3ref should always be lower or equal to the DSO Prequalified Power. In case no R3ref value has been communicated by the BSP, it is by default equal the DSO Prequalified Power.

3.5. Conditions for the Pool

a. Following the signature of the Contract and prior to the first participation in the procurement, the BSP must :

- Indicate the choice of the Baseline. The Baseline is the reference that will be used to determine the Tertiary Control Power Required as per Art.7.11 as well as the Tertiary Control Power of each Service Types (R3max,std and R3max,flex) that can be offered by the BSP. Only methods mentioned in the list of Annex 14 are applicable. The method will be unique for the entire Pool and for all Service Types of Tertiary Control by non-CIPU Technical Units;
- Provide a qualitative description of the method applied to perform Standard Tertiary Control, by filling Annex 2F, in case the BSP wishes to provide that R3 Service Type;
- Request and perform the simulation test as specified in Annex 15

b. Simulation test:

- The simulation test will not be considered as an activation as described in the Terms and Conditions.
- The outcome of the simulation test, as provided by Annex 15, will determine the maximal Tertiary Control Power for each Service Type (R3max,std and R3max,flex respectively for Standard Tertiary Control and Flex Tertiary Control) that can be offered to ELIA by the BSP in the procurement procedure.
- All costs linked to the simulation test are borne by the BSP.
- ELIA reserves the right to abort the simulation test at any moment if it jeopardizes the ELIA Grid or any Distribution Grid security.
- In no case shall ELIA be liable for any direct or indirect damages to third parties resulting from or occurring during the simulation test. The general liability regime organised by Article 6 of the General Conditions is applicable to the BSP requesting the simulation test.

c. Update of the Pool:

The agreed list of Delivery Points connected to the ELIA Grid based on the template in Annex 2 should at all times be kept up to date by the BSP.

The agreed list of Delivery Points connected to the ELIA Grid may be modified by submitting an updated list based on the template in Annex 2 via e-mail to the contractual responsible as mentioned in Annex 17 under the following conditions:

- At the moment of the notification, the Delivery Points must be in respect with the applicable conditions set in articles 3.2 and 3.3.
- The updated list of Delivery Points becomes effective at the beginning of the next Month following the notification of acceptance by ELIA.
- The BSP should take into account that in some case, such as Submetering Delivery Points, the installation of the equipment(s) and the Procedure for Delivery Point Acceptance might extend to a considerable amount of time. It's the responsibility of the BSP to take into consideration the time period necessary for technical integration, and ensure that the Delivery Point is operational at the agreed moment.
- The addition of a Delivery point does not modify the maximal Tertiary Control Power of any Service Type (R3max,std and R3max,flex) that can be offered by the BSP in the procurement procedure. Otherwise, the BSP shall ask a new simulation test in respect with conditions set forth in Annex 15.
- In case of Delivery Point removal, ELIA will update the maximal Tertiary Control Power of each relevant Service Type (R3max,std and R3max,flex) that can be offered by the BSP in the procurement procedure following the rules set forth in Annex 15.

d. Update of the Baseline:

The Baseline may be modified by submitting a request by e-mail to the contractual responsible designated in Annex 17. The modification will only be effective on condition that a new simulation test is performed as provided by Annex 15. Consequently, new R3max,std and/or R3max,flex will be defined.

4 Procurement of the Service

4.1. Within the framework of these Terms and Conditions, ELIA will procure all Service Types of Tertiary Control Power by non-CIPU Technical Units, during Peak and Long Off Peak hours (or combined base).

4.2. The Service will be procured from BSPs with a valid Contract for Tertiary Control Power by non-CIPU Technical Units and with at least one Delivery Point.

4.3. The total volume to be procured by ELIA, the repartition between the R3 Service Types, are determined and fixed in the Dossier Volumes and the Balancing Rules, both approved by the CREG.

4.4. The quantity of Contracted Tertiary Control Power by non-CIPU Technical Units is the result of the procurement of both Service Types, Standard Tertiary Control and Flex Tertiary Control.

4.5. The process, Bidding Obligations for Capacity Bids, consequences of non-respect, rights and rules for procurement are described in Annex 1 of the Terms and Conditions.

4.6. A Capacity Bid is a firm commitment by the BSP to deliver the corresponding Tertiary Control Power Obligation.

4.7. ELIA has the right to reject Capacity Bids that are not in line with the rules and obligations set forth by ELIA as described in the Terms and Conditions.

4.8. Once a Capacity Bid is awarded, the Contracted Tertiary Control Power is part of the Tertiary Control Power Obligations and thus the BSP undertakes the necessary actions to provide the Service for the entire applicable Delivery Period (without further action by ELIA).

4.9. In case of observation of a bidding behavior that might prejudice market rules and/or fair competition between Tertiary Control BSPs, and after consultation of the CREG, ELIA reserves the right to exclude the BSP from future procurements.

4.10. ELIA can decide, for an objectively justified reason, to limit or cancel the quantity of Contracted Tertiary Control Power.

5 Transfer of Obligations between the BSP and a Counterpart BSP

In order to grant the BSP more flexibility and to allow him to optimize the cost of delivering the Service, for instance but not exclusively when having to carry out planned or unplanned maintenance, ELIA gives the BSP the possibility to transfer in day-ahead or in intraday for a certain quarter-hour part or all of his Tertiary Control Obligations in the framework of the present Terms and Conditions to one or several Counterpart BSP(s) holding a valid Contract for Tertiary Control with ELIA to the date of the performance of the Obligation.

Similarly, the BSP may agree to make an additional quantity of Tertiary Control Power available to ELIA as a result of a Transfer of Obligations from a Counterpart BSP to the BSP.

5.1. The BSP should at any time maintain his Contracted Tertiary Control Power available to ELIA either by providing its Tertiary Control Obligations by himself or by transferring part or all of its Tertiary Control Obligations.

5.2. The BSP may transfer his Tertiary Control Obligations to other of his own CIPU or non-CIPU Technical Units or to one or multiple Counterpart BSP(s).

5.3. The Transfer of Obligations may concern all R3 Service Types as mentioned in Article 4.1.

5.4. The procedure to be followed by the BSP, ELIA and the Counterpart BSP in case of a Transfer of Obligations is described in Annex 17.

5.5. As long as the Transfer of Obligations is not confirmed by ELIA, the Tertiary Control Power Obligation remains with the BSP.

5.6. Once a Transfer of Obligations is confirmed, the transferred volume is added to the Tertiary Control Power Obligations and thus the BSP undertakes the necessary to provide the Service to be provided for the applicable quarter hours (without further action by ELIA).

5.7. Consequently, the record and monitoring of the provision of the Service, the resulting penalties for non-compliance according to Article 9 among other provisions will be based on the amended R3 Obligation resulting from the Transfer(s) of Obligations validated by ELIA.

5.8. The remuneration of the Contracted Tertiary Control Power remains fixed as per Article 8.2 irrespective of the Transfers of Obligations that the BSP has agreed with Counterpart BSP(s), declared to ELIA and that ELIA has validated.

5.9. ELIA will not owe any remuneration under Article 8.2 (reservation) to the Counterpart BSP with whom the BSP has agreed a Transfer of Obligation.

5.10. The conditions, financial or otherwise, of the Transfer of Obligations between the BSP and the Counterpart BSP are to be arranged between them. ELIA is not to be informed nor involved in any decision in this respect beyond the observance of the rules laid down in Annex 17.

5.11. Any dispute arising from a failure on the part of the BSP or the Counterpart BSP to comply with his commitments in the framework of the agreement under which they are bound to one another for the Transfer of Obligations will not to be reported to ELIA nor arbitrated by ELIA.

5.12. ELIA informs the BSP that CREG may ask to be informed about the financial conditions of the Transfers of Obligations between the BSP and Counterpart BSPs. The BSP and the Counterpart BSP agree to provide the CREG with this information.

5.13. When ELIA updates of the Transfer of Obligations principles and/or procedures, these new principles will apply for all R3 Contracted, including the R3 Contracted before an eventual addendum to the Terms and Conditions.

6 Provision of the Service

6.1. The sum of Tertiary Control Power contracted by ELIA during the procurement procedure for a Delivery Period and the results of the Transfer of Obligations for the concerned Delivery Period becomes the Tertiary Control Power Obligation to be provided by the BSP.

6.2. Activation

a. In real time (day D), ELIA may activate partially or entirely the Tertiary Control Power Obligation, hereinafter referred to as “Tertiary Control Power Activated” calculated according to the specifications set out in Annex 10.

b. The BSP may choose on which Delivery Points listed in Annex 2 or listed in a BSP-DSO Contract he performs the activation of the Tertiary Control Power. The list of Delivery Points used to perform the activation is communicated to ELIA in the acknowledgement message to an activation request sent by the BSP to ELIA as described in Annex 7. Only this list of Delivery Points will be considered to monitor the Tertiary Control Power Required during an activation as provided in article 7.11.

c. ELIA does not remunerate the activation of Tertiary Control Power by non-CIPU Technical Units.

d. Elia may request to prolong an activation beyond the contractual activation duration, as defined in Articles 6.2.f and 6.2.g for Standard and Flex Tertiary Control respectively. In that case, the BSP is free to accept or reject the request of Elia without any justification.

e. Rules for Tertiary Control Power Activation

- The quantity of Activated Tertiary Control Power requested by Elia may change on a quarter hour basis. The resulting Tertiary Control Power Required per quarter hour is calculated as described in Annex 10.

- During one single activation, ELIA can prolong activation while respecting the maximal duration of one activation as applicable for each R3 Service Type.

- All parties agree that a prolongation of the activation does not constitute a new activation.

- The Tertiary Control Power requested in Article 6.2.a must be activated in less than 15 minutes.

f. Specific rules for Standard Tertiary Control

- The number of activations of Standard Tertiary Control is unlimited for a Delivery Period. Elia may activate Standard Tertiary Control up to 8 hours a Day.

g. Specific rules for Flex Tertiary Control

- The maximal duration of a single Flex Tertiary Control activation is 2 hours. There shall be at least 12 hours between 2 consecutive Flex Tertiary Control activations.
- The number of activations of Flex Tertiary Control is limited to 8 per Delivery Period. For a Delivery Period, the counter of activations is incremented following the rules described hereunder :
    i. If the requested volume is less than 50% of Contracted Tertiary Control Power, the counter of activations is incremented by 0.5.
    ii. If the requested volume is equal or more than 50% of Contracted Tertiary Control Power, the counter of activations is incremented by 1.
    iii. The requested volume is calculated as the average requested power during the activation
    iv. If the counter of activations amounts to 7.5, ELIA can still request one last activation of the full Contracted Flex Tertiary Control Power.
    v. In case of Transfer of Obligations, the counter of activations is maintained at the level observed before the Transfer of Obligations. In other words, there is no reset of the counter in case of Transfer of Obligations.

7 Exchange of information, record and monitoring of the Service

7.1. All metering data will be collected, treated and validated for all Delivery Points as described in Annex 7.

7.2. The BSP hereby agrees that metering data from ELIA, the DSO or the CDS Operator, as mentioned in Article 7.1, will be used as the basis for the settlement as specified in Article 9.

7.3. For DSO grid connected Delivery Points, the data (metering data and contractual data) used to determine the Tertiary Control Power Made Available and Tertiary Control Power Activated is determined based on the contractual data set in the DSO-BSP Contract.

7.4. The exchange of information for the performance of the Terms and Conditions will be executed through real-time communication, as described in Annex 7.

7.5. The BSP has the responsibility to be able to interpret messages received correctly and respond accordingly at all times.

7.6. The BSP has the obligation to pro-actively maintain in good functioning order the communication channels described in Annex 7. Any failure of activation due to unavailability or dysfunction of these communication channels (without fault by ELIA) will be the BSP's sole responsibility.

7.7. ELIA reserves the right to request regular communication tests such as described in Annex 4 to check whether the communication channels as described in Annex 7 are operational.

7.8. The exchange of information for the performance of the Terms and Conditions will be directed to the respective contact persons of the Parties, as mentioned in Article 13.

7.9. Nominations

a. The BSP has the obligation to make his nomination of Tertiary Control Power Obligation available to Elia in day-ahead (D-1) at 15h at the latest for possible activation by ELIA in day D according to the rules set out in Annex 7.

b. The granularity of these nominations is 15 minutes. Nominations can be updated in intraday at the latest 45 minutes before the beginning of the first quarter hour concerned by the update.

c. For each quarter hour, the sum of Tertiary Control Power nominated:
- should be equal to the Tertiary Control Power Obligation of the BSP (including transferred Obligations) ;
- should be in respect with the maximal Tertiary Control Power (R3max,std and R3max,flex) that can be offered by the BSP to Elia.

d. If the BSP does not foresee changes in his nominations for the Delivery Period, he can nominate its Tertiary Control Power Obligation only once before the beginning of the Delivery Period. The BSP is not obliged to send new day-ahead or intraday nomination files.

e. In case the total volume nominated for a quarter hour is not equal to the Tertiary Control Power Obligation (including Transfer of Obligations) for the concerned quarter hour, following rules will apply :

- If the total volume nominated is lower than the Tertiary Control Power Obligation, Teritary Control Power Made Available will be capped to the volume nominated for the concerned quarter hour.
- If a nomination has not been submitted, Tertiary Control Power will be considered as unavailable for the concerned quarter hour.
- If the total volume nominated is higher than the Tertiary Control Power Obligation, the nominations will not be retained leading to a situation similar to the case of no submission of nominations for the concerned quarter hour.

f. When ELIA updates the nomination principles and/or procedures, these new principles will apply for all Tertiary Control Power Contracted, including the Tertiary Control Power Contracted before an eventual addendum to the Terms and Conditions.

7.10. Record and monitoring of the Tertiary Control Power Made Available (Availability)

a. The availability of the Service will be monitored on the basis of the values of Tertiary Control Power Made Available compared to the Tertiary Control Power Obligations.

b. ELIA will check every Month M that the BSP has made the amount of Tertiary Control Power Obligation, for each quarter-hour of Month M-2, available to ELIA during Month M-2 as described in Annex 8 and informs the BSP via a report as described in Article 10.2.

c. In case a simulation test is performed upon request of a different BSP, ELIA will not take into account the quarter hours of the concerned simulation test in the monitoring of the Tertiary Control Power Made Available.

d. The Parties agree that if the Tertiary Control Power Obligations are not fulfilled, penalties will be applied as foreseen in Article 9.1.

7.11. Record and monitoring of the Tertiary Control Power Required (Activation)

a. The monitoring is performed by calculating difference between the Tertiary Control Power Required and the Tertiary Control Power Supplied as per the method described in Annex 10.

b. ELIA will perform this check on a quarter-hour basis for all Delivery Points, pursuant to Articles 3.2 to 3.4, designated by the BSP in the acknowledgement message(s) to the request for activation as described in Annex 7.

c. ELIA will check every Month M that the quantity of Tertiary Control Power Supplied by the BSP, during activations of Month M-2, meets the contractual requirements under Article 6.2 of the present Terms and Conditions.

d. The Parties agree that if the Tertiary Control Power Supplied is lower than the Tertiary Control Power required, penalties will be applied as foreseen in Article 9.2.

8 Remuneration

8.1. The remuneration of the Service consists of a remuneration for the Contracted Tertiary Control Power (reservation). All costs relating to the provision of the Service should be covered with this remuneration and consequently have to be taken into account when submitting Capacity Bids.

8.2. Remuneration for the Tertiary Control Power Contracted (reservation)

The foreseen remuneration or Monthly Remuneration for the delivery of the Contracted Tertiary Control Power will be calculated on a monthly basis, based on unit prices of the corresponding Contracted R3. The remuneration corresponds to the sum of the remunerations for the various selected Capacity Bids where the remuneration is the product of:

- The unit price, in €/MW/h, for the Contracted Tertiary Control Power in accordance with Article 4,
- The number of MW of said Contracted Tertiary Control Power in accordance with Article 4 and
- The number of corresponding hours of the Delivery Period concerned.

9 Penalties for non-performance of the Terms and Conditions

9.1. Non-compliancy with the Tertiary Control Power Obligation (Availability)

a. If ELIA establishes, based on the quantity of Tertiary Control Power Made Available as per Article 7.10, that the BSP has failed for a particular quarter-hour to make available at least the quantity of his R3 Obligations, ELIA applies a penalty.

b. The penalty applies to any R3 Missing MW and for any quarter-hour of the considered Month in which ELIA establishes that the quantity of Tertiary Control Obligation has not been reached.

c. The calculation of the penalty is detailed in Annex 9.

9.2. Non-compliancy with provision of Tertiary Control Required (Activation)

a. In case ELIA establishes that the BSP has failed to deliver the Tertiary Control Power Required foreseen under Article 7.11, ELIA shall apply a penalty as defined in Annex 11.

b. Tertiary Control Power activation is deemed non-compliant when the BSP has failed to deliver the Tertiary Control Power Required for at least one quarter-hour as foreseen under Article 7.11.

c. In case ELIA establishes that the BSP has performed a non-compliant activation, ELIA shall adapt the R3max,flex and R3max,std as defined in Annex 16.

d. If ELIA notices consecutive activations that are not compliant with the contractual requirements, ELIA preserves the right to suspend the Contract with the BSP for a certain period of time. The BSP will then not be allowed to participate to the procurement procedure during the suspension period. The BSP can only be accepted again by completing a simulation test, as described in Annex 15, at the expense of the BSP and before a certain date to be agreed upon by ELIA and the BSP.

9.3. Penalties for non-compliancy with R3 Obligation and penalties for non-compliancy with R3 Required can be cumulated.

9.4. The sum of the penalties under Article 9.1 and Article 9.2 of the present Terms and Conditions will be subject to a monthly cap, without prejudice to any liability on the part of the BSP for the non-fulfillment of his obligations in accordance with Article 6 of the General Conditions. The method for calculation of the penalty cap is detailed in Annex 12.

10 Invoicing and payment

10.1. For every volume awarded (Contracted Tertiary Control Power) the BSP will receive an order confirmation stating a purchase order number and the remunerations for the Tertiary Control Power Contracted (reservation).

10.2. Via a joint validation platform or other channel, ELIA will present the BSP a report, at the latest by the end of each calendar Month, relating to the record and monitoring of the Tertiary Control Power Service provided by the BSP in Month M-2. This report will indicate, amongst others, all penalties for Month M-2 as calculated by ELIA in accordance with Article 9 of the present Terms and Conditions, showing the method of calculation and all data on which the calculation is based.

10.3. Disputes from the BSP regarding the report and penalties stipulated in Article 9 must be reported within 25 calendar days starting from the day following ELIA's submission of the respective report. Should this occur, the Parties shall enter into negotiations with each other with a view to reach an agreement in accordance with Article 12 of the Terms and Conditions.

10.4. If no agreement can be reached:

- the BSP, when drawing up his pro-forma invoice for Month M as specified in Article 10.5, shall take account of the penalties calculated by ELIA;
- the Parties shall continue their negotiations with a view to reaching an amicable arrangement and, after concluding their agreement, settle this invoice ex-post;
- if no amicable arrangement is reached, the dispute settlement procedure set out in Article 13.2 of the General Conditions shall apply.

10.5. The BSP shall send ELIA's Settlement department (see list of contact persons exchanged as described in Article 13) his monthly pro-forma invoice no later than on the 25th (twenty-fifth) of each calendar Month M. The pro-forma invoice will include, among other things:

(a) the purchase order number
(b) the Monthly Remuneration for the Contracted Tertiary Control Power for the following Month, calculated as described in Article 8.2 of the present Terms and Conditions;
(c) As the case may be, the penalties for Month M-3 as calculated by ELIA under Articles 9.1 and 9.2 of the present Terms and Conditions
(d) the BSP's bank account number to which payment must be made.

10.6. ELIA shall either approve or reject the pro-forma invoice within 5 working days of receiving it. In accordance with the pro-forma invoice, the invoice may only be sent to the Invoicing & Payment department after ELIA has approved the pro-forma invoice.

10.7. Annex 13 includes the appropriation structure to be used by the BSP.

11 Modifications to the Terms and Conditions

11.1. For the avoidance of doubt, all modifications to these Terms and Conditions will be handled in accordance with article 10 of General Conditions.

12 Consultation and disputes

12.1. If there is a dispute or conflict of interpretation between the Parties regarding one of the clauses of the Terms and Conditions or regarding the implementation thereof, or when application of Article 10, as explicitly organized by the General Framework, the Parties shall try to settle their dispute or conflicting interpretation amicably, before resorting to legal action, but with the reserve of all legal means required because of extreme urgency, including in this case summary proceedings in court. The Parties undertake to organize a consultative meeting within 10 calendar days of receiving a registered letter in which the dispute is raised by one of the Parties. If the Parties cannot reach agreement within 30 calendar days of that first meeting, article 13.2 of the General Conditions applies.

13 Contact persons

13.1. Both parties shall keep the contact details up to date throughout the validity of the contract, by exchanging the filled out template in Annex 17. These exchanges and updates can be done via e-mail.

13.2. All contacts between the BSP and ELIA regarding the present Terms and Conditions should take place between the persons designated in Annex 17.

ANNEX 1. PROCUREMENT OF TERTIARY CONTROL POWER (ANNEX FOR R3 BY CIPU TECHNICAL UNITS AND R3 BY NON-CIPU TECHNICAL UNITS)

CONTENT

PRIOR TO PARTICIPATION IN PROCUREMENT - CONCLUSION OF A CONTRACT

As stated in Article 4.2 of the Terms and Conditions, only BSPs with a valid Contract for Tertiary Control Power are allowed to participate in Short Term procurement of R3.

Step 1: become a qualified BSP

Prior to the signature of the Contract, a party should apply to become a selected BSP.

A candidate BSP can apply by submitting a completed application form and the required documents for the applicable service to ELIA. The application form can be found on the ELIA website or requested via email to “contracting_AS@ELIA.be.

The deadline for application takes place one month before the deadline of the signature of the Contract.

Step 2: sign the Contract

In order to participate in a Short Term auction, the Contract should be signed at the latest the day before the BSP can start submitting Capacity Bids. The deadline for signature in order to be allowed to participate for Delivery Period P, is the day before start of period P-1 (prior to process step A1 as described below).

Step 3: prequalify the Pool

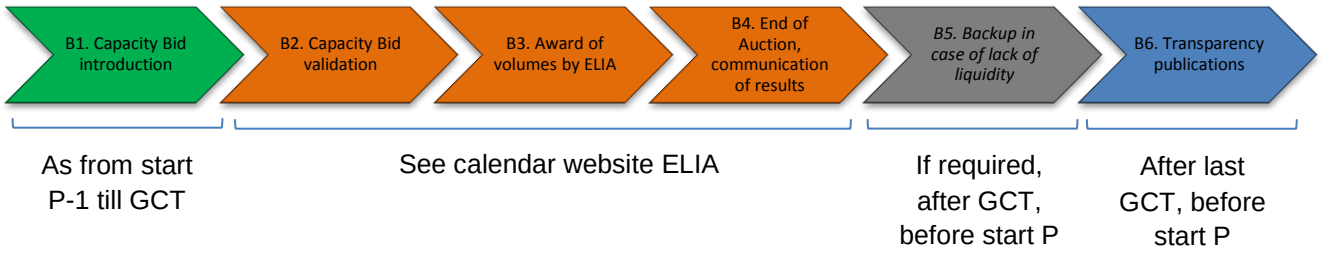
Prior to first participation to the auction, any BSP who wants to offer needs to prequalify his Pool as per Annex 15.

A. PROCUREMENT PROCESS

0. Procurement Calendar

A calendar indicating the delivery period and the deadline to submit Capacity Bids (hereinafter referred to as “gate closure time(s)” or “GTC”) is published on the ELIA website.

In case of a change in the calendar, the BSP will be informed via email to the contact details for auctions & contractual matters, listed as contact in respect with Article 13.



1. Capacity Bid introduction

When?

As of a new delivery period starts, the Bidder can start to make Capacity Bids for the next delivery period. The Capacity Bids have to be introduced before GCT (Gate Closure Time).

What & How?

- When the gate is open, new Capacity Bids can be introduced and already created Capacity Bids can be modified or cancelled, regardless of their status.
- The minimum size of a Capacity Bid is 1MW. The granularity of the Capacity Bids is also 1MW (no number after the decimal).
- When a new Capacity Bid is created it automatically has status 'Received'.
- The complete set of Capacity Bids must be in respect with the Bidding Obligations for Capacity Bids as described in section B of this Annex. When this is not the case, the entire set of Capacity Bids will automatically be rejected at GCT. More details on the validation and the rejection of the bids can be found on the ELIA website (document "STAR Auction Rules").
- The BSP can combine R3 Standard and R3 Flex in one Capacity Bid.
- The BSP makes the best effort (not being unreasonable) to offer all of its available prequalified capacity.
- ELIA may request supplementary information or a justification for certain Capacity Bids via the communication channels described in the auction manual published on the ELIA website.
- A log of the communications will be held at all times so that traceability is guaranteed. The log and the key facts are reported by ELIA to CREG.
- Auction participants remain fully responsible for their Capacity Bids.
- Bids are a firm commitment at GCT and must remain firm until the end of the auction. A BSP shall not use the offered capacity in any way until he has been notified of the outcome of the tender or until the deadline for communication has passed.
- Capacity Bids are to be made in the tool STAR. The manual for the tool is published on the ELIA website.

2. Capacity Bid validation

When?

After GCT, no new Capacity Bids can be introduced, nor can existing Capacity Bids be modified or cancelled.

What?

The entire set of Capacity Bids will be evaluated with regard to the respect of the Bidding Obligations for Capacity Bids as described in section B of this annex. In case of non-respect with the Bidding Obligations for Capacity Bids, certain Capacity Bids and/or the entire set of Capacity Bids can automatically be rejected (Status "rejected").

The permitted number of Capacity Bids is unlimited.

How?

An automatic process is implemented to check if the Capacity Bid set respects the binding Bidding Obligations for Capacity Bids, as described in section B :

- If the Capacity Bids respect the Bidding Obligations for Capacity Bids Bidding Obligations for Capacity Bids, the status changes to 'Checked';
- If the Capacity Bids do not respect the Bidding Obligations for Capacity Bids, the status changes to 'Rejected' for all concerned Capacity Bids.

In addition, ELIA manually checks feasibility and consistency of the 'Received' Capacity Bids; following this process, the status of a Capacity Bid is changed to 'Accepted' or 'Rejected'. Rejection of a Capacity Bid or a set of Capacity Bids is limited to cases when:

- Such Capacity Bids or group of Capacity Bids show manifest errors or inconsistencies, and after consultation of the bidder via the comment box.
- The Bidding Obligations for Capacity Bids are not respected.

More details on the validation and the rejection process of the bids can be found on the ELIA website (document "STAR Auction Rules").

3. Award of Volumes by ELIA

When?

After GCT, no new Capacity Bids can be introduced, nor can existing Capacity Bids be modified or cancelled.

What & How?

ELIA selects the technico-economical optimal set of Capacity Bids (entirely or partially), amongst the Capacity Bids with the status "Validated", following the award criteria as described in Annex 1C.

4. End auction & communication of the auction results

What & How?

- When ELIA ends the auction, the status of the retained Capacity Bids changes to "Retained". The status of the other Capacity Bids remains unchanged (Accepted or Rejected).
- All bidders receive an email to inform that the auction ended and can consult if and which volume of his Capacity Bids has been retained in the auction overview.
- ELIA publishes the required information as described in section 1D "Transparency" of this Annex.

5. Backup procedure in case of insufficient volume.

In case insufficient volumes R3 are offered to ELIA in procurement procedure, ELIA will award the maximum possible offered volume.

ELIA will organize a second auction for the remaining volume, in which ELIA will request all BSPs to make extra volume available.

6. Transparency publications

When?

Between the end of the auction and the start of the delivery period P.

What & How?

The aggregated and anonymous results are published on the ELIA's website. (http://www.elia.be)

B. AUCTION RULES & BIDDING OBLIGATIONS FOR CAPACITY BIDS

0. Introduction

In order to be able to find a valid combination of Capacity Bids, complying with the volume ELIA procures and in order to guarantee an optimal solution which minimizes overall reservation procurement costs, ELIA should dispose of as many Capacity Bids as likely possible. Not only will this improve ELIA's chances to find an optimal solution and possibly avoid iteration & renegotiation, it will also improve the reserve BSP's chances of being selected for a certain Capacity Bid.

Besides the guarantee for ELIA to be able to find the optimal solution, it's important to assure a level playing field for all BSPs.

To allow ELIA to achieve the latter, the BSPs participating in an auction must respect the minimum 'Bidding Obligations for Capacity Bids' and should be aware of how Capacity Bids are treated by ELIA (the auction rules).

Capacity bids with a status "rejected" will not be considered in the checks for the Bidding Obligations for Capacity Bids and the application of the auction rules.

This Chapter describes these obligations, how Capacity Bids are interpreted and how Capacity Bids are attributed.

When submitting Capacity Bid a BSP will have to provide at least the following information in STAR:

- Capacity Bid number – unique identifier, automatically assigned
- Contract Type – R3 CIPU, R3 non-CIPU
- Volume per R3 Service Type (Standard R3 - Flex R3) [MW] – the offered volume(s)
- Price per R3 Service Type (Standard R3 - Flex R3) [€/MW/h] – the unit price per R3 Service Type for the offered volume(s)
- Tariff Period – the Tariff Period in which the Capacity Bid is valid
- Divisibility of a Capacity Bid – can an offered volume be divided by ELIA at the same unit price.
- Combinability of Capacity Bids via "May not be combined with"

More information on how to submit the information can be found in the manual published on the ELIA website.

1. Combinability of Capacity Bids

For all BASE Capacity Bids: All Capacity Bids with tariff period BASE are considered as not combinable with other Capacity Bids with the tariff period BASE. Consequently, in BASE, a BSP should submit Capacity Bids for an increasing volume.

For all Peak/Long-Off peak Capacity Bids: The BSP is free to set the combinability (or may not be combined with).

Example: A BSP wishes to offer 2 blocks of 5MW BASE to ELIA.

ELIA expects a Capacity Bid for 5MW and a Capacity Bid for 10MW (2 combinable Capacity Bids for 5MW is not allowed in BASE).

It is allowed to submit Capacity Bids for PEAK/LONG OFFPEAK that are combinable or not combinable with these BASE Capacity Bids.

2. Obligations regarding the volumes to be offered (**obligations 1, 2 and 3**)

The obligations described under obligations 1 and 2 are only applicable to BASE (Tariff Period) Capacity Bids.

The following obligations are the minimum obligations to be respected for each Service Type. ELIA invites every BSP to submit more Capacity Bids in order to increase the possibility to be retained in the optimal selection.

Obligation 1 – Smallest offered volume

The smallest offered volume should not exceed following volumes:

- R3 CIPU (Standard & Flex): the Pmin of the unit with the second smallest Pmin listed in the dedicated Annex.
- R3 non-CIPU (Standard & Flex): 10 MW

Capacity Bids for a smaller volume are allowed and strongly encouraged! The obligation applies for individual bids of all Tertiary Control Service Types as well as for combined offers of Standard Tertiary Control Power and Flex Tertiary Control Power.

Obligation 2 – Volume Increments

When sorting the Capacity Bids in terms of offered volume, the difference between 2 Capacity Bids can be at maximum:

Product Type	Max Step [MW]
R3 Standard	10 MW
R3 Flex	10 MW

Table 1

The obligation applies for individual bids for all Tertiary Control Service Types as well as for combined Capacity Bids of Standard Tertiary Control Power and Flex Tertiary Control Power.

In case of combined Capacity Bids R3 Standard and R3 Flex, the maximum increments should be respected for one R3 Service Type for all Capacity Bidswith the same amount of the other R3 Service Type:

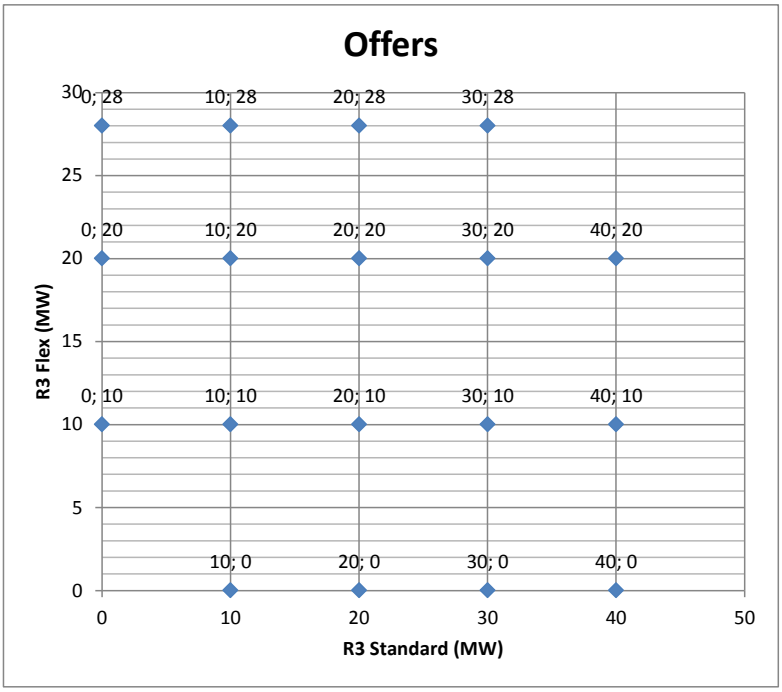
- The difference of R3 Standard volume between 2 Capacity Bids combined with the same volume of R3 Flex, can be maximum the volume as defined in Table 1.

- The difference of R3 Flex volume between 2 Capacity Bids combined with the same volume of R3 Standard, can be maximum the volume as defined in Table 1.

Example

If a BSP wishes to offer 40 MW of R3 Standard and 28 MW of R3 Flex with a maximal total volume of 60 MW, he must at minimum offer the following set:

Offer Number	Standard R3	Flex R3
	Offered Volumes (MW)	Offered Volumes (MW)
1	0	10
2	0	20
3	0	28
4	10	0
5	10	10
6	10	20
7	10	28
8	20	0
9	20	10
10	20	20
11	20	28
12	30	0
13	30	10
14	30	20
15	30	28
16	40	0
17	40	10
18	40	20



Obligation 3 – Base offer available

When offering both in PEAK and LONG OFF-PEAK, the BSP must submit a BASE Capacity Bid, while respecting the obligations below, for a volume that is at least minimum of the maximum volume offered in PEAK and the maximum volume offered in LONG OFF-PEAK.

Consequences of non-respect
In case a BSP does not respect the obligations, all his Capacity Bids will be rejected at gate closure time/deadline to submit Capacity Bids.

3. Divisibility of Capacity Bids

For all Capacity Bids

The BSP can make a Capacity Bid divisible, meaning that ELIA can retain a volume between 1MW and the offered volume with a granularity of 1MW, or not divisible.

4. Obligations regarding the total costs of Capacity Bids (**obligation 4**)

Obligation 4 – Total cost check

The total cost (unit price × volume) of the smallest volume that can be retained resulting from a Capacity Bid, should never exceed the total cost of the smallest volume that can be retained from a Capacity Bid with a larger offered volume.
The obligation applies for individual BASE Capacity Bids for all R3 Service Types as well as for combined BASE Capacity Bids of Standard Tertiary Control Power and Flex Tertiary Control Power. In case of combined Capacity Bids for R3 Standard and R3 Flex, the check is performed while keeping the volume of one R3 Service Type constant and varying the volume of the other R3 Service Type.

Consequence of non-respect

In case of a non-respect with obligation 4 - a smaller volume at more expensive in total cost – only the applicable Capacity Bid(s) will be rejected.

In case this lead to a non-respect with the obligations 1 and/or 2 regarding to the volume as described in this annex, the entire set of Capacity Bids will be rejected.

Example:

If a BSP wishes to offer 40 MW of R3 Standard and 28 MW of R3 Flex, he should respect the bidding obligation regarding the total cost check. Table 2 presents a Capacity Bid set that is in line with the Bidding Obligations for Capacity Bids. Table 3 shows an offer set for which the total cost check of Capacity Bid 7 is lower than the total cost check of Capacity Bid 5. In consequence, obligation 4 is no longer respected and Capacity Bid 7 will be rejected. The remaining Capacity Bids will also be rejected as they do not satisfy anymore bidding obligation 2.

Offer Number	Standard R3 (MW)	Unit Price (€/MW/h)	Flex R3 (MW)	Unit Price (€/MW/h)	Total Cost (€/h)
1	0	0	10	3	30
2	0	0	20	2	40
3	0	0	28	1,8	50,4
4	10	5,1	0	0	51
5	10	4,5	10	2,5	70
6	10	3,2	20	2	72
7	10	2,7	28	1,9	80,2
8	20	4,2	0	0	84
9	20	3,5	10	2	90
10	20	3,4	20	1,8	104
11	20	3,2	28	1,7	111,6
12	30	3,8	0	0	114
13	30	3,4	10	1,8	120
14	30	3,2	20	1,7	130
15	30	3,1	28	1,6	137,8
16	40	3,7	0	0	148
17	40	3,5	10	1,8	158
18	40	3,2	20	1,7	162

Table 2

Offer Number	Standard R3 (MW)	Unit Price (€/MW/h)	Flex R3 (MW)	Unit Price (€/MW/h)	Total Cost (€/h)
1	0	0	10	3	30
2	0	0	20	2	40
3	0	0	28	1,8	50,4
4	10	5,1	0	0	51
5	10	4,5	10	2,5	70
6	10	3,2	20	2	72
7	10	2,4	28	1,5	66
8	20	4,2	0	0	84
9	20	3,5	10	2	90
10	20	3,4	20	1,8	104
11	20	3,2	28	1,7	111,6
12	30	3,8	0	0	114
13	30	3,4	10	1,8	120
14	30	3,2	20	1,7	130
15	30	3,1	28	1,6	137,8
16	40	3,7	0	0	148
17	40	3,5	10	1,8	158
18	40	3,2	20	1,7	162

Table 3

C. AWARD CRITERIA

When retaining Capacity Bids, ELIA will:

- retain the combination of Capacity Bids that lead to a minimal total reservation procurement cost,

while

- retaining at least Required R3 Volume per Service Type as specified in the Dossier Volumes, (the contracted R3 must at all times be at least the requested volumes);
- respecting the auction rules (divisibility) set forth in section B of this Annex;
- only considering non-rejected Capacity Bids;
- respecting constraints set by the BSP in terms of combinability and divisibility.

In case an alternative optimum exists the following criteria will successively be applied to determine the solution:

1. maximizing the retained volume of R3 Standard[1]
2. maximizing overall retained volume of R3[1]
3. maximizing the number of retained bidders
4. maximizing the equal distribution of the volume amongst all retained bidders.

D. TRANSPARENCY

At the moment of the conclusion of the Contract, ELIA foresees to publish aggregated anonymous results of the auctions on its website.

[1] at BASE equivalent

ANNEX 2. TEMPLATE FOR THE LIST OF R3 DELIVERY POINTS

Name: [BSP]

Version: [date submission BSP]

Validity Period: [start] – [end]

In accordance with Article 3.2 the BSP must declare the Delivery Points on which he will make the R3 available.

The Delivery Points must be in respect with all the conditions set forth in Article 3.2 and 3.3 and detailed in Annex 5 of the Terms and Conditions.

This list must be presented by the BSP to ELIA and must be agreed between both Parties.

Updates of this list must be exchanged, following the rules set forth in Article 3.5.c, and agreed upon via email to the contracting responsible as per Article 13 and to contracting_AS@ELIA.be).

The fact of being listed in the present Annex does not constitute a right of access for the said Delivery Points or Access Points.

A. LIST OF DELIVERY POINTS & TECHNICAL DATA

Delivery Point Name + EAN[1]	Type (TSO, Submeter, CDS)	Grid User Concerned	Unsheddable Margin[2] [MW]	R3ref [MW][3]	Participation to Standard Tertiary Control	Delivery Point approved by ELIA **(to be completed by ELIA)**
					[X]	[X]
					[ ]	[ ]
					[ ]	[ ]
					[ ]	[ ]
					[ ]	[ ]
					[ ]	[ ]
					[ ]	[ ]
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[1]**Identification rules for the different Delivery Point (DP):**

- If the Delivery Point is an Access Point to the ELIA grid, Delivery Points' name and EAN are equal to the Access Points' name and EAN mentioned within the Grid User Declaration.
- If the Delivery Point is another point within the electrical facilities of a grid user downstream of an Access Point connected to the ELIA Grid, (Submetering Delivery Point), the Delivery Points' name and EAN are equal to the Delivery Points' name and EAN mentioned within the Submeter Technical Info Checklist;
- If Delivery Point is a point within a CDS connected to the ELIA Grid the Delivery Points' name and EAN are equal to the Delivery Points' name and EAN mentioned within the in CDSO Declaration.

[2]**Rules for the Unsheddable Margin:**

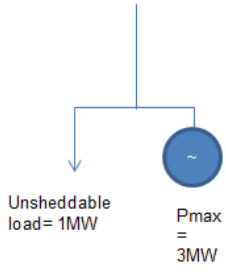
The sign of the Unsheddable margin is positive in case of a minimum offtake and negative in case of a maximum injection.

Example:

A Delivery Point has a base load consumption that can be lowered to a minimum of 1MW. In parallel there is also a backup generator that can generate a maximum of 3MW behind the same Delivery Point.

In this case the Unsheddable Margin for the Delivery Point is 1MW (unsheddable load) – 3MW (maximum production) = -2MW.

When the load behind the Delivery Point is at its lowest level and the backup generator is at its maximum production (Pmax), the Power measured at the Delivery Point is -2 MW (net injection of 2 MW), In these circumstances 0MW of Tertiary Control Power is available or can be activated.



[3]The value **R3ref** will be used for the communication of the maximum potential impact on the BRP's portfolio. In case the Delivery Point is also part of a Contract for the Tertiary Control Non-Reserved Service by Non-CIPU Technical Units, **R3ref** should be lower or equal to the **R3NRref** as defined in the Terms and Conditions for the Tertiary Control Non-Reserved Service by Non-CIPU Technical Units,

B. GRID USER DECLARATIONS (ONLY ELIA CONNECTED DELIVERY POINTS)

As described in Annex 5 of the Terms and Conditions

C. CDSO DECLARATION (ONLY FOR CDS DELIVERY POINTS)

As described in Annex 5 of the Terms and Conditions

D. SIGNED BSP-DSO CONTRACT (ONLY FOR DSO DELIVERY POINTS)

Only in case of Delivery Points connected to the DSO grid

E. SUBMETER TECHNICAL INFO CHECKLIST (ONLY FOR SUBMETERING DELIVERY POINTS)

As described in Annex 5 of the Terms and Conditions

F. TECHNICAL EXPLANATION FOR STANDARD TERTIARY CONTROL

To be completed only if the BSP provides Standard Tertiary Control. The BSP must provide qualitative information on how Standard Tertiary Control is performed and supplied for 8 consecutive hours.

G. BASELINE CHOICE

The chosen Baseline applies to all Delivery Points and all Service Types of Tertiary Control.

BSP Name	
Baseline	**BSP's choice**
Last QH	[ ]
High X of Y	[ ]

H. R3MAX,FLEX, R3MAX,STD AND R3MAX

This table is filled by ELIA.

BSP Name	R3max,Flex [MW]	R3max,Std [MW]	R3max [MW]
Value in MW			

ANNEX 3. QUANTITY OF TERTIARY CONTROL POWER REQUIRED

The quantity of R3 Required (R3 Req) is calculated per quarter-hour (QH) as is described hereunder.

A. ACTIVATION START TIME IS AT QUARTER-HOUR

Activation start time is the time given in the activation request message.

Activation at the QH means an activation at HH.00, HH.15, HH.30 or HH.45.

⇨ For quarter Hour 1= R3 Req [MW] = R3 Activated by ELIA MW /2

⇨ For quarter Hour 2 = R3 Req [MW] = R3 Activated by ELIA MW

B. ACTIVATION START TIME BEFORE THE START OF THE NEXT QUARTER-HOUR:

Activation before the start of the next QH means:

- Activation in between HH.01 and HH.14 ==> Next QH: HH.15
- Activation in between HH.16 and HH.29 ==> Next QH: HH.30
- Activation in between HH.31 and HH.44 ==> Next QH: HH.45
- Activation in between HH.46 and HH.59 ==> Next QH: Next hour (HH.00)

The formulas for the calculation of the R3 Req for a quarter hour consider that the first 15 minutes of the activation will be with a slope at a defined ramping rate, 15 minutes after the activation, the R3 Required must be equal to the R3 Activated by ELIA.

- RR =Ramping Rate: R3 Req/15'

We use an example to demonstrate the calculation of the R3 Req.

In this example, we suppose that X is the start time of activation and it is somewhere before the start of first quarter-hour at T1.

For calculating the R3 Required per QH, we take what is reasonable being the ramping rate for delivering the contracted Tertiary Control Power within 15 min (green area in figure 1) divided by T=15min to have an average power.

We can determine three different situations for each QH:

a) The ramping rate is not steep enough to achieve the R3 Activated by the end of the time interval. In our example, this is the interval T0- T1 in figure 1.

b) The ramping rate is steep enough to achieve the R3Activated by the end of the time interval. Once the R3 Required is achieved, this is maintained at a constant value until the end of the activation. In our example, this is the interval T1- T2 in figure 1.

c) The R3 activated is already achieved before the start of the quarter hour. In our example, this is the interval T2- T3. The R3 Required will always be equal to the contractual power.

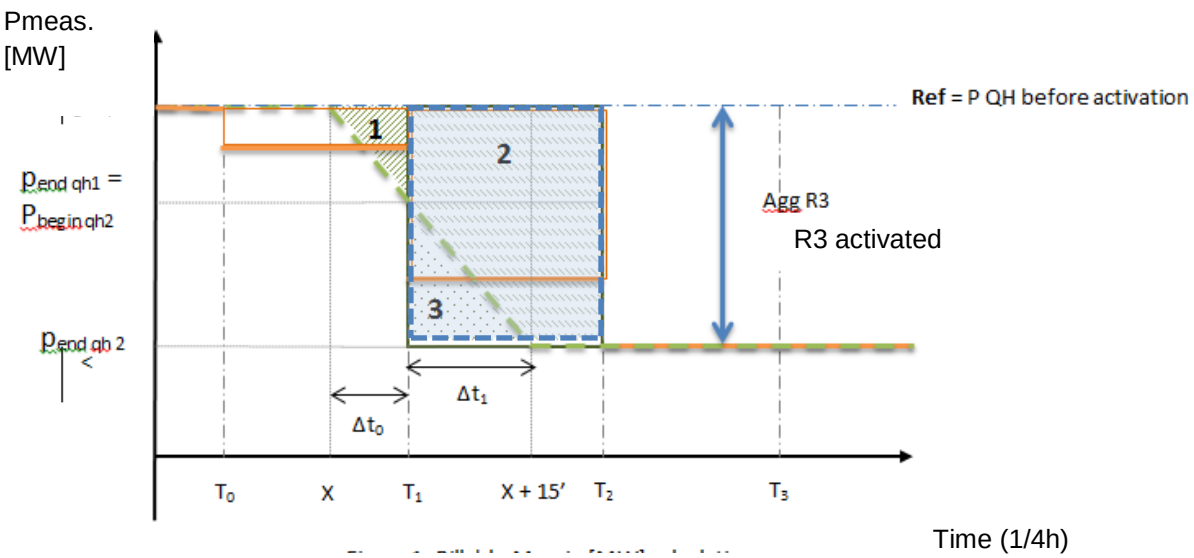


Figure 1: R3 Required Calculation

Legend:

	R3 Required in QH metering
	Supposed linear curve followed, defined by ramping rate
T_0, T_1,T_2	Quarter-hour Intervals
X	Time at start of activation
Contracted R3	Demanded contracted power delta at activation of Tertiary Control Power

In our example for interval T0- T1 (QH1), the R3 Req [MW] is the ratio between green area 1 in fig 1 in the QH and T=15min to have an average power. The time interval $\Delta t0$ is expressed in minutes. This gives the following formula:

$$R3\ Req\ for\ QH1 = \frac{\pm RR * (\Delta t0)^2}{2 * T}$$

In our example for interval T1- T2 (QH2), the R3 Req [MW] is the ratio between the difference between the blue rectangle 2 and triangle 3 in fig 1 in the QH and T=15min to have an average power. This gives the following formula:

$$R3\ Req\ for\ QH2 = R3\ Activated - \frac{[R3Activated - (\pm RR * \Delta t0)]^2}{2T * (\pm RR)}$$

C. ACTIVATION END TIME BEFORE THE START OF THE NEXT QUARTER HOUR:

Activation ends before the start of the next QH means:

- Activation ends in between HH.01 and HH.14 ==> Last QH: HH.00
- Activation ends in between HH.16 and HH.29 ==> Last QH: HH.15
- Activation ends in between HH.31and HH.44 ==> Last QH: HH.30
- Activation ends in between HH.46 and HH.59 ==> Last QH: HH.45

The minutes between the last QH before the end of the activation and the next quarter hour will not be taken into account for calculating the R3 Required.

ANNEX 4. PROCEDURE FOR BSP ACCEPTANCE

This annex describes all the conditions to be fulfilled in order to participate in Tertiary Control Service by non-CIPU Technical Units.

The BSP engages to execute the fulfillment of all conditions to ELIA by making an Capacity Bid of Tertiary Control Service by non-CIPU Technical Units to ELIA.

Additionally, because of the importance on the Balancing Services, ELIA must be assured that the BSP meets the organizational requirements and that the Delivery Point(s) meet the technical requirements in order to be able to deliver the contracted service.

The BSP shall contact ELIA for the practical organization of the tests described in this Annex.

The tests shall not jeopardize the ELIA Grid or any Distribution Grid security.

The timeline below indicates the different deadlines to be respected

COMMUNICATION TESTS

The BSP and ELIA will check together before the start of delivery:

- IT communication
  - The BSP must be able to receive and interpret the signals as defined in Annex 7.
- In case that the organization requirements are not fulfilled, ELIA and the BSP will make their best effort to identify the source of the failure and the BSP is expected to solve the source of the failure.
- Any costs linked to the tests are born by the BSP;

ANNEX 5. PROCEDURE FOR DELIVERY POINT ACCEPTANCE

This annex describes all the conditions to be fulfilled by a Delivery Point in order to participate in Tertiary Control Service by non-CIPU Technical Units.

A. GRID USER DECLARATION

ELIA must receive the proof that the Grid User has signed without reserves the Grid User Declaration containing the following clauses:

- "The Grid User Concerned hereby gives the BSP the permission to offer the Tertiary Control Power Service to ELIA as described in the Terms and Conditions for Tertiary Control Power by non-CIPU Units (hereinafter, "Terms and Conditions") concluded between the BSP and ELIA, from _____ to _____.
- "The Grid User Concerned hereby acknowledges that all given information in this Grid User Declaration is true and accurate."
- "The Grid User Concerned hereby acknowledges submitting this information for one BSP and that he will participate in the Tertiary Control Power by non-CIPU Technical Units service with only one BSP at the same time."
- "The Grid User Concerned hereby renounces any possible legal claims that he might invoke against ELIA because of the implementation of the Terms and Conditions for Tertiary Control Power. The Grid User Concerned moreover confirms to Elia that his commitment to provide Tertiary Reserve Power as stipulated in this Terms and Conditions for Tertiary Control by non-CIPU Technical Units 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 energy BSP of the Grid User Concerned)."
- The Grid User Concerned acknowledges that the present document is valid until either its respective expiry date or the submission by another BSP of a new Grid User declaration for the Delivery Point Concerned signed and validated by the Grid User Concerned.
- "The Grid User Concerned hereby gives explicit permission to ELIA to inform the BSP of the measurements of the Delivery Points Concerned."
- "Details of the Delivery Point Concerned:"

Deliver Point Name	Delivery Point Identification (EAN)

B. SUBMETERING TECHNICAL INFO CHECKLIST (ONLY FOR SUBMETERING DELIVERY POINTS)

All Submetering Delivery Points, as well as all Delivery Points within a CDS, must be able to provide valid Submetering Technical Info Checklist.

The aim of this Submeter Technical Info Checklist is to prove that the Submeters meet the metering

The aim of this requirements imposed by ELIA in Annex 6 and give necessary information to ELIA to perform its verifications on metering requirements and data communication.

The technical requirements for Submeters as well as the Submeter Technical Info Checklist document checklist/form can be found at ELIA's website or can be requested via email to contracting_AS@ELIA.be. Provided information must comprise at least:

- Single-line diagram on which the location of the Submeters are marked
- Technical information of the Submeter(s) (accuracy class etc.)
- The metering equation used to determine the correct metering data.

The BSP declares that the metering equation is valid for the normal exploitation topology behind the Access Point (no conditional equation depending on the exploitation topology is allowed).

In case of a change in topology behind the Access Point, which impacts the metering equation, the BSP will inform ELIA immediately.

For all changes of the list of Delivery Points as described in Article 3.2, ELIA must receive a Proof of Submeter Compliance per new Submeter at least 10 working days before the Submeter commissioning test as foreseen in section C.

C. SUBMETER COMMISSIONING TEST

The technical requirements and procedures of the Submeter commissioning test are described in the standard offer that ELIA will make for the installation of a submetering solution and which can be obtained upon request via email to wiovdsupport@ELIA.be.

The Submeter Technical Info Checklist document as foreseen in section 0 must be provided to ELIA before the Commissioning Test.

All Submetering Delivery Points which will communicate with the ELIA metering data management system via a Submeter, a GSM modem or a datalogger must pass the Submeter commissioning test performed by ELIA.

ELIA and the BSP will agree on a date for the Submeter commissioning test to be performed.

D. CDSO DECLARATION

ELIA must receive the following document signed by the CDS Operator:

Declaration by a Closed Distribution System Operator

With this declaration, **[••••]**, a company incorporated under **[••••]** law, enterprise number **[••••]**, with registered office at **[••••]**, validly represented by Mr **[••••]** and Mr **[••••]**, respectively in their capacity as **[••••]** and **[••••]**, identified for the purposes hereof as '**the Closed Distribution System Operator**', hereby grants

permission for the Delivery Point identified below, which is part of its Closed Distribution System and the Power Measured of which the Closed Distribution System Operator meters, **to participate** in the service for the delivery of Tertiary Control Power by non-CIPU Technical Units for the period **[••••]**, organised by ELIA, as defined in the Terms and Conditions for Tertiary Control Power by non-CIPU Technical Units published on the ELIA website,

In the knowledge that the Power Measured at this Delivery Point under specific circumstances and under specific conditions can be reduced and/or interrupted in order to deliver Tertiary Control Power,

In the knowledge that this Delivery Point corresponds fully or partly with the CDS Access Point of **[••••]**, a company incorporated under **[••••]** law, enterprise number **[••••]**, with registered office at **[••••]**, recognised as a User of the Closed Distribution System that is managed by the Closed Distribution System Operator,

And

Undertakes to conclude a cooperation agreement with ELIA in accordance with the model which can be found on ELIA's website or can be obtained upon request from ELIA and which describes the conditions for exchanging metering data between ELIA and the Closed Distribution System Operator, and to do so prior to the commissioning of the Delivery Point as under the Terms and Conditions between ELIA and the Tertiary Control BSP.

And

Informs ELIA whether there is a risk of full or partial load transfer from the Delivery Point that is part of the Closed Distribution System, as detailed below:

Details of the Delivery Point

CDS User	CDS Access Point	Delivery Point Identification (EAN)

Risk of full or partial load transfer (to be described by the Closed Distribution System Operator):

.....
.....
.....
.....

And

Confirms that it has obtained express permission from the Closed Distribution System 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 billing of the Tertiary Control Power service with respect to the Tertiary Control BSP, which to that end makes use of the Closed Distribution System User's Delivery Point.

The Tertiary Control BSP sends this declaration by ordinary e-mail to the address Contracting_AS@ELIA.be, with a copy to the Closed Distribution System Operator. The Delivery Point is only integrated into the Tertiary Control Service upon signature of this declaration.

Done in _____, on___/___/

Signature of the Closed Distribution System Operator:

Name:

Title:

Signature:

ANNEX 6. METERING REQUIREMENTS

All Delivery Points must have one or several meter(s) installed that meets the following minimum requirements:

A. GENERAL METERING REQUIREMENTS FOR ALL DELIVERY POINTS:

- An AMR[2] meter that can provide 15-min metering to measure Injection or Offtake of the Grid User Concerned.
- It must be possible to calculate the Power Measured based on the metering at a Delivery Point.

B. SPECIFIC METERING REQUIREMENTS FOR EACH TYPE OF DELIVERY POINT:

For Delivery Points on the ELIA Grid

- Every meter for the Headmetering must be an official Headmeter approved by ELIA.

For Delivery Points on the Distribution Grid: described in the BSP-DSO contract

- All communications, agreements regarding the metering requirements should be discussed with the applicable DSO

For Submetering Delivery Points

- Every Submeter for the Submetering must comply with the metering requirements specified in the document "General technical requirements of the submetering solutions" published on the ELIA website and available on demand by simple email to contracting_as@elia.be

For Delivery Points within a CDS

- The CDS Operator must use the metering facilities (already) associated with Delivery Points within a Closed Distribution System in relation to their invoicing obligations regarding their CDS access points.
- The metering data must be validated by the CDS Operator.

C. VALIDATION OF THE ELIA GRID SUBMETERING AND CDS METERING DATA

The metering data for day D for all Submetering Delivery Points or within a CDS will be made available by ELIA to the BSP at latest D+2.

[2] Automatic Meter Reader

If the BSP does not agree he can contest the provided metering data at latest at Day D+7, calendar days, for day D by means of an e-mail to system.services@elia.be. In its contestation the BSP must declare that he disagrees with the metering data, indicate the reason of contestation and provide proof that the data is incorrect.

Subject to these reasons and proof, ELIA and the BSP may agree to use adjusted metering data.

If the deadline of D+7 is not met or if ELIA and the BSP cannot reach an agreement, the original metering data shall be used as provided by ELIA.

ANNEX 7. RULES FOR THE EXCHANGE OF INFORMATION BY THE PARTIES

IT COMMUNICATION

ELIA and the BSP shall exchange the following information in real time at the moment of activation:

- If ELIA wishes to activate the Tertiary Control Service, then it shall inform the BSP thereof in accordance with an electronic message to which the BSP has to respond with an electronic message within 3 minutes.
- This communication will be tested in the communication test described in Annex 4.
- When an electronic message sent by ELIA does not receive an acknowledgement message within 3 minutes (and without fault by ELIA), it shall be considered that the activation was not done and that the Tertiary Reserve Service was not provided. Therefore the BSP will be imposed the penalties as defined in Annex 9.
- The response message that the BSP sends to ELIA must contain at least the information of which Delivery Points concerned will be activated by the BSP. This list of Delivery Points is the list that will be considered for the control of the activation, as per art. 7.11. This must be sent also within 3 minutes in the same acknowledgement message.
- For each activation ELIA will indicate in its activation message the required Tertiary Control Power and a required activation period in respect of conditions applicable for the corresponding R3 Service Type.
- For each period of activation, in case ELIA needs to prolong the activation, ELIA will notify the BSP before the end of the quarter-hour for which the activation was requested and in respect of maximal activation durations for each R3 Service Type. The BSP will then need to reiterate exchange of messages as described here above for the next quarter-hour.
- An activation ends if and only if the activation period reaches the end time specified in the electronic message sent by ELIA without any prolongation having been asked for by ELIA (by XML message), or if the maximal contractual duration of the activation is reached (in respect of durations foreseen for each R3 Service Type).

IT solutions

- IT communication is done by XML messages sent via a secured internet protocol (XML over HTTPS). The BSP must be able to receive the XML message from ELIA (i.e. HTTP Listener) and has to send a synchronous technical acknowledgement message as well as an asynchronous acknowledgement message. The asynchronous acknowledgement message must be an XML message sent to an ELIA specific internet address via a secured internet protocol (HTTPS) and must also contain the EAN numbers of the Delivery Points Concerned.

- The detailed technical specification of the communication protocols can be found on ELIA's website or can be requested via e-mail to the contracting contact.

ON-LINE EXCHANGES

Nominations: the BSP submits nomination files as stipulated in Article 7.9. The BSP will use a pre-defined nominations template file indicated by ELIA. The submission of files will be done via a dedicated online platform that will be put in place by ELIA or by email as a backup solution to be used only in case of unavailability of the platform.

Forced Outages: In the event of a Forced Outage, the BSP immediately notifies ELIA via email to ELIA's Real-Time Operations and Contractual contact persons as per Annex 18. Additionally, the BSP submits a consequently modified intraday nomination as described hereby above.

ANNEX 8. EX-POST CHECK OF THE TERTIARY CONTROL POWER OBLIGATION

In accordance with Article 7.10 the availability will be monitored each Month based on the values of Tertiary Control Power made available by the BSP to ELIA as determined in Annex 8. If ELIA establishes that the BSP has failed for a particular quarter-hour to provide at least the quantity of his Tertiary Control Power Obligations, ELIA will apply a penalty. Since this penalty applies to any R3 Missing MW, for any quarter-hour of the considered month, the number of R3 Missing MW must be determined. This annex describes the method for calculating the number of R3 Missing MW.

A. CALCULATION OF R3 MISSING MW:

The quantity of R3 Missing MW will be determined for each BSP, each quarter hour as follows:

	Name	Determination: For each BSP and each QH
1a	Contracted Standard Tertiary Control	Quantity awarded in procurement
1b	Contracted Flex Tertiary Control	Quantity awarded in procurement
1c	Confirmed Transfers of Obligations R3 Standard[3]	Confirmed Transfers for Contracted Standard Tertiary Control Power, as per Annex 17
1d	Confirmed Transfers of Obligations R3 Flex[3]	Confirmed Transfers for Contracted Flex Tertiary Control Power, as per Annex 17
2	**R3_Obligation**	**= [1a + 1b + 1c + 1d]**
3	R3_mad	Quantity of R3 made available as defined per Annex 8B
4	**R3 Missing MW**	**= Max [(2 - 3) ; 0]**

This means that for each quarter hour:

1a, 1b: The quantities of Contracted Tertiary Control for each Service Type. These values are always positive or 0 (zero).

1c, 1d: Confirmed transfers of obligations as per Annex 17 are:

i. Positive (+) in case the BSP has taken over obligations **from** a Counterpart BSP

ii. Negative (-) in case the BSP has transferred obligations **to** a Counterpart BSP

2: Tertiary Control Obligations are determined as the sum of Contracted R3 of each Service Type.

3: These are the quantities of Tertiary Control the BSP had actually made available to ELIA, these values are always positive or 0 (zero)

4: The number of R3 Missing MW is considered as the difference between the R3 actually made available and the R3 Obligations:

[3] Transfer of Tertiary Control Obligations is performed per Service Type

i. Positive (+) in case the BSP has failed to comply with all his obligations for that respective direction.
ii. Zero (0) in case the BSP complies with all his obligations for that respective direction.

B. DETERMINATION OF THE R3 MADE AVAILABLE

The R3 Made Available is the minimum between R3max, the Tertiary Control Power nominated as per Article 7.9 and the sum of the available Tertiary Control Power at each Delivery Point listed in Annex 2 or part of a signed BSP-DSO Contract, which is determined as the difference between the Power measured and the Unsheddable Margin (=available flex), capped by the Prequalified Power for Delivery Points connected to DSO grid.

$$R3\,Mad\,(k) = \min \left\{ \begin{array}{c} R3max; \\ R3nominated(k); \\ \sum_{all\ Delivery\ Points}^{i} \left[\max \left(0 ; \boldsymbol{min} \left(\begin{array}{c} PQP(i,k); \\ Pmeasured(i,k) - Unsheddable\ margin(i) \end{array} \right) \right) \right] \\ -combo * [R3NR_{Offered}(k) - R3NR_{Supplied}(k)] \end{array} \right\}$$

With:

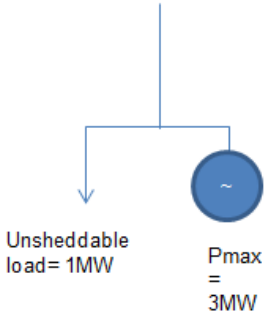
- R3max : the last updated R3max;
- R3nominated : the sum of Tertiary Control Power nominated for quarter hour k;
- Pmeasured (i,k): the Power measured for Delivery Point i at quarter hour k;
- PQP (i,k): Prequalified Power for the Delivery Point i connected to the DSO Grid at quarter hour k. In all other cases, this value is infinite;
- Unsheddable Margin (i) = Unsheddable Margin for the Delivery Point i;
- k= the considered quarter hour;
- combo : a Boolean value equal to 1 if the BSP has signed a Contract for Tertiary Control Non-Reserved Service by Non-CIPU Technical Units provided by Delivery Points included in Annex 2A or in a DSO-BSP Contract, and 0 otherwise ;
- $R3NR_{Offered}$ (k) : Tertiary Control Non-Reserved Power offered for quarter hour k and provided by Delivery Points included in Annex 2A or in a DSO-BSP Contract;
- $R3NR_{Supplied}$ (k) : Tertiary Control Non-Reserved Power supplied for quarter hour k and provided by one or several Delivery Point(s) included in Annex 2A or in a DSO-BSP Contract.

Example

A Delivery Point has a base load consumption that can be lowered to a minimum of 1MW. In parallel there is a backup generator of 3MW behind the delivery Point.

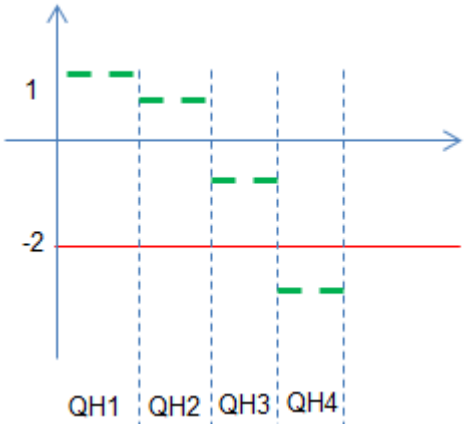
In this case the Unsheddable Margin for the Delivery Point is 1MW (unsheddable load) – 3MW (maximum production) = -2MW.

The Prequalified Power is 3MW and the R3Max is 5MW.



Depending on the Power measured, the unsheddable margin and the prequalified power, the R3mad can be determined.

In the graph below, the green line is the Power measured for the quarter hour, the red line is the unsheddable margin:



This results in the following R3mad:

	Power measured	Prequalified Power	Unsheddable margin	R3 mad
QH1	1	3	-2	**Min[5; 1-(-2)] = 3MW**
QH2	0,5	3	-2	**Min[5; 0,5-(-2)] = 2,5MW**
QH3	-1	3	-2	**Min[5; -1-(-2)] = 1MW**
QH4	-3	3	-2	**Min[5; -3 –(-2)]= -1 -> 0MW**

ANNEX 9. CALCULATION OF PENALTIES FOR R3 MISSING MW

In accordance with Article 9.1, ELIA will apply a penalty if the BSP has failed, for any particular quarter-hour, to make the quantity of his Tertiary Control Power Obligations available to ELIA. Said penalty applies to any R3 Missing MW as calculated per Annex 8.

CALCULATION OF MONTHLY PENALTY

ELIA will calculate on a monthly basis the sum of penalties for all R3 Missing MW, during the concerned quarter hours:

$$P\text{MonthM} = \sum_{i=k}^{m} \mathbf{1.3} * \boldsymbol{R3\ Missing\ MW}(\boldsymbol{i}) * \boldsymbol{Pavg}(\boldsymbol{i}) * \mathbf{1/4}$$

With:

- k: first quarter hour of the Month
- m: last quarter hour of the Month
- $P_{avg}(i)$ = The weighted average of the Price in €/MW/h of each contracted Capacity Bid for the considered quarter hour i.
- R3 Missing MW(i): R3 Missing MW for quarter hour i as calculated in Annex 8

ANNEX 10. EX-POST CHECK OF THE TERTIARY CONTROL POWER SUPPLIED (ACTIVATION)

The following check is done based on the difference between the Tertiary Control Power Required and the Tertiary Control Power Supplied and this for each quarter hour in which the service was activated. ELIA will apply a penalty for all the Tertiary Control Power that was required, but not supplied.

- Tertiary Control Power Required is calculated as defined in Annex 3.
- Tertiary Control Power Supplied during quarter hour i is the difference between
  - The reference value (Baseline): this value is defined by the baselining method, as provided by Annex 14, chosen by the BSP (being “Last QH” or “High X of Y”).
  - The Power measured during the considered quarter hour i.

$$R3\ Supplied\ (k) = \sum_{Delivery\ Points} \min[PQP\ (i); Baseline(i,k) - Pmeasured(i,k)] - combo * R3NR_{Supplied}(k)$$

With:

- Pmeasured(i,k): the Power measured at the considered Delivery Point i at quarter hour k. (injection is considered as negative)
- Baseline(i,k): Baseline for the considered Delivery Point i at quarter hour k.
- PQP (i): the Prequalified Power of the applicable Delivery Point i connected to DSO Grid. In all other cases this value is infinite.
- Combo : a Boolean value equal to 1 if the BSP has signed a Contract for Tertiary Control Non-Reserved Service by Non-CIPU Technical Units provided by one or several Delivery Point(s) included in Annex 2A or in a BSP-DSO Contract, and 0 otherwise;
- $R3NR_{Supplied}(k)$: Tertiary Control Non-Reserved Power supplied for quarter hour k, as defined in the Terms and Conditions for Tertiary Control Non-Reserved Service by Non-CIPU Technical Units, and provided by one or several Delivery Point(s) included in Annex 2A or in a BSP-DSO Contract.
- Delivery Points = Delivery Points listed in the acknowledgement message to the activation request sent by the BSP to ELIA. Those Delivery Points should always be part of the list in Annex 2 or in a BSP-DSO Contract.

  In case of simultaneous activations of Tertiary Control by non-CIPU Technical Units and and Tertiary Control Non-Reserved Power Service provided by at least one common Delivery Point (included in Annex 2A or in a BSP-DSO Contract) for the quarter hour k, ELIA will add the entire set of Delivery Points of the activation of Tertiary Control Non-Reserved Power Service to the list of Delivery Points included in the acknowledgement message to the activation request of Tertiary Control by non-CIPU Technical Units sent by the BSP to ELIA.

ANNEX 11. CALCULATION OF PENALTIES FOR R3 NOT SUPPLIED

In accordance with Article 9.2, ELIA will apply a penalty if the BSP has failed, during the activation per quarter hour to provide the Tertiary Control Power Required.

CALCULATION OF MONTHLY PENALTY

ELIA will calculate on a monthly basis the sum of penalties for all Tertiary Control Power Required that was not supplied during the concerned quarter hours:

$$P\text{MonthM} = \sum_{n}^{Act} \boldsymbol{P_{R3}(n)}$$

With:

- Act: number of activations R3 (Standard+Flex) in Month M
- $P_{R3}(n)$ = Penalty for activation n of R3 (Standard or Flex) [€]

$$P_{R3}(n) = PF * \left[\frac{\sum_{All} Monthly\ Fixed\ Remuneration}{8}\right] * \left[\sum_{q=k}^{k+L} 1 - \frac{\min[R3\ Sup(q); R3\ Req(q)]}{R3\ Req\ (q)}\right] /L$$

With:

- PF = Penalty Factor equals to 1,5
- Monthly Remuneration, as defined in art.8.2, for the concerned R3 Service Type(s) of activation n.
- L = Number of quarter hours activated during activation of R3.
- k: first quarter hour of the activation
- R3 Sup (q) = Tertiary Control Power Supplied during quarter hour q as calculated in Annex 10;
- R3 Req (q) =Tertiary Control Power Required during quarter hour q as defined in Annex 3;

ANNEX 12. PENALTY CAP

MONTHLY CAP

$$Monthly\ cap = Monthly\ Remuneration$$

- Monthly Remuneration: the total Tertiary Control reservation remuneration of the Month M.

ANNEX 13. APPROPRIATION STRUCTURE

Name	Imputation	Remuneration
Tertiary non-CIPU – reservation	910848	Tertiary Control Reservation
Tertiary non-CIPU - Penal missing MW	908902	Penalty for R3 Missing MW
Tertiary non-CIPU - Penal activation	908903	Penalty for Tertiary Control not supplied

ANNEX 14. BASELINING METHOD

A. Choice of baselining method

The BSP can choose the baselining method that fits best with his Pool. This method will be unique for the entire Pool delivering Tertiary Control by non-CIPU Technical Units and will be applied to all Service Types of Tertiary Control by non-CIPU Technical Units. The Baseline chosen by the BSP is indicated in Annex 2.

The following Baselines are available:

- **Last QH**: the reference is the power measured during the quarter hour preceding the quarter hour in which the activation notification of Tertiary Control was received. In case the Delivery Point is already activated for Tertiary Control or for Tertiary Control Non-Reserved Power for the considered quarter hour then the reference is the power measured during the first quarter hour for which the Delivery Point has not been activated and preceding the quarter hour in which the first activation notification was received;
- **High X of Y**: the reference is based on the method described in hereunder in section B.

In case of a Pool including at least one Delivery Point also included in a Contract for Tertiary Control Non-Reserved Service by Non-CIPU Technical Units, the Baseline "Last QH" is imposed for Tertiary Control by non-CIPU Technical Units in order to allow simultaneous supply of both Services.

B. "High x of y" Baselining method

1. Selection of Representative Days

Representative Days are all days for which the offtake (or injection) is not influenced by an unforeseen or unusual event. Representative Days are divided in two categories:

- Working Day;
- Week-end and bank holiday: all days that are not working days.

By default, all days of the year are considered as representative days of one category, except days on which a demand response event has occurred upon request of ELIA.

The BSP may ask to exclude one day of the representative days at the following conditions only:

- The request is sent by e-mail to the contact persons designated in Annex 17;
- The request is motivated and justified by the BSP;
- The justification must correspond to one of the following list:
  i. An activation of any Balancing Service to which the Delivery Point participated
  ii. A "Force Majeure" as described in Article 7 of the General Conditions
  iii. A planned or unplanned maintenance of the non-CIPU Technical Unit
  iv. Holidays or closing period that differ from the past

The BSP has the possibility to add an additional category of representative days dedicated to the Mondays in case they present a different behavior than other weekdays. In order to add this special representative day category, an explicit request of the BSP must be sent by e-mail to ELIA directed to the contact persons designated in Annex 17.

2. Principles

The following principle is applied to calculate the Baseline:

- For any Delivery Point the Baseline is based on historical offtake data of the considered Delivery Point as per “High X of Y” method.

For an activation with a duration D on a day A the Baseline is established as follows:

2.1 Identification of reference days

This step consists of identifying X days for which quarter hour based offtake data of the Delivery Point will be used to calculate the Baseline.

Those X days are retained between Y last Representative Days of the same category as day A (see point A of this Annex). They correspond to the X days for which the average consumption of active power over the 4 hours following the requested delivery time by ELIA is the highest.

X and Y for each category of representative days are defined as presented in table 1.

Category of representative days	X	Y
Working Days	4	5
Week-end/bank holiday	2	3
Mondays (only upon explicit request by the BSP)	2	3

Table 1

2.2 Baseline profile

This step is dedicated to the calculation of the Baseline value for each quarter hour of the period D. This value is the average of the X values of the considered Delivery Point offtake, measured at the same quarter hour of the X representative days.

2.3 Adjustment of the Baseline level (uncapped symmetric additive)

At this stage, the profile of the Baseline computed following point 2 above is adjusted with respect to the offtake of the Delivery Point measured during the 3 hours preceding the activation request by ELIA.

For each quarter hour value of the Baseline computed, an adjustment factor (negative or positive) is applied. This adjustment factor is equal to the difference between the average offtake of the concerned Delivery Point during the 3 hours preceding the activation request by ELIA and the average offtake for the corresponding hours of the X representative days.

ANNEX 15. SIMULATION TEST

The outcome of the Simulation Test determines the maximal Tertiary Control Power of each Service Type that can be offered in the procurement process, being:

- R3max,std (MW) for the Standard Tertiary Control
- R3max,flex (MW) for the Flex Tertiary Control
- R3max (MW) which is the maximum between R3max,std and R3max,flex

R3max,flex is equal or superior to R3max,std as the entire volume of Standard Tertiary Control can also be offered as Flex Tertiary Control. The simulation test is based on quarter-hour metering data.

The Simulation Test is mandatory:

- before first participation to the auctions;
- to update R3max,std and/or R3max,flex;
- to modify the Baseline.

ELIA will provide the results of the simulation test at the latest 10 working days after the simulation test has taken place.

The pattern of the Simulation Test is determined by the R3 Service Type(s) that the BSP wishes to offer Standard Tertiary Control, Flex Tertiary Control or both of them.

1. Organization

The simulation test is realized upon BSP's request by submitting an updated list and specifying the Baseline based on the template in Annex 2 via e-mail to the contractual responsible as provided in Annex 17.

The BSP and ELIA agree on a time window of 48 hours, during which ELIA will request by surprise an activation of the Tertiary Control Power. ELIA will proceed to the simulation no later than 10 working days after the reception of the BSP's request.

Any costs linked to the tests are borne by the BSP.

2. Modalities to pre-qualify a new Pool or to update R3Max,std and/or R3Max,flex

The requirements of the simulation test depend on the R3 Service Type for which the BSP applies.

Standard Tertiary Control only

The figure 1 shows the pattern that will be required to pre-qualify a pool for the Standard Tertiary Control.

The simulation test consists of 2 phases:

- an activation of 2 quarter hours followed by one hour stop;
- an activation of 9 quarter hours.

The first quarter hour of each activation is considered as the ramp-up.

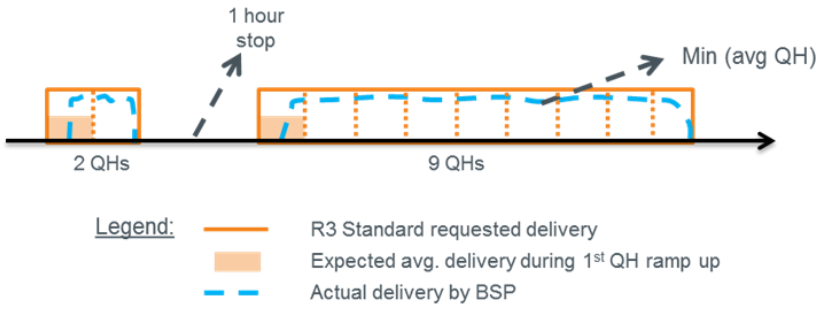


Figure 1 – Simulation test to apply for R3 Standard only

Checks:

Determination of R3max,std	
1.	The minimum power of Standard Tertiary Control Power delivered during all QHs (except the 2 ramp-up QHs) is defined as **Min_1**
2.	For each ramp-up QH, the double of the average power delivered is calculated. Than the minimum of these two values is defined as **Min_2**
3.	**R3max,std** is the minimum between **Min_1**, **Min_2** and $\sum_{i=1}^{all\ Delivery\ Points} R3ref(i)$ where "*all Delivery Points"* corresponds to the Delivery Points listed for participation to Standard Tertiary Control in Annex 2 or in a BSP-DSO contract

Flex Tertiary Control only

The figure 2 shows the pattern that will be required to pre-qualify a Pool for the Flex Tertiary Control.

The simulation test consists of an activation of 8 quarter hours where the first one is considered as the ramp-up.

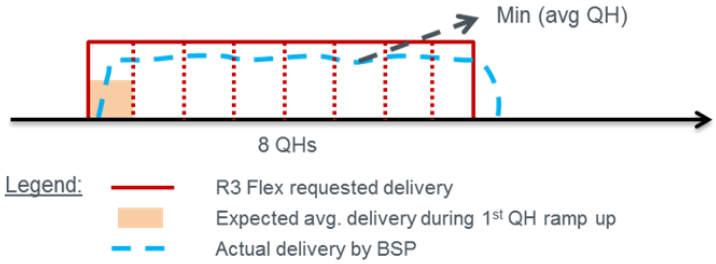


Figure 2 – Simulation test to apply for R3 Flex only

Checks:

Determination of R3max,flex	
1.	The minimum power of Flex Tertiary Control Power delivered during all QHs (except the ramp-up QH) is defined as **Min_1**
2.	For the ramp-up QH, the double of the average power delivered is calculated. This value is defined as **Min_2**
3.	**R3max,flex** is the minimum between **Min_1, Min_2** and $\sum_{i=1}^{all\ Delivery\ Points} R3ref(i)$ where "*all Delivery Points"* corresponds to the Delivery Points listed in Annex 2 or in a BSP-DSO contract

Standard and Flex Tertiary Control combined

The figure 3 shows the pattern that will be required to pre-qualify a Pool for the Standard and Flex Tertiary Control.

The simulation test consists of 3 phases:

- an activation of R3 Standard for 2 quarter hours (period 1a), followed by a one hour stop;
- an activation of R3 Standard for 9 quarter hours (period 1b);
- an activation of R3 Flex for the last 6 quarter hours on top of R3 Standard activation (period 2).

The first quarter hour of each activation (periods 1a, 1b, 2) is considered as the ramp-up.

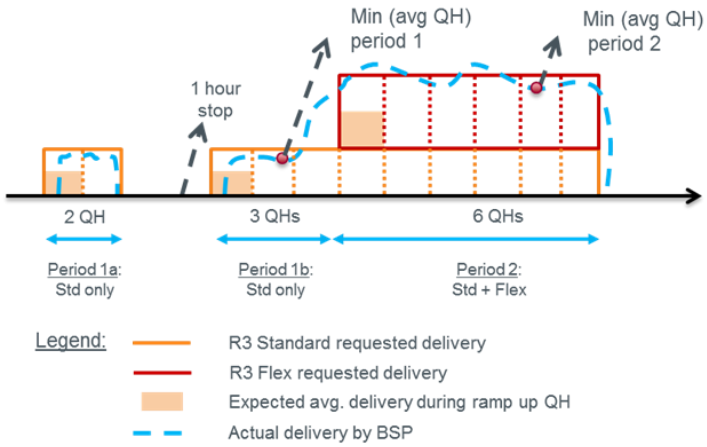


Figure 3 – Simulation Test to apply for R3 Standard and R3 Flex

Checks:

Determination of R3max,std and R3max,flex	
1.	The minimum power of Tertiary Control Power delivered during the complete test, i.e. periods 1a-1b-2, except ramp-up QHs, is defined as **Min_1**
2.	For each ramp-up QH of Periods 1a and 1b, the double of the average power delivered is calculated. Then the minimum of these two values is defined as **Min_3**
3.	**R3max,std** is the minimum between **Min_1, Min_3 and** $\sum_{i=1}^{all\ Delivery\ Points} R3ref(i)$ where "*all Delivery Points"* corresponds to the Delivery Points listed for participation to Standard Tertiary Control in Annex 2 or in a BSP-DSO contract
4.	The minimum power of Tertiary Control Power delivered during period 2, except ramp-up QH, is defined as **Min_2**
5.	For the ramp-up QH of Period 2, the double of the average power delivered on top of **R3max,std** is calculated. This value is summed to **R3max,std** to define **Min_4**
6.	**R3max,flex** is the minimum between **Min_2, Min_4 and** $\sum_{i=1}^{all\ Delivery\ Points} R3ref(i)$ where "*all Delivery Points"* corresponds to the Delivery Points listed Annex 2 or in a BSP-DSO contract

3. Modalities in case of a Pool modification

Addition of new Delivery Point(s)

In order to add new Delivery Point(s) to an existing Pool, a simulation test has to be performed to increase the R3max,flex (and possibly the R3max,std). No test is required if Delivery Point(s) is (are) added without impact on R3max,flex and R3max,std. The BSP may choose one of the two following solutions:

- a new simulation test, as provided by point 2, on the overall pool of the BSP, including Delivery Points already pre-qualified;
- a simulation test, as provided by point 2, only on the sub-pool of new Delivery Points.

If the second solution is chosen then the resulting R3max,flex or R3max,Std of the simulation test are added to the previous R3max,flex and R3max,std.

A simulation test can be requested and performed on Delivery Point(s) that is (are) part of another BSP's Pool while respecting the following conditions:

- The simulation test has to be requested by e-mail to the contractual contact person as defined in Annex 18by submitting an updated list of Delivery Points as defined in Annex 2.
- A Grid User authorization to perform the simulation test, as defined in point 6 hereunder, must be provided to ELIA
- The R3max,flex and/or R3max,std will be updated based on the result of the simulation test at the beginning of the month preceding the entry into force of the of the updated list of Delivery Points (Annex 2).

Removal of Delivery Point(s)

A simulation test is not mandatory to remove a Delivery Point from a pool. The maximal volumes that can be offered by the BSP will be adapted as follows:

- New R3max,std = R3max,std – R3ref (if the considered Delivery Point participate to Standard Tertiary Control);
- New R3max,flex = R3max,flex – R3ref ;

However, the BSP has the possibility to perform a new simulation test on the complete Pool, as provided by point 2, if preferred.

In case a simulation test is requested and performed by a different BSP on Delivery Point(s) that is (are) part of the BSP's Pool, ELIA will notify the BSP by e-mail sent to the contractual contact person, as defined in Annex 18, that a simulation test has been requested on the concerned Delivery Point(s).

4. Modalities to modify the baselining method

In case the BSP wishes to modify the baselining method, a new simulation test, as provided by point 2, must be performed on the whole Pool.

5. Special Modalities for previous R3 DP BSPs

Existing Pools which have executed a simulation test within the context of the General Framework for R3 Dynamic Profile will automatically be pre-qualified for Flex Tertiary Control by non-CIPU Technical Units as follows:

- R3Max,flex is equal to the highest contracted and tested R3 DP Power between 1/1/2016 and 30/11/2016:
- The Baseline that will be used for activation control is “Last QH” method. A modification of the Baseline will require to proceed to a simulation test as provided by point 2.

6. Grid User Authorization

ELIA must receive the proof that the Grid User has signed without reserves the Grid User Authorization containing the following clauses:

- “The Grid User Concerned hereby gives the BSP the permission to perform a simulation test with ELIA as described in the Terms and Conditions for Tertiary Control Power by non-CIPU Technical Units (hereinafter, “Terms and Conditions”) concluded between the BSP and ELIA, from _____ to _____.
- “The Grid User Concerned hereby acknowledges that all given information in this Grid User Declaration is true and accurate.”
- “The Grid User Concerned hereby renounces any possible legal claims that he might invoke against ELIA because of the implementation of the simulation test as described in the Terms and Conditions. The Grid User Concerned moreover confirms to Elia that his commitment to take part to the simulation test as described in the Terms and Conditions 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 energy BSP of the Grid User Concerned).”
- “The Grid User Concerned hereby gives explicit permission to ELIA to inform the BSP of the measurements of the Delivery Points Concerned.”
- “Details of the Delivery Point(s) Concerned:”

Deliver Point Name	Delivery Point Identification (EAN)

ANNEX 16. CALCULATION OF R3MAX,FLEX AND R3MAX,STD IN CASE OF NON-COMPLIANT R3 ACTIVATION

a. Process to determine the Tertiary Control Supplied per Service Type in case of simultaneous activation.

If Standard and Flex Tertiary Control were activated together for the considered activation, the Tertiary Control supplied is allocated between Standard and Flex Tertiary Control Service Types by capping first the Flex Tertiary Control supplied to the R3 Flex required. The remaining Tertiary Control supplied is allocated to Standard Tertiary Control.

b. Process in case of non-compliant Tertiary Control activation

In case of a non-compliant Tertiary Control activation, ELIA will request an explanation to the BSP regarding the cause of the non-compliance. The BSP should demonstrate that he is able to provide the contracted Tertiary Control for the upcoming activations within 5 working days following ELIA's request.

If ELIA considers the explanation insufficient or the BSP does not provide any explanation, ELIA will decrease the maximal volume (R3max,std and R3max,flex) of the corresponding R3 Service Type(s) that the BSP can offer as of the next auction following Elia's notification.

The maximal volume (R3max,std, and R3max,flex) will be adapted as follows:

- In case the activation is deemed non-compliant due to a failed delivery of the Tertiary Control Power Required on the first quarter-hour of the activation period (ramp-up quarter hour), will be decreased to twice the R3 Supplied for the considered quarter-hour.

- In case the activation is deemed non-compliant due to a failed delivery of the Tertiary Control Power Required for any quarter-hour following the first quarter-hour of the activation period, will be decreased to the R3 Supplied for the quarter-hour with the lowest value.

c. Process in case of two consecutive non-compliant Tertiary Control activations

If ELIA establishes that the BSP made two consecutive non-compliant activations, ELIA will adapt the maximal volumes (R3max,std and R3max,flex) of the corresponding R3 Service Type(s) based on the last activation that is deemed non-compliant.

ELIA will notify the BSP of the adapted maximal volumes and apply them the auctions following the notification to the BSP.

The maximal volumes (R3max,std and R3max,flex) will be adapted as described here above.

ANNEX 17. CONDITIONS, RULES AND PROCEDURE FOR TRANSFER OF OBLIGATION.

A. PRINCIPLES FOR TRANSFER OF OBLIGATIONS

In accordance with Article 5, ELIA allows the BSP to transfer part or all of his Obligation to one or several Counterpart BSP(s). Similarly, the BSP may agree to make an additional quantity of volume available to ELIA as a result of a Transfer of Obligations from a Counterpart BSP to the BSP.

Since only Confirmed Transfers of Obligation will be considered as valid by ELIA, the present Annex lays down the conditions under which the Transfer of Obligations may occur and defines the rules and procedure that ELIA, the BSP and the Counterpart BSP must respect in order to notify and validate said transfers.

As long as the Transfer of Obligations is not confirmed by ELIA, the Obligation remains with the BSP.

All procedures regarding the Transfer of Obligations and the tools are explained and illustrated with examples on our website (www.elia.be).

B. OBLIGATIONS THAT CAN BE TRANSFERRED VIA THE SECONDARY MARKET.

Following signature of the relevant Contract, the BSP can transfer Obligations to/from a Counterpart BSP for the products listed below.

- Tertiary Control Service by CIPU Technical Units
- Tertiary Control Service by Non-CIPU Technical Units

All combinations of Transfer of Obligations are allowed, i.e.:

- From Tertiary Control Service by CIPU Technical Units to Tertiary Control Service by CIPU Technical Units ;
- From Tertiary Control Service by CIPU Technical Units to Tertiary Control Service by Non-CIPU Technical Units ;
- From Tertiary Control Service by non-CIPU Technical Units to Tertiary Control Service by Non-CIPU Technical Units ;
- From Tertiary Control Service by non-CIPU Technical Units to Tertiary Control Service by CIPU Technical Units ;

Transfer of Obligations is applicable in Day-ahead or in Intraday and is managed per R3 Service Type.

Counterpart BSP can be the BSP himself in case of transfer of Obligations within his own CIPU or Non-CIPU assets.

ELIA can at any time allow new services to participate. In this case ELIA will inform the BSP.

C. RIGHTS FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

Any BSP holding a valid Contract for one of the services listed in section B to the date of the performance of the concerned Tertiary Control Obligations can exchange Tertiary Control Obligations with a Counterpart BSP even if his quantity of contracted service is 0 (zero) for the concerned Delivery Period;

D. CONSTRAINTS FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

ELIA proceeds to verification of Transfer of Obligations requests announced by the BSP. Only the requests with matching status “Confirmed” are considered as valid by ELIA.

Day-ahead procedure

- Transfer of Obligations requests have to be submitted by both BSPs, before13.30 hrs on day D-1.
- One BSP can have multiple exchanges with different Counterpart BSPs.
- Consistent transfer of Obligations requests are blocked at 13.30 hrs on day D-1 and cannot be changed from then onwards. Status for these Transfer of Obligations requests becomes “Confirmed”. As from then on no new requests may be sent in, except by the counterparty of a Waiting for Counterpart (WFC) request.
- If a request is inconsistent, BSPs can correct it until 14.00 hrs on day D-1.
- If a Transfer of Obligations request still shows inconsistencies by 14.00 hrs on day D-1, ELIA will reject (both) Transfer of Obligations request(s) (the BSP’s and the Counterpart BSP’s) completely.
- The Obligations undertaken by a Counterpart BSP summed to the rest of Obligations nominated in day-ahead must be in respect of :
    a. CIPU Technical Unit’s Pmax limitations for CIPU Technical Units;
    b. Prequalified volume for the corresponding R3 Service Type.

Intraday procedure

- Intra-Day Transfer of Obligations process starts after the end of the CIPU Nomination check and confirmation (no later than 18:00 on D-1) and ends at midnight (00:00) in intraday.
- The Transfer of Obligations must take place at latest one hour before beginning of the first quarter-hour of Delivery.
- One BSP can have multiple exchanges with different Counterpart BSPs.
- The Obligations undertaken by a Counterpart BSP summed to the rest of Obligations nominated in day-ahead must be in respect of :
    a. CIPU Technical Unit’s Pmax limitations for CIPU Technical Units;
    b. Prequalified volume for the corresponding R3 Service Type.
- A Counterpart BSP undertaking an Obligation cannot supply the service with CIPU Technical Units that are situated within a CIPU Red-zone.
- A Counterpart BSP undertaking a Tertiary Control Obligations to be supplied by non-CIPU Technical Units should update its nominations, as provided by Article 7.9, in order to reflect the agreed Transfer of Obligations.

E. OVERALL PROCESSING WORKFLOW FOR TRANSFER OF OBLIGATIONS.

Day-Ahead Procedure

a. BSP(s) is (are) contracted for any one of the two Tertiary Control Service Types.

b. BSPs that don't have the possibility to offer partially or completely the contracted Control Power in day-ahead (i.e. for technical or economical reasons) can redistribute partially or entirely their obligation towards one or several Counterpart BSP(s) who will then take over the responsibility to offer these reserves to ELIA in day-ahead. BSPs arrange between themselves how, when and at what price a BSP takes over obligations from a Counterpart BSP.

c. Both BSPs must announce said transfers towards ELIA before 13.30hrs in day-ahead.

d. At 13.30 hrs day-ahead, Transfer of Obligations requests for the next day with matching status Balance OK are blocked and their status will become Confirmed. As from then on no new requests may be sent in except by the counterparty of a Waiting for Counterpart (WFC) request.

e. An email is also sent to all BSPs to indicate that the first gate has closed. The BSPs having day-ahead requests with matching status Waiting For Counterpart (WFC) and Balance Error can still change their requests till 14.00hrs.

f. At 14.00 hrs, the second gate is closed, from then on no changes can be made to the requests.

g. All consistent requests (BalanceOK) are confirmed, inconsistent (Waiting for Counterpart or BalanceError) requests are rejected. An email is sent to the BSPs and the status of their requests changes to “Confirmed” or "Rejected".

Intraday Procedure

a. A BSP can still transfer Obligations in Intraday up to 1 hr before the first quarter hour of Delivery.

b. The BSP can request a transfer of obligations and the Counterpart BSP must confirm the transfer up until 1 hr before delivery. If the Counterpart BSP hasn’t accepted by this time, the Transfer of Obligation will not be taken into account by ELIA.

c. Once the Counterpart BSP has accepted the Transfer of Obligations, the transfer receives the status “Accepted by Counterparty”.

d. If the transfer of obligations respects aforementioned constraints, ELIA will accept it and the request will receive the status “Accepted by Elia”. At this point the Transfer of Obligations is registered and will be taken into account in ELIA’s settlement.

e. In order to reflect the agreed and validated Transfer of Obligations, the Counterpart BSP undertaking a Tertiary Control Obligation to be supplied by non-CIPU Technical Units should update its nominations at the latest 45 minutes before the first quarter hour of delivery, as provided by Article 7.9.

F. PROCEDURE FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

The procedures to be followed for the Transfer of Obligations and the manual for the tools are published on ELIA’s website (www.elia.be).

ANNEX 18. TEMPLATE CONTACT PERSONS

Version:

For ELIA:

1	**Contractual monitoring**
2	**Delivery Control**
3	**Invoice monitoring**
4	**Real time operations and operational monitoring**
5	**Offline operations (Duty)**

For the BSP:

1	**Contractual matters**
2	**Short term auctions**
3	**Invoicing matters**
4	**Real time (24 hrs per day) (max. one phone number)**
5	**Transactions outside real time**

Updates of this list must be exchanged via email (both the contracting responsible and contracting_AS@ELIA.be