

Subject: **FEBEG's reaction on Elia's public consultation on the CRM design notes (Part I)**  
**List of definitions**

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Please find here below the FEBEG's reaction on Elia's public consultation on the CRM design notes (Part I). For the sake of clarity a separate document has been made for each document under consultation.

This document addresses the **List of Definitions** which has been submitted to consultation with the CRM design notes part I. While we have noted that a new document has been published with the CRM design notes part II, this new document has not been considered in our present comments. Obviously we reserve our rights to adapt our comments on the definitions considering the new List of definitions as well as the content of the additional document submitted to consultation.

## Disclaimer

The present position is based solely on the documents submitted to consultation. The comments on specific elements are thus based on available information and might evolve as additional elements are clarified in future documents and/or public consultation.

Obviously the availability of all documents in a pre-final stage is required in order to provide a global overview allowing the stakeholders to take a final position on the matter

## List of definitions.

### Main comments.

We hereafter summarize our main comments before going further into the details of the proposed definitions.

- Definitions missing:  
Some definitions are missing in the document such as:
  - Definition ‘Winter Period’ / ‘Summer Period’
  - Definition Planned, Unplanned, Forced Outages
  - Inframarginal CRM rent
  - Windfall profits
- Wording of several definitions need to be improved and made coherent with others
- Following definitions are elementary, but are either not correctly defined or inconsistently used throughout the design documents:
  - Capacity Holder, CRM Candidate and Capacity Provider, e.g. Capacity Provider is defined in the law as the one who is selected in the auction, but is used as a party that has signed a capacity contract without being selected in the auction, e.g. capacity contract is signed before the auction, only participation to secondary market, etc.
  - Reference Power, Eligible Power and Obligated Capacity:
    - ‘Reference Power’ is the starting point and the most important concept, but is poorly defined
    - In the Design Note on ‘Availability Monitoring’ (page 21), Elia states that each party should make available its ‘Eligible Volume’ or its ‘Reference Power’ while one would expect this to be the ‘Obligated Capacity’. Elia should instead clarify what the Obligated Capacity is for each type of CMU.
  - CMU and bid:
    - The definition of CMU is rather vague:
      - Can it be a combination of delivery points?
      - Can it also be a combination of delivery points of > 25 MW?
      - If delivery points of > 25 cannot be combined in a CMU, it should be possible to link CMU’s

- Bid is defined as an offer related to a single CMU:
  - As stated before, it should be possible to link several CMU's into one bid as it is possible that one CMU cannot function independently from another CMU

## Detailed comments

### AMT Hour:

- 'and during which Availability Monitoring can occur' is not really part of the definition but rather a consequence linked to the definition;
- 'Availability Monitoring' is not a defined concept;
- Not so logic that the reference to the DAM is introduced in the definition of an hour while reference to DAM is not included in the definition of AMT Price or Availability Monitoring Trigger

### AMT Price:

- 'equal to or above which the AMT Hours are determined' is not so clear

### Available Capacity:

- 'Availability Monitoring Process' is not a defined term

### Availability Monitoring Trigger:

- 'in a predefined market segment': is this referring to DAM?

### Availability Testing:

- Should 'availability' not be replaced by the defined term 'Available Capacity'?

### Bid:

- See above.
- Term 'CRM Candidate' is confusing as he has, at this stage, already signed the capacity contract

### Bid Cap:

- CRM auction should be replaced by the defined term 'Auction'

**Bid Price:**

- Term 'CRM Candidate' is confusing as he has, at this stage, already signed the capacity contract

**Capacity Contract:**

- Is this not rather the contract between the 'CRM Candidate' and the contracting counterparty
- The contract needs to be signed before a party becomes 'Capacity Provider' in the sense of the legal definition of Capacity Provider
- The contract should also cover parties not participating in the CRM – i.e. never becoming Capacity Provider in the sense of the definition – while they can participate to the secondary market

**Capacity Contract Duration:**

- 'to THEIR Capacity Category': not clear, better 'the respective Capacity Category'
- The sentence is not so clear in that sense that the Capacity Contract Duration is not approved by CREG because CREG is only determining the maximum contract duration and not the effective Capacity Contract Duration.
- 'Multi-year contract' doesn't seem to be good wording, better: contract for more than one 'Delivery period'

**Capacity Market Unit:**

- See above
- Remove 'and corresponds to the level where the Service is effectively delivered and monitored':
  - o Not really part of the definition but rather a consequence linked to the definition
  - o CMU is also determining the scope of the bid, the capacity remuneration, etc. not only the 'monitoring'
  - o 'Level' can be confusing in relation to monitoring

**CRM Candidate:**

- See above
- Should the CRM Candidate necessarily make a bid in the Auction?
- Is this not rather the party willing to sign a 'Capacity Contract': that can still chose not to participate or to only participate in the secondary market.

### **Demand Side Unit**

- Why not 'Demand Side Asset' as the DSU is defined as an asset that delivers DSR?

### **Eligibility criteria**

- Eligibility Criteria mentioned in the list should be "Cost Eligibility Criteria" (as mentioned in another document). A new line should be included for Eligibility Criteria: the criteria to determine which capacity holders are eligible to participate in the prequalification procedure as referred to in article 7undecies, §4 of the Electricity Law and to be further specified in a royal decree

### **Energy Constraint Assets**

Capacity availability should be replaced by the defined term

### **Investment Threshold**

- The definition doesn't seem to be accurate:
  - o CAPEX investment: that the investments are linked to CAPEX is probably part of the Eligibility Criteria
  - o 'Multi-year duration', better: contract for more than one 'Delivery period'
  - o Even more: it is not about Capacity Contract Duration, but about a contract for a maximum allowed number of Deliver Periods'
- It would seem more logic to simply link the Investment Thresholds to the Capacity Categories as defined in the law

### **Obligated Capacity:**

- See above
- Is capacity here not the same as the defined term 'Available Capacity'?

### **Penalty:**

- The penalties are not only financial. So, amount doesn't seem to be appropriate wording.

### **Prequalification Process:**

- Typo: 'enable' should be 'enables'

**Proven Availability**

- (i) Why ‘that is consistent with Obligated Capacity’: should be ‘equal to or above ....’
- (ii) ... is available in the energy market equal or above its Obligated Capacity’
- (iii) So, there should be a 1-to-1 match between CMU in capacity market and CMU in balancing market
- (iv) Ancillary Services is not a defined term

**Reference Power:**

- See above
- Is the application of the derating factors also not part of, and thus a result of, the prequalification process?

**Service:**

- So, a CMU is party to Capacity Contract, or is this the CRM Candidate?
- The description of the Service is very broad, while the obligation is limited to complying with the ‘Availability Monitoring Mechanism’ and the ‘Availability Testing’

**Missing definitions:**

Windfall profit, inframarginal CRM rent