Subject:	FEBEG position on the public consultation on CRM Design Note: list of definitions (update – October 2019)
Date:	30 October 2019
Contact: Phone: Mail:	Jean-François Waignier +32 485 779 202 Jean-francois.waignier@febeg.be

Please find here below FEBEG's reaction on Elia's public consultation on the CRM design notes (Part II). For the sake of clarity, a separate document has been made for each document under consultation. This document addresses the **list of definitions (update – October 2019)**.

Disclaimer

The present position is based solely on the documents submitted to consultation. The comments on specific elements are thus based on available information on this specific topic 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.

Main comments

Improved definitions

According to FEBEG, the **definitions in the new version of the CRM Design note 'Definitions' are considerably improved** compared to the first version. The efforts of Elia in this respect are appreciated.

Consistent use of defined terms

The definitions related to the roles (Grid User, Capacity Holder, CRM Candidate, Prequalified CRM Candidate, Capacity Provider, etc.) and the volumes (Nominal Reference Power, Reference Power, Opt-out Volume, Eligible Volume, Obligated Capacity, etc.) are also improved. These improved definitions resolve several misunderstandings and contribute to a better understanding of the CRM Design Notes.

Nevertheless, it would be **welcomed if Elia would check throughout the CRM Design Notes the consistent and coherent use of the improved definitions**.

Federatie van de Belgische Elektriciteits- en Gasbedrijven vzw
Fédération Belge des Entreprises Électriques et Gazières asbl
Federation of Belgian Electricity and Gas Companies

1-5

Additional capacity

Elia defines additional capacity as '*capacity that is not yet connected to the grid at the moment of the prequalification process and for which no nominal reference power can be calculated based on 15 minutes measurements*'.

It is **not clear how refurbishments have to be considered in relation to this definition**. The to be refurbished power plant is already connected to the grid and a nominal reference power can be calculated based on 15 minutes measurements. The nominal reference power will most probably be higher after the refurbishment compared to the one before the refurbishment.

A footnote on page 6 of the CRM Design note 'Prequalification and Pre-Delivery Monitoring' ads the following, although not repeated in the definition: *'Additional capacity covers both new projects and refurbishment projects'*.

Reading the CRM Design notes of Elia, it seems that for Elia the concept of 'additional capacity' is mainly important for the application of the specific requirements and to evaluate to potential grid constraints. The fact that for a project a new connection or a modification of the existing connection – and thus a new technical agreement on the connection – is needed, seems to be the determining factor. Would it therefore not make sense to make a **link with the concept of the 'substantial modernization' in the Federal Grid Code**. A modification – refurbishment – of a power plant that is considered as a 'substantial modernization' requires a modification of the connection and should, hence, be considered as 'additional capacity' for which a check for grid constraints makes sense.

On top of that, it is also important to point out that the **definition of Elia doesn't match with the definition of additional capacity proposed by CREG** in its consultations document on 'Investment thresholds and eligibility criteria': '*capacity that was not able, before the request for prequalification, to inject electricity or reduce the consumption thereof on the market or after the meter*'. In the definition of CREG there's no link with the connection: it doesn't matter if a project – new power plant or refurbishment – requires a new technical agreement on the connection. The definition of CREG also includes, for example, a lifetime extension which as no impact on the connection whatsoever.

The concept of additional capacity should definitely be further clarified and made consistent throughout the regulatory framework.

Detailed comments

Access point:
- Verify wording as the sentence is grammatically not correct.

AMT Price:
- 'Equal to or above which the AMT hours are determined' is not so clear.

Bid:
- Definition has been improved, as it no longer excludes that a bid consists of more than one CMU.
- Nevertheless, at the moment of the bid the CRM Candidate is already prequalified. So, the definition should be: 'Offer made by Prequalified CRM Candidate(s) in the Auction for the Service delivery'.

Bid cap:
- The definition should refer to the defined term 'Auction', and not 'CRM auction'.

Capacity category:
- This notion is defined in the Electricity Law making it risky to further detail/interpret it.
- In this respect, should it not be made clear in the Elia definition that the categories are 'maximum' 3-, 8- and 15-years?

Capacity contract:
- The definition seems correct in the sense that this is a contract between the Capacity Provider and the Contractual Counterparty, but it also implies that:
    o the commitment of the CRM Candidate to accept and respect the CRM rules should be integrated in another contract;
    o the possibility of the Prequalified CRM Candidate – which is not necessary a Capacity Provider in the sense that he will be selected in the auction – to become active in the Secondary Market should be integrated in another contract.

Capacity Market Unit:
> 'It corresponds to the physical localization (…)'. Where is the 'it' referring to, as a CMU can be localized on one location or on several locations? It seems logic that there will be several localizations of the metering devices in case of an aggregated CMU, i.e. a metering device at each Delivery Point.

CRM Candidate:
- A better definition for CRM Candidate is 'a capacity holder considering to participate to an auction' instead of 'a capacity holder willing to participate to an auction' as the capacity holder should have the right to – at each moment in time – not to participate in the auction and to submit a bid.
- The concept of 'CRM Candidate' should also be further clarified. How does this definition matches with the obligation in the CRM Design note 'Prequalification' to provide a 'Grid User Declaration', meaning that the CRM Candidate is – in this design note – rather linked to the Grid User instead of the Capacity Holder.
- Notwithstanding the above, it seems logic to link the CRM 'Candidate' to the Capacity Holder: as, especially in de development phase of new projects, several forms of cooperation are still possible, it is recommended to adjust the definition as follows: '*One or several Capacity Holder(s) willing to participate to an Auction and submit a Bid with one or several CMU(s)*'.

Headmeter:
- 'Association' should probably be 'associated'.

Investment threshold:
- In this definition Elia is referring to the Electricity Law while it is at the same time already interpreting the law: the Electricity Law doesn't refer in any way to 'CAPEX'.

Nominal Reference Power:
- The Nominal Reference is indeed the maximal capacity that could be considered in the CRM: this is the capacity before the application of both the Opt-Out as the Derating Factors. Opt-out is not mentioned.
- To make this definition consistent with the definition of 'Nominal Reference Power' the 'Opt-out' should be mentioned as well.

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

<u>Prequalified CRM Candidate</u>
- It doesn't seem logic to again refer to the Capacity Holders (or Grid User: see comments on 'CRM Candidate').
- The definition should instead refer to the CRM Candidate that becomes prequalified: so, 'CRM Candidate(s) able to participate to an Auction after successful prequalification of CMUs.'

<u>Service:</u>
- The description of the Service is very broad, while the obligation is limited to complying with the 'Availability Monitoring Mechanism' and the 'Availability Testing'.

_____