



Overview of Belgian CRM Design: list of definitions (update)

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1 Introduction and Context

Introduction

For the different methodologies and rules that Elia has to propose, a wide range of definitions are required. At this stage in the process characterized by multiple design notes referring regularly to the same concepts, Elia has opted for a glossary with proposed definitions.

At a later stage, when formalizing the final proposals, these definitions will be integrated into the different deliverables, such as Elia's proposal for Market Rules or Elia's proposal for methodology in a Royal Decree.

A first list of definitions was made public during the first consultation phase, which started the 13th of September. The list below is an updated version of this definition list and is to be interpreted as follows:

- Definitions highlighted in red/orange and marked by the asterisks (**): Definitions were already included in the first batch, but are updated based on feedback that was received after the publication date of the definition list or based on impact from the design notes of the second consultation phase.
- Definitions highlighted in blue/green and marked by the asterisks (***) are new compared to the first list of definitions.

For reasons of completeness and informational purposes only, the list of definitions hereunder also includes the relevant terms already defined in the Electricity Law or in the European legislation. For these definitions already provided under the Electricity Law a non-official English translation made by Elia is provided for the sake of clarity. These definitions foreseen in the Electricity Law and in the European legislation are clearly marked in the table (marked by an asterisk (*) and included in red & italic). Obviously, by no means, those definitions already defined by the Electricity Law or in the European legislation can be altered as a consequence of the public consultation of these CRM design notes. Furthermore, those definitions already provided for under the Electricity Law or the European legislation will not be repeated in the future Royal Decree.

At the end of this document also a list of abbreviations is provided.

About the public consultation

This proposal for definitions is put for formal public consultation and any remark, comment or suggestion is welcome (except – as stated above – on the definitions already provided for under the Electricity Law or the European legislation). It builds further on the discussions and proposals already made in the different TF CRM meetings gathering all relevant stakeholders and in the follow-up committee, the latter consisting of representatives of the CREG and Elia, under the presidency of the FPS Economy.

This public consultation runs in parallel with a public consultation on other design notes. Reactions to this public consultation can be provided to Elia via the specific submission form on Elia's website no later than Wednesday 30 October 2019 at 6 pm.

Note that, in line with their roles and responsibilities and the foreseen governance in the Electricity Law, also the FPS Economy and the CREG will consult on aspects within their competence according to their procedures.



2 List of Definitions

Term	Definition
Access Point***	Injection or offtake point to the transmission or distribution grid. The Access Point on the level of the transmission grid is defined in the Federal Grid Code, art.2.29° and on the level of the distribution grids is defined in the relevant regional grid codes.
Additional Capacity***	Capacity that is not yet connected to the grid at moment of the Prequalification Process and for which no Nominal Reference Power can be calculated based on 15 minutes measurements.
Aggregation*	<i>According to Directive (EU) 2019/944, article 2, 18°: a function performed by a natural or legal person who combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market.</i>
AMT Hour**	An hour for which the DAM price equals or exceeds the AMT Price and during which the Availability Monitoring Mechanism applies.
AMT Moment	A series of consecutive AMT Hours.
AMT Price or p_{AMT}	The ex-ante defined price level for a Delivery Period equal to or above which the AMT Hours are determined.
Auction*	<i>According to the Electricity Law, article 2, 73°, the competitive process in which Capacity Holders are offering a price for making available capacity.</i>
Available Capacity**	The CMU's capacity that is deemed available during an AMT Hour as a result of the Availability Monitoring Mechanism or the Availability Testing. Available Capacity can consist of both Proven Availability and Unproven Availability.
Availability Monitoring Mechanism	The mechanism that monitors whether the CMU's Available Capacity equals at least its Obligated Capacity during AMT Hours as referred to in article 7undecies § 7 of the Electricity Law.
Availability Monitoring Trigger (AMT)**	A pre-defined trigger in a predefined market segment, equal or above which the Obligated Capacity of a CMU is being monitored.
Availability Obligations	The obligation of a CMU to have an Available Capacity that equals at least its Obligated Capacity during AMT Hours.
Availability Ratio***	The proportion of the Available Capacity to the Obligated Capacity, calculated for a CMU for at a certain period t.

Availability Testing	The mechanism based on which CMUs have to demonstrate their availability by actually delivering energy upon request of the transmission system operator. During Availability Testing it is monitored whether the CMU's delivered energy equals at least its Obligated Capacity.
Average Capacity Remuneration***	The proportion of the sum of the Capacity Remunerations paid for a Delivery Period to the sum of the Contracted Capacity for the same Delivery Period, expressed in EUR/MW/year.
<i>Balancing Market* / ***</i>	<i>According to the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing, article 2, 2°, the entirety of institutional, commercial and operational arrangements that establish market-based management of balancing.</i>
Bid**	Offer made by a Prequalified CRM Candidate in the Auction.
Bid Cap**	A maximum Bid Price (in EUR/MW/year) that can be made for a Bid in the CRM auction.
Bid Price**	The price expressed in EUR/MW/year at which a Prequalified CRM Candidate is offering a Bid in the Auction.
Buyer of an Obligation***	A Prequalified CRM Candidate that takes over the obligations under the CRM of a Capacity Provider via a Transaction on the Secondary Market.
Calibrated Strike Price***	The value of the Strike Price applicable at a certain moment as determined as a result of the yearly calibration process as referred to in article 7undecies § 2, 2° of the Electricity Law.
<i>Capacity Category*</i>	<i>According to the Electricity Law, article 2, 84°, the category including capacities that are distinguished by the eligible total Investment Thresholds to which different Capacity Contract Durations are linked, during which the Capacity Provider is entitled to a Capacity Remuneration.</i> The different categories that are foreseen in the CRM design are 1-year, 3-years, 8-years and 15-years as referred to in article 7undecies § 7 of the Electricity Law .
Capacity Contract	A contract signed between a Capacity Provider and the Contracting Counterparty that determines the rights and obligations for both parties as referred to in article 7undecies § 7 of the Electricity Law.
Capacity Contract Duration**	The number of Delivery Periods during which the Capacity Provider can receive a Capacity Remuneration.

Capacity Holder* / **	<i>According to the Electricity Law, article 2, 74°, every natural person or legal entity that can offer capacity, either on an individual or aggregated basis.</i>
Capacity Market Unit (CMU)**	One Delivery Point or several Delivery Points. It corresponds to the physical localization of the certified metering device used by ELIA to verify the effective Service delivery.
Capacity Provider*	<i>According to the Electricity Law, article 2, 75°, every Capacity Holder selected after closing of the Auction and that will keep available a capacity during the Delivery Period in return for a Capacity Remuneration.</i>
Capacity Remuneration* / **	<i>According to the Electricity Law, article 2, 76°, the periodically assigned remuneration to the Capacity Provider in return for keeping available their capacity.</i>
Capacity Remuneration Mechanism* / ** (CRM)	<i>According to the Electricity Law, article 2, 71°, the market mechanism based on a system of Reliability Options allowing to ensure the country's required level of security of supply and to guarantee that the evolution of the different forms of capacities meets the development of the electricity demand in the medium to long term, taking into account the electricity import possibilities.</i>
Contracted Capacity***	The volume of a CMU (expressed in MW) selected consecutive to an Auction and subject to a Capacity Remuneration.
Contractual Counterparty***	The legal entity that signs the Capacity Contract with the Capacity Providers that are selected in the Auction as referred to in article 7quaterdecies § 1 of the Electricity Law.
CRM Candidate**	A Capacity Holder willing to participate to an Auction and submit a bid for the Service delivery with one or several CMUs.
CRM Law**	The law of 22/04/2019 amending the Electricity Act: « <i>Wet tot wijziging van de wet van 29 april 1999 betreffende de organisatie van de elektriciteitsmarkt, teneinde een capaciteitsvergoedingsmechanisme in de stellen</i> » / « <i>Loi modifiant la loi du 29 avril 1999 relative à l'organisation du marché de l'électricité portant la mise en place d'un mécanisme de rémunération de capacité</i> », published in the Belgian National Gazette on 16 May 2019.
CRM Required Volume***	Volume that should be contracted by an Auction for a certain Delivery Period.
Cross-border Contribution***	Contribution to the Belgian electricity market from electrically directly connected market zones during near-scarcity moments.

Day-Ahead Market (DAM)*/**	<i>The single day-ahead coupling, as defined in article 2.26° of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.</i>
Declared Market Price (DMP)	The Day-Ahead Market price equal to or above which a CMU has declared it would deliver energy in the energy market.
Delivery Period*	<i>According to the Electricity Law, article 2, 77°, the period starting from the 1st of November and ending on (but including) the 31st of October of the next year, during which the Capacity Providers are remunerated for making available their capacity.</i>
Delivery Point	A point on the electrical grid or within electrical installations of a grid user where the Service is delivered. This point is associated to one or several metering device(s) conform to the technical requirements set by the transmission system operator.
Demand Curve* / **	<i>According to the Electricity Law, article 2, 78°, a curve that reflects the variation of the capacity volume to be procured, in function of the price level of the capacity.</i>
Demand Side Response* (DSR)	<i>According to the Electricity Law, article 2, 66°, the capacity of end users to change their electricity demand upwards or downwards on a voluntary basis, reacting upon an external signal.</i>
Demand Side Unit (DSU)	An end user asset that can deliver DSR.
Derating Factor* / **	<i>According to the Electricity Law, article 2, 83°, a factor that is applied to a certain capacity, determining its contribution to the security of supply and used to calculate the Eligible Volume that is qualified to participate in the Auction.</i>
DSO-CRM Candidate Agreement***	Agreement between the CRM Candidate and the concerned DSO(s) confirming the technical possibility for specific Delivery Points connected to the distribution grid to participate to the Service.
Electricity Law**	Federal Electricity Law of 29 April 1999 on the organization of the Belgian electricity market: “Wet van 29 april 1999 betreffende de organisatie van de elektriciteitsmarkt” / “Loi du 29 avril 1999 relative à l'organisation du marché de l'électricité”, published in the Belgian National Gazette on 11 May 1999, as subsequently amended.
Eligibility Criteria**	The criteria to determine which investment costs are eligible to calculate the Investment Threshold as referred to in article 7undecies § 5 of the Electricity Law.
Eligible Volume**	The Reference Power (expressed in MW) of a CMU multiplied by the Derating Factor as determined during the Prequalification Process.

Energy Constrained Assets	An asset or a portfolio of assets that have limited availability because they can only provide capacity availability for a limited number of consecutive hours.
Energy Not Served (ENS)	Amount of energy that cannot be supplied, expressed in GWh per year.
Expected Energy Not Served (EENS)	Expected amount of energy that cannot be supplied, expressed in GWh per year.
Direct Cross-Border Participation*	<i>According to the Electricity Law, article 2, 86°, capacity outside the Belgian territory, but connected through a specific cable to only the Belgian control zone, after entry into force of the CRM Law, subject to the same rights and obligations as similar capacity inside the Belgian territory.</i>
Existing Capacity	Capacity already connected to the electricity grid, equipped with metering device enabling the determination of the Reference Power at the moment of the prequalification.
Flow based * / ***	<i>According to the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, article 2, 9°, a capacity calculation method in which energy exchanges between bidding zones are limited by power transfer distribution factors and available margins on critical network elements;</i>
Global Auction Price Cap***	The Price Cap applicable in an Auction to all Bids.
Headmeter***	Measurement of electrical energy association with the Access Point as determined by the transmission system operator, or the DSO, by means of one or more meters installed by the TSO for the transmission grid and the DSO for the distribution grid.
Indirect Cross-Border Participation*	<i>According to the Electricity Law, article 2, 85°, capacity outside the Belgian control zone that is contributing to the security of supply of Belgium via interconnectors.</i>
Intraday Market* / ***	<i>The single intraday coupling, as defined in article 2, 27° of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.</i>
Investment Threshold	The level of capex investments that meet the Eligibility Criteria, required for a CMU to be entitled to a Capacity Contract with a multi-year duration as referred to in article 7undecies § 5 of the Electricity Law.
Load Following Ratio***	The proportion of the Total Load to the Reference Peak Load.

Loss of Load Expectation* / ** (LOLE)	<p>According to the Electricity Law, article 2, 52°, the statistical calculation based on which the anticipated number of hours during which it will not be possible for all the Generation resources available to the Belgian electricity grid to cover the load, taking into account the capacity from interconnectors, for a statistically normal year.</p> <p>Note that the TSO also takes into account Market Response and Storage in the calculation of the LOLE.</p>
Market Response	A reduction of electricity consumption behind the meter, independent from the technology, including both Demand Side Response as well as decentralized production and storage facilities.
Market Rules**	The set of rules that provide for the functioning of the CRM, in particular the prequalification requirements, the auction's clearing algorithm, opt-out treatment, the financial guarantees that the Capacity Provider has to deliver, the Availability Monitoring Mechanism and Penalties, the mechanism for the organization of the Secondary Market, the transparency rules, as referred to in article 7undecies § 8 of the Electricity Law.
Missing Capacity	The positive difference during the Delivery Period between the Obligated Capacity and the Available Capacity, not covered in the Secondary Market.
Missing Volume***	The difference between the Obligated Capacity and the volume resulting from the pre-delivery monitoring process applicable between the Auction and the start of the Delivery Period.
Near Scarcity Hours (NSH)***	Hours in which there is simulated Energy Not Served and where no more margin is left in Belgium, meaning that any additional load would not be served.
Nominal Reference Power***	Maximal capacity (expressed in MW) that could be considered in the CRM, before application of relevant Derating Factors.
Non-Eligible Capacity**	Capacity that is not allowed to take part in the CRM including at least the capacities referred to under article 7 undecies §4, 1° of the Electricity Law and capacities not meeting the emission standards as defined in RIME.
Non-Energy Constrained Assets	An asset or a portfolio of assets for which their availability is not limited in terms of the amount of energy that could be provided by the assets.
Obligated Capacity	The capacity for a CMU that is required to be available during an AMT Hour.
Opt-Out Volume**	(Part of) the Nominal Reference Power of a CMU for which the CRM Candidate formally indicates it is not willing to offer it in the Auction, by the end of the Prequalification Process at the latest as referred to in article 7undecies § 6 of the Electricity Law.

Payback Obligated Volume***	The total of capacity (in MW) on which the Payback Obligation will be applied.
Payback Obligation***	A Capacity Provider's obligation to pay back part of the Capacity Remunerations received under the CRM.
Penalty	The amount to which the Capacity Provider is exposed in case of a positive difference between the Obligated Capacity and the Available Capacity.
Prequalified CRM Candidate***	A Capacity Holder able to participate to an Auction thanks to successfully prequalified Capacity Market Unit(s).
Prequalification Process* / **	<i>According to the Electricity Law, article 2, 82°, the procedure aiming to determine the possibility for Capacity Holders to participate in the Auction.</i>
Price Cap	The maximum bid price and the maximum remuneration that can be received for a Bid.
Price Limit* / **	<i>According to the Electricity Law, article 2, 79°, the maximum price of bids permitted in the Auctions and/or the maximum Capacity Remuneration received by Capacity Providers after Auction closure.</i>
Primary Market***	The market where the Availability Obligations are created as a result of the Auctions and based on a Capacity Contract.
Proven Availability**	The situation in which (i) a CMU without full scheduling obligation has Available Capacity during AMT Hours where the Day-Ahead Market price exceeds the Declared Market Price, that is consistent with the Obligated Capacity or (ii) a CMU with scheduling obligation is available in the energy market or (iii) a CMU reserving its Obligated Capacity in an ancillary services made up only of Delivery Points associated to the CMU or (iv) a CMU physically delivering its Obligated Capacity output as a result of Ancillary Services activations.
Reference Peak Load	The maximum Total Load as observed in the scenarios used for the calibration of the Demand Curve for a given Delivery Year.
Reference Power**	Capacity (expressed in MW) that must be considered in the CRM according to the CRM Candidate, before application of relevant Derating Factors, but after deducting the Opt-Out Volume (if applicable).
Reference Price* / **	<i>According to the Electricity Law, article 2, 81°, the price that is reflecting the price that is presumed to be received by the Capacity Providers on the energy markets.</i>
Reliability Options*	<i>According to the Electricity Law, article 2, 72°, the CRM based on which Capacity Providers will repay the positive difference between</i>

	<i>the Reference Price and the Strike Price.</i>
Reliability Standard**	The standard, as described in Article 25 of RIME, used to define the level of security of supply of a country. As long as there is no methodology to calculate the Reliability Standard at European level (as described by Article 25 of RIME), the national Reliability Standard for Belgium is determined in function of a two-fold LOLE criterion: The LOLE for a statistically normal year is not to exceed 3 hours. The LOLE for a statistical abnormal year (LOLE95) is not to exceed 20 hours as referred to in article 7undecies §3 3° of the Electricity Law.
RIME (Regulation EU n° 2019/943)	Regulation (EU) n° 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.
Scarcity Hours (SH)***	Hours with Energy Not Served.
Secondary Market**	The market where a Buyer of an Obligation takes over (part of) the obligations of a Seller of an Obligation based on a Transaction.
Seller of an Obligation***	A Capacity Provider that transfers (part of) the obligations under the CRM to a Capacity Prequalified CRM Candidate Provider via a Transaction on the Secondary Market.
Service	The obligations a CMU has to deliver under its Capacity Contract, i.e. being available during moments that are relevant for security of supply.
Service Level Agreement (SLA)	The level of service the Energy-Constrained Assets select during the Prequalification Process in function of their duration constraints per calendar day.
SLA Hours***	The N AMT Hours with the highest Proven Availability for the CMU over one day, where N corresponds to the number of hours in the CMU's SLA.
Stop Loss***	Mechanism that caps the amount that a Capacity Provider has to pay under the CRM.
Storage* / **	<i>According to the Electricity Law, article 2, 63°, process whereby the same installation takes electricity off the grid, to inject the electricity in the grid in its entirety at a later stage, except for the electrical losses.</i>
Strike Price*	<i>According to the Electricity Law, article 2, 80°, a pre-defined price that determines the threshold above which the Capacity Provider has to pay-back difference with the Reference Price.</i>

Submetering***	Measurement of the electrical energy consumed or injected by a CMU by means of one or more meters situated downstream of the Headmeter.
Title Transfer Facility***	The mechanism that allows the notification of the transfer of obligation between the Buyer of the Obligation and the Seller of the Obligation on the Secondary Market.
Total Load (P_{load})***	The total load includes all the electrical loads on the TSO grid and on the distribution systems connected to it. It also takes into account the estimated power losses.
Transaction***	An operation in the Primary Market or the Secondary Market at a Transaction Date, identified by a Transaction ID and for a Transaction Capacity, covering a Transaction Period.
Transaction Capacity***	For a Transaction on the Primary Market, Transaction Capacity equals the Contracted Capacity (expressed in MW), for a transaction on the Secondary Market the Transaction Capacity equals the volume (expressed in MW) that is transferred from the Seller of an Obligation to the Buyer of an Obligation resulting from a Transaction.
Transaction Date***	The date of a Transaction.
Transaction Period***	The period that a Transaction covers.
Unproven Availability	The situation when a CMU without scheduling obligation is assumed to be available during AMT Hours where the Day-Ahead Market price is below the Declared Market Price, without actual proof of delivery of energy.
Unsheddable Margin	Minimal amount of net active power offtake (in kW/MW) that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point(s) concerned
Winter* / ***	<i>According to the Electricity Law, article 2, 51°, the period from 1 November to 31 March.</i>

3 List of Abbreviations

AMT	Availability Monitoring Trigger
BRP***	Balancing Responsible Party
CCGT	Combined Cycle Gas Turbine
CEP	Clean Energy Package
CHP	Combined Heat & Power
CIPU	Contract for the Injection of Production Units
CMU	Capacity Market Unit
CONE	Cost of New Entry
CRM	Capacity Remuneration Mechanism
CWE	Central West Europe, in particular the countries Belgium, France, the Netherlands, Germany and Luxembourg.
DAM	Day-Ahead Market
DMP	Declared Market Price

DSR	Demand Side Response
DSO***	Distribution System Operator
DSU	Demand Side Unit
EENS	Expected Energy Not Served
EFET***	Electricity Master Agreement & Annexes
ENS	Energy Not Served
EPEX***	European Power Exchange
FOM	Fixed Operating & Maintenance Costs
IDM***	IntraDay Market
LOLE	Loss of Load Expectation
NEMO***	Nominated Electricity Market Operator
NSH***	Near Scarcity Hours
OCGT	Open Cycle Gas Turbine
PSP	Pumped-Storage Plant
RES	Renewable Energy Sources
RIME	Regulation (EU) n° 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.
RoR	Run-of-River

SH***	Scarcity Hours
SLA	Service Level Agreement
SoS***	Security of Supply
TSO***	Transmission System Operator
OTC***	Over The Counter