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uw brief van	uw kenmerk	ons kenmerk	datum
			12/01/2024
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Concerns: feedback Zandvliet Power NV on the public consultation of Elia on the Functioning Rules (Version 4) of the Belgian Capacity Remuneration Mechanism (CRM), dd 1/12/2023

Dear,

We first of all would like to thank Elia for the organization of this consultation on the **Functioning Rules (Version 4) of the Belgian Capacity Remuneration Mechanism (CRM)**. We use this opportunity to highlight some remarks that are of particular importance for a plant such as Zandvliet Power.

In relation with **ex-post transactions on the Secondary Market**, Zandvliet Power fears that the introduction of the proven and unproven availability concept for daily-schedule CMUs in the Availability Monitoring will have a negative impact on the volume that can be offered to the secondary market for daily-schedule CMUs. It is essential that the basic principle of the CRM, being an **availability** obligation, remains valid throughout the rules. We therefore see no reason that for ex-post-secondary market transactions, the obligation would be based on the scheduled production - which is now at the basis of the concept of proven availability – instead of the Pmax_available for our unit while this is not the case for transactions on the primary market or for ex-ante transactions on the secondary market.

In relation with the concept of **Scheduled Maintenance** for the purpose of the Availability Monitoring, Zandvliet Power welcomes the proposal but would like to highlight that a period of 20 days is not sufficient to cover planned outages for significant works in the plant.

You can notice in the REMIT publications that the next outage for Zandvliet Power covers a total outage time of more than 100 calendar days to execute several work packages. The works include, among other things, several life-time-extension projects, major overhauls on different parts of the installation, modernisation of the plant in order to comply with the stricter environmental permit conditions and perform the necessary commissioning activities, test-procedures and performance testing.

Of course, this will not be the case every year, but a strict restriction of 20 days is for us not acceptable and we would insist in the possibility to discuss and agree upon the outage timing in advance, depending on the works that have to be done.

See REMIT extract:

Event	Infrastructure	Available	Unavailable	Event Start	Event Stop	Duration	Fuel Type	Assets	Published	Remarks
Availability of use Production	 ZANDVLIET 1	8 MW	418 MW	from 01.10.2024 00:00	to 11.10.2024 23:59	10 days 24 hours	Fossil Gas		25.10.2023 11:08:31	Renovability. This DAM contains multiple capacity values to reflect
Availability of use Production	 ZANDVLIET 1	8 MW	380 MW	from 02.08.2024 00:01	to 01.10.2024 23:59	2 months 24 hours	Fossil Gas		11.10.2023 11:41:47	New unavailability

In addition, Zandvliet Power is in favor of increasing the flexibility for change of planning and proposes that a CRM Provider is able to change the selected Schedule Maintenance days 90 days in advance, similarly to the option provided to CMUs without Daily Schedule,

In relation to the **strike price indexation**, even though Zandvliet Power did propose some improvements in the framework of the consultation held in December 2022, we could support the formula as proposed by Elia at the time by introducing a fix and variable component and integrating the DA monthly market price into the variable component. However, Zandvliet Power does not support the modifications inserted by the CREG in the approval process of the Functioning Rules V3 (May 2023): the average over all hours of the considered months should in any case be used for the determination of the Average DAM (winter months calibration) in order to ensure consistency in the formula. In that respect, we ask Elia to continue the discussions in WG Adequacy in order to ensure the formula is future-proof. Furthermore, Zandvliet Power is of the opinion that the Activation Ratio, as referred in §886-887, should also be applicable for Daily-Schedule CMUs as they also react to market prices in function of their production costs. This would contribute to a proper computation of the payback obligation.

Finally, Zandvliet Power supports the improvements proposed with regards to the **opt-out volumes**. Zandvliet Power encourages Elia and the authorities to only consider volumes for which there is enough confidence they will be able to deliver the counted MW, also in case of fast-track 'new-build'. This is also necessary to ensure a level playing field for technologies that are more inclined to participate to the T-4 auction, given the important volume reserved for the T-1 auction.

We are available for further clarifications on the points raised in this letter.

Yours sincerely,



Eric Verrydt
General Manager



Joris Quix
General manager