ELIA SYSTEM OPERATOR

PROCEDURE FOR CONSTITUTION OF STRATEGIC RESERVES

Applicable for the 2014 tendering

According to Article 7quinquies §1 of the Law 29 April 1999, as amended by the Law of 26 March 2014 concerning the organisation of the electricity market, ELIA has to determine and publish the modalities of the procedure for constitution of Strategic Reserves after consulting the grid users, the regulator and the federal energy administration.
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1 Plan Wathelet

The “Plan Wathelet” was initiated by the Secretary of State for Energy Wathelet with the aim of guaranteeing Belgian electricity security of supply in the future and consists of several elements (based on the government decision of 5 July 2013):

- Reinforcement of the profitability of existing power plants and thereby avoiding their decommissioning;
- A public tender aiming for 800 MW of new gas-fired units;
- 10 year lifetime extension of the nuclear plant Tihange 1;
- Creation of strategic reserves;
- Increasing interconnection capacity;
- Improving demand side participation.

The scope of this document is limited to Strategic Reserves.

This Procedure For Constitution of Strategic Reserves and the tendering that is organized via this procedure is established under Art. 7quinquies of the Electricity Law

2 Strategic Reserves

2.1 Modified Electricity Law of 29 April 1999

The law of 26th March 2014 amended the federal Electricity Law of 29 April 1999, by introducing a mechanism called “strategic reserves” to ensure a sufficient level of security of supply during the Winter Periods. The standard procedure and delays to allow for the establishment of a strategic reserve is the following:

- Each year, prior to 15 October, the federal administration of energy provides ELIA with any relevant information in order to perform a probabilistic analysis, mentioned infra;
- Each year, prior to 15 November, ELIA must perform a probabilistic analysis regarding the security of supply of the country for the next Winter Period(s);
- At latest by 15 December each year, the federal administration of energy must provide an advice on the need to establish a strategic reserve to the federal Minister of energy. If the advice concludes that there is a need to establish such a strategic reserve, the advice comprises a proposition for the necessary volume;
- Within one month of receipt of this advice, the Minister may give instructions to ELIA to constitute the determined volume of strategic reserves;
- ELIA shall determine the tendering rules via a Procedure for Constitution of Strategic Reserve (including a penalty system) after consulting the market actors, CREG and the federal administration of energy and shall initiate this procedure within one month following the instruction of the Minister;
- The market actors corresponding to one of the categories identified in Electricity Law, who has assets located in the Belgian Control Area, and who meets the criteria and specifications, may take part in the strategic reserve, some of those are even obliged to submit an offer;
• Within thirty Working Days after the deadline for the submission of offers, ELIA shall report on the offers received to the CREG and to the Minister, and shall include in its report a technical-economic proposal for combination of offers.

• CREG will issue a motivated opinion in that respect and will assess whether the prices proposed by the suppliers (and the combination of offers) are not manifestly unreasonable:
  o If that is the case, ELIA will contract the proposed combination of offers as of the 1st of November;
  o In the opposite case, the CREG will propose recommendations and the King can impose prices and volumes after proposal by the Minister.

• The Functioning Rules will be determined by ELIA and must be submitted to the CREG for approval. These rules serve to minimize the interference from strategic reserve with the operation of the associated electricity markets and shall include a.o. information on the indicators that are taken into account to detect a shortage situation and the principles related to the activation of the strategic reserve.

• The cost of the strategic reserve is covered by a tariff of public service obligation, while the costs of managing and developing the strategic reserve will be covered by appropriate regulatory mechanisms foreseen in the tariff methodology in accordance with Article 12 of the Electricity law.

2.2 Agreement on planning for 2014

For implementation of strategic reserves in 2014 however, the standard procedure as identified in point 2.1 above is not feasible in the given timeframe. Therefore, it was been foreseen via art. 6 of the law of March 26th 2014 that:

• The administration for energy, CREG and ELIA must agree as soon as possible on a planning of the various steps for implementation of strategic reserves in 2014. This schedule may differ from the standard deadlines set by above mentioned law.

Said agreement is published on websites of ELIA and CREG:

• ELIA web-site: Calendar_2014-2015
• CREG web-site (NL): KalenderStratRes2014NL.pdf
• CREG web-site (FR): KalenderStratRes2014FR.pdf

With regard to the 2014 Call For Tender these are the important deadlines that emerge out of this agreement:

<table>
<thead>
<tr>
<th>When</th>
<th>What</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 13/04/2014</td>
<td>Minister will instruct ELIA to launch a tender for the determined volume of strategic reserves</td>
<td>Minister</td>
</tr>
</tbody>
</table>
| < 05/05/2014 | ELIA informs the market of the upcoming Call For Tender via a Contract Notice | ELIA
  ⇒ Market  |
### 2.3 Consultation of stakeholders

Article 7quinquies of the Electricity Law stipulates that ELIA determines (and publishes) the Procedure for Constitution of Strategic Reserves, after consultation. Anticipating the implementation of Strategic Reserves, ELIA created a dedicated task force under the premises of its users’ group (completed with representatives of CREG and aggregators) that deals specifically with the implementation of such mechanism and the tender to be carried out in order to:

- **Inform** market parties and stakeholders on all relevant items linked to the implementation of strategic reserves;
- **Consult** market parties and stakeholders, in particular on the tendering procedure (incl. all relevant items concerning this procedure such as selection criteria, tender rules...) and the Functioning Rules (incl. product requirements, detection, activation...) for strategic reserves, the latter to be determined by ELIA and to be approved by CREG.


### 2.4 Entry into force and duration

The present Procedure for Constitution of Strategic Reserves comes into force before the Contract Notice, the 5th of May 2014 and is applicable for the tender procedure organised in the course of 2014.

### 2.5 Hierarchy of documents

Without prejudice to the application of the relevant laws and regulations, including in the field of the liberalisation of the electricity market, and more in particular the strategic reserve and without prejudice to the Procedure for Constitution of Strategic Reserves established by Elia according to article 7 quinquies and 7 septies of the Electricity Law, the hierarchy of documents is determined as follow:

If there is a difficulty in interpretation or a contradiction between the constitutive elements of the relevant laws and regulations, the Procedure for Constitution of Strategic Reserves, the SGR/SDR Contract or the General Terms & Conditions,
each document shall take precedence over the following one in the following order:

1. for the avoidance of doubt, the relevant laws and regulations will always prevail over the both this Procedure for Constitution of Strategic Reserves and the SGR/SDR Contract(s);
2. Functioning Rules ¹
3. this Procedure for Constitution of Strategic Reserves;
4. the SGR/SDR Contract(s) signed by ELIA and the supplier(s);
5. the General Terms & Conditions [i.e. for strategic reserves].

2.6 Ministerial Decree for determination of volumes

The Minister instructed ELIA by ministerial decree on the 3rd of April to constitute a strategic reserve of 800 MW per year and this for three years, starting as from November 1st 2014.

It is stipulated that this volume needs to be constituted from capacity that would have been out of the market on the 1st of November 2014. Furthermore, demand capacity can only be contracted for one year, which is in derogation to production capacity, which can contribute to the determined volume for the three years.

Article two of the Ministerial Decree stipulates that concluding a contract with ELIA does not impede CREG to adapt the Functioning Rules, which are according to the law of March 26th 2014 to be submitted by ELIA for approval to the CREG.

Finally, should there exist reasonable indicators that the nuclear reactors of Doel 3 and Tihange 2 will not be available for the next Winter Period, there is the possibility that ELIA can be instructed to contract an additional volume of strategic reserves for a given period, and that this additional volume is to be contracted from the offers received via the Call For Tender which will be organised via the Procedure for Constitution of Strategic Reserves.

3 Definitions

| Access Contract | The contract (or equivalent) concluded between ELIA and the access holder of the Transmission Grid, in accordance with the applicable Grid Code, which specifies the conditions relating to the granting of access to the Transmission Grid for the access point concerned; |
| Admission | In order to participate in the Call For Tender a supplier must pass a procedure for Admission. Admission can only be achieved by sending an application file during the Contract Notice. ELIA will examine if the application file satisfies certain conditions. During the Call For Tender only offers submitted by suppliers that have passed the procedure for Admission will be accepted; |
| ARP (“Access Responsible Party”) | Any natural person or legal entity listed in the register of access responsible parties in accordance with the Grid Code; sometimes also referred to in the Grid Codes for Distribution, Local and Regional Transmission with the term ‘Balance Responsible Party’; |
| ARP Contract | The contract concluded between ELIA and an ARP in accordance with Articles 150 and 151 et seq. of the Grid Code; |

¹ Functioning Rules have been determined by ELIA and submitted to the CREG for approval, conform article 7septies, §1 and 2 of the Electricity Law.
All suppliers that passed the procedure for Admission will be invited to participate in the Call For Tender during which said suppliers can introduce offers, taking into account the results of the Certification of SGR Power Plants and SDR Reference Power, the SGR and/or SDR Contract and bidding instructions;

During the Call For Tender only SDR offers that are based on certified SDR Reference Power will be accepted. SDR Reference Power can receive a certification until the end of the Call For Tender;

During the Call For Tender only SGR offers that are based on certified SGR Power Plants will be accepted. Power Plants wanting to participate in SGR can receive a certification until the end of the Contract Notice;

A publication on the website “tenders electronic daily”, http://ted.europa.eu/ inviting all parties to declare their interest to participate in the Call For Tender;

The area for which ELIA has been designated Transmission Grid operator in accordance with the Electricity Law of 29 April 1999;

The federal regulating body of gas and electricity markets in Belgium;

The reserve power made available to ELIA, consisting of an automated and local response to frequency deviations through the means of temporary alteration of off-take;

The law of 29 April 1999 regarding the organization of the electricity market, amended from time to time;

ELIA System Operator, the operator of the high-voltage grid;

Document that, conform article 7septies, §1 and 2 of the Electricity Law, determines the Functioning Rules for strategic reserves;

The General Terms & Conditions governing strategic reserves at the time the Contract is concluded;

The provisions of the Royal Decree of 19 December 2002 regarding the technical regulations for operating an electricity grid and access thereto, amended from time to time;

The reserve power made available to ELIA, by one or several grid users, via which ELIA can temporarily reduce the offtake;

The law of 26 March 2014 amending the Electricity Law of 29 April 1999 concerning the organization of the electricity market;

A combination of (or a single) physical unit(s) that includes (a) generator(s) for producing electricity;

Present document, determined by ELIA after consulting the grid users, CREG and the federal energy administration in accordance with Article 7quinquies §1 of the Electricity Law.

Contract for supply of strategic reserves by means of demand as foreseen in article 7quinquies §2,1° of the Electricity Law;

Reference value for the capacity (expressed in [MW]) made available to Elia by the SDR supplier on the total offtake of his (pool of) access point(s);

Contract for supply of strategic reserves by means of Power Plants as foreseen in article 7 quinquies § 2, 2°, 3° and 4° of the Electricity Law;
### Year 2014: Procedure for constitution of Strategic Reserves

| Shedding Limit (“SL”) | Limit Value (expressed in [MW]) under which the net active power offtake at the (pool of) concerned access point(s) has to be lowered in case of activation. We distinguish:
|-----------------------|--------------------------------------------------------------|
| * SL<sub>ICH</sub>, relative to the ICH Contract | ** SL<sub>SDR</sub>, relative to the SDR Contract
| *** Minimum Offtake : this limit in the R1_Load Contract indicates below which level of consumption the R1_Load supplier can't guarantee the R1_Load service; |
| Transmission Grid | The electricity transport system for which ELIA has proprietary rights or at least user or operating rights and for which ELIA is the designated transmission grid operator; |
| Winter Period | as defined in article 2, n°51 of the Electricity Law; |
| Working Day | Any calendar day except for Saturday, Sunday and Belgian public holidays; |

## 4 Procedure for Constitution of Strategic Reserves

On the basis of article 7 quinquies of the Electricity Law, the organization of the tendering procedure is delegated to ELIA that must collect offers based on objective, transparent and non-discriminatory procedures.

It should be noted that the purpose of the tendering procedure is aimed at collecting offers from market participants, providing capacity in order to face potential security of supply problems. The Minister instructed ELIA to constitute a strategic reserve, for which ELIA will conclude, within its possibilities, the relevant agreements to ensure the predetermined level of security of supply.

**It should be noted that CREG could:**

1) qualify offers as unreasonable, in which case the King has the possibility to impose prices and volumes;
2) apply fines to operators that do not respect their legal obligation to offer.

Both 1) and 2) are beyond the scope of this procedure.

### 4.1 Tendering process

ELIA will organize a negotiated tendering procedure, comprising these elements:

1. Contract Notice
2. SGR / SDR Contracts
3. Call For Tender
4. Award criteria
5. Contract preparation and signature
6. Award and contract award notice

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Without prejudice to confidentiality of information, after awarding the Contracts ELIA will report on which terms there have been negotiations.
Throughout the remainder of this document these will be detailed further.

4.2 **Contract Notice**

A prerequisite to participate in the Call For Tender is that candidates must pass a procedure for Admission. Prior to the Call For Tender ELIA will publish a Contract Notice inviting parties to declare their interest to participate in the Call For Tender for strategic reserves by sending an application file.

- The **Contract Notice** will be published around the 5\textsuperscript{th} of May 2014 on the website “tenders electronic daily”, [http://ted.europa.eu/](http://ted.europa.eu/)

- In order to be valid an application file must be sent, via certified post or carrier, to following address:
  
  o ELIA Asset - Pauline Ottoy  
  Avenue de Vilvorde - Vilvoordselaan, 126  
  B - 1000 Brussels  
  o Each application file must consist of an original paper version and a reproduction in an electronic format must be sent to pauline.ottoy@elia.be and contracting_SR@elia.be  
  o If there is a discrepancy between the electronic version and the printed version, the original paper copy will be decisive.  
  o The candidate shall state clearly which information is confidential and / or related to technical and commercial secrets.

- Every application file must comprise all information required to demonstrate that the conditions listed in 4.2.1 (for SGR candidates) or 4.2.3 (for SDR candidates) are fulfilled.

- The application file has to be written in English, French or Dutch.

- The application file must be complete and received by ELIA before 02/06/2014 – 18h00 Central European Time (CET);

- ELIA reserves the right to verify the information provided in the application files.

At latest before the Call For Tender ELIA will electronically communicate the results of the procedure for Admission through the e-mail address specified by the candidate:

- In case an application file is declared inadmissible, ELIA will motivate this.
- In case an application file is declared admissible, the candidate will receive an invitation to participate in the Call For Tender.

4.2.1 **Procedure for Admission of SGR candidates**

ELIA will examine that the application file of SGR candidates satisfies following conditions:

1. The candidate must provide a description of their intended participation in the Call For Tender. This description includes, where appropriate, the legal structure, the list of partners involved, their role and the nature of their relationship with the candidate.

2. The candidate must provide the list of Power Plant(s) that are eligible to participate taking into account that the proposed Power Plant(s) must comply with the Certification of SGR Power Plant(s) criteria as listed in chapter 4.2.2;
4.2.2 Certification of SGR Power Plant(s)

During the Call For Tender only offers submitted by suppliers that have passed the procedure for Admission and that are based on certified SGR Power Plants will be accepted. Power Plants can receive a certification until the end of the Contract Notice (02nd of June 2014) for as long as they respect below criteria:

Firstly, operators belonging to one of the three categories identified in art. 7 quinquies 2°, 3° and 4° of Electricity Law, have the obligation to at least submit one offer for the entire capacity of the Power Plant:

1. Any Power Plant for which the programmed closure (cfr development plan) was foreseen after the end of the previous winter period and before the start of the winter period on which the procedure is applicable
2. Any Power Plant that announced a closure (cfr art. 4bis of the Electricity Law) before the decision of the Minister to constitute a strategic reserve and for which the closure is not yet effective;
3. Any Power Plant that announced a temporarily closure (cfr art. 4bis of the Electricity Law) for which the closure is effective;

Secondly, the Ministerial decree, as summarized under point 2.6, stipulates that the volume to be constituted by ELIA as of November 1st 2014, and for the next three years, needs to be composed out of capacity which will be out of market on November 1st 2014.

4.2.3 Procedure for Admission of SDR candidates

ELIA will examine that the application file of SDR candidates satisfies following conditions:

1. The candidate must provide a description of the structure of their intended participation in the Call For Tender. This description includes, where appropriate, the legal structure, the composition of the shareholding, the list of the partners involved, their role and the nature of their relationship with the candidate.
2. The candidate must provide an indicative description of the access point(s) that would be offered during the Call For Tender taking into account that the proposed access point(s) must be:
   a. located within the Belgian Control Area;
   b. connected to the ELIA Transmission Grid;
   c. comply with the Certification of SDR Reference Power criteria as listed in chapter 4.2.4;
3. The candidate should comply with its obligations in respect of social security, VAT and taxes. As proof that they are complying with these obligations candidates must submit either a sworn statement or a recent certificate delivered by the competent authority.
4. The candidate must declare in a sworn statement not to be in a state of bankruptcy or being the subject of proceedings of bankruptcy, liquidation or are in any analogous situation.
5. The candidate must declare in a sworn statement not to have been part of a conviction for an offense concerning their professional integrity or being subjected to a judgment with res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the financial interests of Belgium and other Member States of the European Union;
6. The candidate must provide proof of their economic and financial capacity. To prove his economic and financial capacity, the candidate must submit the following documents to ELIA:
   a. D&B (Dun and Bradstreet) rate: have a risk indicator <4. In case the risk indicator >= 4 due to the existence of the company <3 year, the candidature will not be rejected as such, but ELIA can ask extra information.
   b. At explicit request by the candidate, this report can be produced by ELIA.

4.2.4 **Certification of SDR Reference Power:**

During the Call For Tender only offers submitted by suppliers that have passed the procedure for Admission and that are based on certified SDR Reference Power will be accepted. SDR Reference Power can receive a certification until the end of the Call For Tender (4th of July 2014) in line with below criteria:

1. SDR Reference Power must be based on individual or aggregated access point(s) connected to the ELIA Transmission grid.
   - It must be proven that an agreement has been made with the concerned grid user(s).

2. SDR Reference Power must comply with below exclusivity criteria:
   - the same access point(s) may not be used for R3_dynamic profile;
   - the same access point(s) may also be part of ICH under following conditions:
     - To avoid that the same capacity would be reserved for two different purposes the Shedding Limit for ICH (SL_{ICH}) must by higher than "the SDR Reference Power + SL_{SDR}"
   - the same access point(s) may also be part of R1_Load under following conditions:
     - To avoid that the same capacity would be reserved for two different purposes the SL_{SDR} must be higher than “R1_Load + the Minimum Offtake” and it must be proven that R1_Load remains available in case SDR is activated.

3. SDR Reference Power should meet the following criteria based on metering data from the last 3 Winter Periods:
   - Average hourly consumption ≥ SDR Reference Power + SL_{SDR}
   - 85% of hourly average consumption during peak periods ≥ SDR Reference Power + SL_{SDR}
   - 75% of hourly average consumption outside peak periods ≥ 0,75 * (SDR Reference Power + SL_{SDR})

SDR candidates must propose and motivate SDR Reference Power taking all these criteria into account. ELIA will examine whether or not the proposal is in line with said criteria.

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3 Without prejudice to CREG's competences in this field
4 & 5 Peak periods are defined for this purpose as 09h00-13h00 and 17h00-21h00 of Working Days, during the Winter Periods.
ELIA will electronically communicate the results of this certification through the e-mail address specified by the candidate:

- In case SDR Reference Power is not certified, ELIA will motivate this.
- In case SDR Reference Power is certified the offers based on this Reference Power will be taken in consideration for the award criteria.

### 4.3 Terms of reference

The Terms of reference will be included in the Call For Tender in the form of SGR and SDR Contracts. These Contracts will further clarify the terms of reference already included in this chapter 4.3 and the Functioning Rules.

The suppliers must accept and recognize the importance of the requirements applicable to ELIA in its capacity of transmission or local/regional transmission system operator, according to the applicable legal and regulatory rules.

ELIA and the SGR and/or SDR suppliers will commit to do any effort to take due account of these requirements. As a result, if a legal or regulatory rule, decision, advice or requirement, issued by a competent authority that rules or regulates all or part of ELIA’s activities would require a revision, amendment or termination of the SDR and/or SGR Contract, ELIA can, after consultation of the supplier(s), amend one or more of its conditions, revise or amend, or, as the case may be, terminate the Contract per registered mail, without having to indemnify the supplier for this price amendment, or revision, amendment or termination of the Contract.

If the SDR and/or SGR Contract(s) can be continued by means of some amendments, ELIA and the supplier will make their best efforts to find the most appropriate contractual conditions approximating the best of both the initial spirit of the Contract and the requirement of the competent authority.

#### 4.3.1 SGR Contract

**Relationship between SGR Contract and other contracts**

SGR suppliers, which have been selected on the basis of the procedure for Admission and certification criteria, must be aware of the mutual relationships that will exist between the SGR Contract, the CIPU Contract, the ARP Contract and the Access Contract. SGR Power Plant(s) must:

- be located within the Belgian Control Area;
- be connected to the ELIA Transmission Grid and have its own dedicated access point to the ELIA Transmission Grid. In case of local production, a new access point must be created:
  - this access point must be referenced in appendix 2 of an Access Contract to allow the designation of an access holder, by the grid user;
  - an ARP responsible for injection must be designated by the access holder by signing Annex 3 of the Access Contract;
  - the ARP responsible for injection must have signed a CIPU contract with ELIA.

**Subject matter of the SGR Contract**

By concluding an SGR Contract the SGR supplier will undertake:

- to provide the SGR service during the 5 months Winter Period(s);
- to keep his SGR Power Plant(s) out of the market throughout the validity period of the SGR Contract.
For the avoidance of doubt:

- it is stipulated that the **validity of the SGR Contract will be for 36 months**, from 01/11/2014 until 31/10/2017;

**Penalties for non-compliance with the availability requirements**

Without prejudice to the CREG's competence in the field of the efficient functioning of the market and without prejudice to the Functioning Rules, this procedure establishes the penalties for non-compliance with the availability requirements as fixed by the Functioning Rules and the SGR Contract.

If ELIA establishes that the SGR supplier has failed for a particular quarter-hour to comply with his SGR obligations, ELIA will apply a penalty.

**Penalties in case of non-coordinated unavailability:**

Reduction of remuneration per missing MW per quarter hour

= 130% of the remuneration for reservation of SGR

**Penalties in case of coordinated unavailability**

A reasonable period of unavailability without penalty will be consented to SGR providers in order to cover reparations (caused by technical incidents) or inspections which can be scheduled in the near future. The conditions for the unavailability to be coordinated will be fixed in the Functioning Rules.

**Functioning Rules**

The Functioning Rules will determine additional requirements and terms of reference, including but not limited to:

- Day ahead nomination
- Notification (warm-up) – verification & injection
- Neutralization of the injection in the perimeter of the ARP responsible for injection of the SGR Power Plant(s)
- Monitoring of SGR availability
- Monitoring of SGR activations
- Remuneration for reservation of SGR
- Remuneration for notification – prolongation & injection of SGR
- Penalties for non-compliance with the availability requirements
- Penalties for non-delivered and/or excess of delivered energy
- Accumulation of penalties and penalty cap
- Testing of SGR

**4.3.2 SDR Contract**

**Relationship between SDR Contract and other contracts**

SDR suppliers, which have been selected on the basis of the procedure for Admission and certification criteria, must be aware of the mutual relationships that will exist between the SDR Contract, the ARP Contract, the Access Contract and ancillary services contracts.
Subject matter of the SDR Contract

By concluding an SDR Contract the SDR supplier will undertake to provide the SDR service during the 5 months winter period(s) throughout validity period of the SDR Contract.

For the avoidance of doubt:

- It is stipulated that the validity of the SDR Contract will be for 5 months, from 01/11/2014 until 31/03/2015;

Functioning Rules

The Functioning Rules will determine additional requirements and terms of reference, including but not limited to:

- Notification (warm-up) – verification & injection
- Correction of the perimeter of the ARP
- Monitoring of SDR availability
- Monitoring of SDR activations
- Remuneration for reservation of SDR
- Remuneration for notification – prolongation & injection of SDR
- Penalties for non-delivered energy
- Penalty cap
- Testing of SDR

4.4 Call For Tender

4.4.1 Procedure

All candidates that have passed the procedure for Admission will be invited to participate in the Call For Tender and receive the SDR and/or SGR Contract together with bidding instructions.

The Call For Tender documents will be sent electronically by ELIA around the 10th of June 2014, through the specified e-mail address specified by the candidate in the Contract Notice, this will also be published on the website http://ted.europa.eu/

- In order to be valid an offer must be sent via certified post or carrier to following address:
  - ELIA Asset - Pauline Ottoy
    Avenue de Vilvorde - Vilvoordselaan, 126
    B - 1000 Brussels
  - Each offer must consist of an original paper version and a reproduction in an electronic format must be sent to pauline.ottoy@elia.be and contracting_SR@elia.be
  - If there is a discrepancy between the electronic version and the printed version, the original paper copy will be decisive.

- The offers must be complete and received by ELIA before 02/07/2014 – 18h00 Central European Time (CET);

- The candidate shall state clearly which information is confidential and / or related to technical and commercial secrets.
- The offers have to be written in French, Dutch or English.

4.4.2 Composition of the offers

The bidding instructions will detail how to bid in these components:
- An offer number serving as a reference [Offer n°]
- Product [ SGR / SDR_4 / SDR_12 ]
- Reference Volume [MW] – Minimum bid size = 1MW
- Reservation cost [€/MW/h]
- Fixed activation cost (cold) [€/Notification]
- For SGR only:
  - Fixed activation cost (hot) [€/Notification]
  - Start fuel type [Fuel type]
  - Operational fuel type [Fuel type]
- For SDR only:
  - Activation price [€/MWh]
- Prolongation cost [€/hour]
- May not be combined with [Other Offer n°]
- Divisible [Y/N]
  - Candidates may introduce multiple offers (eg for Power Plant(s) with multiple configurations) in order to maximize the solution space for a technical-economic evaluation

4.4.3 Data to be mentioned in the offer

The candidates are obliged to use the bidding sheet that will be provided by ELIA. On top of this filled in bidding sheet, the following information must be included in the offers:

- The authority of the person signing the tender;
- Contractual data as specified in the Call For Tender documents;
- The date on which said person has signed the tender;
- The signature of the person authorized to sign the tender.

On top of that, SGR supplier(s) must list the conditions (and prices) under which SGR Power Plant(s) could be activated outside the 5 month(s) winter period(s), it being understood that these conditions (and prices) will not influence the award criteria.

4.4.4 Validity of the offers

Candidates are bound by their offer until 31/10/2014.

4.5 Award criteria

Important notice: whereas the award of the strategic reserves is part of this Procedure for Constitution of Strategic Reserves, the criteria for technical-economic combination of offers are set in the Functioning Rules, approved by the CREG. Since the approved Functioning Rules have to be published prior to the Call For Tender this will be transparent for all candidates.
The award of offers is done in a way that ensures that for the winter 2014/2015 the contracted volume for strategic reserves (SDR and SGR) covers at least the volume decided by Minister at the lowest possible total cost, taking into account the criteria fixed in the Functioning Rules, approved by the CREG.

At the latest by 25 July ELIA shall report on the offers received to the CREG and to the Minister, and shall include in its report a technical-economic proposal for combination of offers.

It is to be noted the CREG will issue an advice as to whether the prices of the combination of offers are not manifestly unreasonable:

- If that is the case, ELIA will contract the proposed combination of offers as of the 1st of November;
- In the opposite case, ELIA will continue negotiating with the tenderers in order to obtain a combination of offers, which are not any more considered manifestly unreasonable by the CREG.
- If these negotiations cannot result in a combination of offers which the CREG cannot consider manifestly unreasonable, then the King can impose prices and volumes after proposal by the Minister.

ELIA will inform the applicants whether they will be awarded a Contract, after the award decision has been taken based on the award criteria mentioned above. If unsuccessful tenderers request further information, they may be given any information which is not confidential, e.g. comments regarding their strengths and weaknesses, as this may assist them to be successful in future tenders.

4.6 Contract preparation and signature

In preparing the SGR and/or SDR Contract(s) for signature, ELIA will proceed as follows:

a. Two originals of the Contract will be prepared based on the standard Contract;
b. Sign and date all originals of the Contract and initial all pages;
c. Send the two signed originals of the Contract to the successful tenderer/applicant, who must countersign them;
d. The tenderer or grant applicant returns one original to ELIA;
e. ELIA will check that the natural person who signs the Contract for the successful legal entity has the power to represent that legal entity.

4.7 Contract award notice

Once the Contracts have been signed, ELIA will publish a contract award notice with the results of the tender procedure on the website http://ted.europa.eu/

5 Rules regarding disputes

Without prejudice to other remedies, where a candidate or tenderer believes he has been adversely affected by an error or irregularity allegedly committed as part of this procurement procedure, or that the procedure was vitiated by any maladministration, he may file a complaint to ELIA.

The sole subject of the complaint shall not be to obtain a second evaluation for no reason other than the complainant disagrees with the final award decision.
Any remaining dispute regarding the interpretation or implementation of this procedure or subsequent agreements or operations that might arise therefrom shall be laid before the courts of Brussels.

6 Cancellation of the procurement

ELIA reserves the right to cancel the tendering procedure, before the Contract(s) is (are) signed, without the candidates or tenderers being entitled to claim any compensation.

Cancellation may occur, if the legal basis, including the implementing regulation, becomes ineffective, due to its annulment, suspension, withdrawal or is modified in its essential characteristics, leading to the non-conformity of the tender with said legal basis;

In the event the procurement procedure would be cancelled, all candidates and tenderers will be notified in writing and as soon as possible of the reasons for the cancellation.

7 Questions

Questions relating to this tender should be addressed to: Mrs. Pauline Ottoy (pauline.ottoy@elia.be), Contracting_SR (contracting_SR@elia.be) cc: Mr. Filip Carton (filip.carton@elia.be)