

## **ELIA SYSTEM OPERATOR**

### **PROCEDURE FOR CONSTITUTION OF STRATEGIC RESERVE**

**Applicable for the tendering in 2017 as of the Ministerial Decree to constitute strategic reserve for the Winter Periods 2017-2018, 2018-2019 and 2019-2020**

**In accordance with Article 7quinquies, §1, of the Law of 29 April 1999 concerning the organisation of the electricity market, ELIA determines and publishes the modalities of the Procedure for Constitution of Strategic Reserve after consulting grid users, distribution system operators, the regulator and the General Direction Energy.**

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# 1 Definitions

<b>Access Contract</b>	The contract <sup>1</sup> (or equivalent) concluded between ELIA (resp. DSO) and the ELIA Grid (resp. Distribution Grid) access holder (in accordance with the applicable Grid Code) which specifies the conditions governing the granting of access to the ELIA Grid (resp. Distribution Grid) for the Access Point.
<b>Access Point</b>	An Injection and/or Offtake Point to the ELIA or Distribution Grid as defined in the corresponding Access Contract.
<b>Admission</b>	An SDR and/or SGR Candidate must pass an Admission procedure in order to participate in the Call for Tender; they can only take part in the Admission procedure if they send an application file during the Call for Candidates. ELIA will check whether the application file satisfies certain conditions and will grant Admission if it does so. Only offers submitted by SDR and/or SGR Candidates that have passed the Admission procedure will be accepted in the Call for Tender.
<b>ARP ('Access Responsible Party')</b>	Any natural person or legal entity listed in the register of Access Responsible Parties in accordance with the Grid Code for transmission and as defined in the Access Contract <sup>1</sup> . Sometimes also referred to in the Grid Codes for distribution, local and regional transmission with the term 'balance responsible party'.
<b>ARP Contract</b>	The contract concluded between ELIA and an ARP in accordance with Articles 150 and 151 et seq. of the Grid Code for transmission.
<b>Baseline:</b>	The set of values that reflects the assumed electrical power (average per quarter hour). This is consistent with what would be consumed by the activated SDR Unit if there was no activation. These values are estimated according to the methodology described in §6.3.1 of the Functioning Rules, used in a SDR activation and, in particular, during the period of the effective delivery in order to determine the reduced volume by the SDR Unit.
<b>Black Start</b>	The service as defined in Art. 261 of the Grid Code for transmission.

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<sup>1</sup> The CREG-approved Access Contract to the ELIA Grid is available at <http://www.elia.be/en/products-and-services/access/access-contract>

<b>Candidate SGR Power Plant</b>	A combination of (or a single) Production Unit(s), that include(s) one or more generators for generating electricity, able to generate electricity independently of other existing Production Units or Power Plants in the market, and offered in the SGR Candidate's final offer for providing the SGR Service.
<b>Call for Candidates</b>	First phase of the strategic reserve tendering procedure, during which all interested parties, can declare their interest in participating in the Call for Tender by submitting an application file.
<b>Call for Tender</b>	Period during which all SDR and SGR Candidates that have passed the Admission procedure can submit offers, taking into account the results of the Certification of SGR Power Plants and the Certification of SDR Reference Power, the SGR and/or SDR Contract and bidding instructions.
<b>CDS (Closed Distribution System)</b>	Closed Distribution System (or the closed industrial system or closed professional system) as defined in the Access Contract.
<b>CDS Access Point</b>	The Access Point to a Closed Distribution System of a Closed Distribution System user as defined in the Access Contract.
<b>CDS Metering Technical Information Checklist</b>	<p>Template document compiled by ELIA which SDR Suppliers, offering from CDS Delivery Points, must complete with technical information about their metering facility/facilities. This document is also used to demonstrate that the minimum technical requirements established by ELIA for the metering facility/facilities are fulfilled.</p> <p>The document is available on ELIA's website : <a href="http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents">http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents</a></p>
<b>CDS Operator</b>	A natural or legal person appointed by the relevant authority as the operator of the Closed Distribution System as defined in the Access Contract.
<b>Certification of SDR Reference Power</b>	Process of defining a maximum SDR Reference Power for a submitted (combination of) Delivery Point(s).
<b>Certification of SGR Power Plant</b>	Process whereby the Candidate SGR Power Plants that comply with one of the criteria set out in Art. 7 quinquies §2 (2°, 3° and 4°) of the Electricity Law, are certified to deliver SGR.
<b>CIPU Contract</b>	Contract for the Coordination of the Injection of the Production Units, as defined in art.198 of the Grid Code for transmission <sup>2</sup> .
<b>Configuration</b>	The composition used by a (Candidate) SGR Power Plant, consisting of one or more Production Units in a certain relationship, to generate power.

<sup>2</sup>Available at: <http://www.elia.be/en/products-and-services/ancillary-services/production-coordination>

<b>Contract Notice</b>	A notice published on the Tenders Electronic Daily website ( <a href="http://ted.europa.eu/">http://ted.europa.eu/</a> ) inviting all parties to declare their interest in participating in the Call for Tender.
<b>Control Area</b>	The area for which ELIA has been designated transmission system operator in accordance with the Electricity Law of 29 April 1999.
<b>CREG</b>	The federal regulating body of gas and electricity markets in Belgium.
<b>Data Logger</b>	A device that collects/records the meter's pulse output so that it can be acquired by a metering data management system.
<b>Delivery Point</b>	Point on the electricity grid from which the SDR Service is delivered as defined in Section 4 "Delivery Points".
<b>Delivery Test</b>	Test activation during the run of the SDR or SGR Contract that tests the well-functioning of the SDR or SGR Service under the conditions as stipulated in the SDR or SGR Contract. Delivery Tests at the request of ELIA are remunerated. Delivery Tests at the request of the SDR or SGR Supplier are not remunerated.
<b>Distribution Grid</b>	The electricity distribution system for which the Distribution System Operator has proprietary rights or at least user or operating rights and for which it is the designated Distribution System Operator as licensed by the regional regulator or the competent regional authorities.
<b>Distribution System Operator (DSO)</b>	A natural personal or legal entity appointed by the designated regional regulator or regional authority. The DSO is responsible for operating, maintaining and, if necessary, developing the Distribution Grid in a certain zone and, where applicable, for its interconnectors with other systems. The DSO is also responsible for guaranteeing the Distribution Grid's ability to meet reasonable demands for electricity distribution in the long term.
<b>Electricity Law</b>	The law of 29 April 1999 regarding the organisation of the electricity market; the law is amended from time to time.
<b>ELIA</b>	ELIA System Operator, the operator of the ELIA Grid.
<b>ELIA Grid</b>	The electricity transport system for which ELIA has proprietary rights or at least user or operating rights including the local transmission grid in Flanders and the Walloon region and the local transmission grid in Brussels, for which ELIA is the designated grid operator.
<b>Functioning Rules</b>	A document that determines the Functioning Rules for strategic reserve in line with Article 7septies §1 and §2 of the Electricity Law.

<b>General Direction Energy</b>	The General Direction Energy of the Federal Public Service Economy, SMEs, Self-Employed and Energy, as defined in article 2, 27° of the Electricity Law.
<b>General Terms &amp; Conditions</b>	The General Terms & Conditions governing strategic reserve when the SDR and/or SGR Contract is concluded, which are available on ELIA's website : <a href="http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents">http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents</a> .
<b>Grid Code</b>	Technical regulations for operating an electricity grid (transmission grid, local and regional transmission grid, Distribution Grid) and access thereto.
<b>Headmetering</b>	Quarter-hourly measurement of electrical energy associated with the Access Point as determined by ELIA or the DSO (for the Distribution Grid) by means of one or more meters installed by ELIA for the ELIA Grid and the DSO for the Distribution Grid (hereinafter referred to as "Headmeter(s)").
<b>Interruptibility Service ('ICH')</b>	A tertiary reserve power made available to ELIA by one or several grid users; ELIA can use this to temporarily reduce the Offtake.
<b>Local Production</b>	As defined in the CIPU Contract.
<b>Minimum Offtake R1 non-CIPU</b>	The minimum electrical Offtake level from the transmission grid or Distribution Grid at a Delivery Point concerned by the grid user, in order to be able to deliver the service. This value can be positive or negative. The term offtake is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which R1 power is provided.
<b>Minister</b>	The federal minister responsible for energy.
<b>Ministerial Decree</b>	Decree issued by the Minister.
<b>Non-CIPU Technical Unit</b>	A resource other than production units subject to a CIPU Contract capable of providing upward and / or downward regulation power.
<b>Offtake</b>	Usage of active power [MW] at a physical location at a certain voltage level.
<b>Pmax Ref</b>	A unique value (expressed in MW) corresponding to the maximum power that a SGR Power Plant can produce technically and that can inject in the grid at the level of its access point at 15 °C and 1 atm, based on the technical characteristics delivered by the manufacturer and the topology of the electricity grid of the unit.
<b>Procedure for Constitution of Strategic Reserve</b>	The present document, established by ELIA after consulting the grid users, Distribution System Operators, CREG and the Federal Public Service Energy in accordance with Article 7quinquies §1 of the Electricity Law.

<b>Production Unit</b>	A facility for generation of electricity made up of a single generation unit or of an aggregation of generation units;
<b>R1 or Primary Reserve</b>	Power reserve made available to ELIA to stabilize the frequency of the interconnected European network. The technical characteristics of this reserve are specified in the "ENTSO-E Operational Handbook". The primary reserve is also called "Frequency Containment Reserved" (FCR).
<b>R1 non-CIPU</b>	Primary Reserve delivered by a non-CIPU Technical Unit
<b>R3 or Tertiary Reserve</b>	Power reserve which allows ELIA to restore the balance between the supply and demand of active energy within its control zone. Tertiary control power includes non-reserved power (incremental / decremental bids) as well as reserved power (standard tertiary reserve, flex, interruptible offtake and emergency exchanges between TSOs). Tertiary reserve is also called "manual Frequency Restoration Reserve" (mFRR).
<b>R3 non-CIPU</b>	Tertiary Reserve delivered by a non-CIPU Technical Unit. This service can be delivered as reserved power (standard tertiary reserve and flex) or non-reserved power (incremental / decremental bids).
<b>Reservation Price</b>	Reservation Price per MW and per hour requested by the Candidate to provide either the SGR Service with one or more Power Plant(s) in a given Configuration, or the SDR Service for a given offered combination of Delivery Points. The Reservation Price is only paid during the Winter Period. This reservation price may not contain any anticipated cost for activation, nor the reservation cost for any potential Black Start service.
<b>SDR Candidate</b>	A person, company or organisation that is interested in participating in the Call for Tender and submitting a final offer to supply strategic reserve by means of demand according to Article 7quinquies § 2, 1° of the Electricity Law.
<b>SDR Contract</b>	Contract between ELIA and the SDR Supplier for the supply of strategic reserve by means of demand as stipulated in Article 7quinquies § 2, 1° of the Electricity Law.
<b>SDR DROP-BY</b>	SDR Service whereby, in the event of activation, the SDR Supplier pledges to reduce their Offtake by the contractually fixed amount of SDR Reference Power.
<b>SDR DROP-TO</b>	SDR Service whereby, in the event of activation, the SDR Supplier pledges to reduce their Offtake to the contractually fixed total Shedding Limit SDR.
<b>SDR Reference Power (Rref)</b>	Reference value for the capacity (expressed in MW) made available to ELIA by the SDR Supplier on the total Offtake of their SDR Unit (pool of Delivery Point(s)).

<b>SDR Service</b>	Supply of strategic reserve by means of demand as foreseen in Article 7quinquies § 2, 1° of the Electricity Law.
<b>SDR Supplier</b>	A person, company or organisation that has been awarded an SDR Contract in this tendering procedure.
<b>SDR Unit</b>	A set (aggregation) of electricity facilities comprising loads at Delivery Points able to reduce the Unit's total offtake (electricity consumption) by changing, stopping or slowing down an energy-consuming process of the loads at these Delivery Points without increasing generation of electrical energy.
<b>SGR Candidate</b>	A person, company or organisation that is interested in participating in the Call for Tender and submitting a final offer to supply strategic reserve with a given Candidate SGR Power Plant(s) according to Article 7 quinquies §2, 2°, 3° en 4° of the Electricity Law.
<b>SGR Contract</b>	Contract between ELIA and the SGR Supplier for the supply of strategic reserve by means of one or more SGR Power Plant(s) as foreseen in Article 7 quinquies §2, 2°, 3° en 4° of the Electricity Law.
<b>SGR Power Plant</b>	A combination of (or a single) Production Unit(s) that include(s) one or more generators for generating electricity, able to generate electricity independently of other existing Production Units or power plants in the market, and subject of an SGR Contract concluded between ELIA and the SGR Supplier.
<b>SGR Service</b>	Supply of strategic reserve by means of SGR Power Plants as foreseen in Article 7 quinquies §2, 2°, 3° en 4° of the Electricity Law.
<b>SGR Supplier</b>	A person, company or organisation that has been awarded an SGR Contract in this tendering procedure.
<b>Shedding Limit ('SL')</b>	Level of power (expressed in MW) to which the SDR Supplier has to go by lowering the net active power Offtake at his Delivery Point(s) (or Access Point(s) for ICH) in case of activation, if applicable. This can be: * $SL_{ICH}$ , valid for ICH Contracts; ** $SL_{SDR}$ , valid for SDR Contracts in case of SDR DROP-TO.
<b>Simulation Test</b>	Test activation before the start of the SDR or SGR Contract where the SDR or SGR Supplier must demonstrate at a previously agreed time and date that they are able to fulfil the technical requirements stipulated in the SDR or SGR Contract. This test is not remunerated by ELIA. ELIA will ask to carry out a Simulation Test to check the correct delivery of the service.
<b>Specifications</b>	All of the documents comprising the contract, namely the Functioning Rules, the Procedure for Constitution, the SGR, SDR DROP-TO and SDR DROP-BY Contracts and the General Terms & Conditions.



<b>Submetering</b>	Measurement of the electricity consumed by equipment or processes within an industrial site by means of one or more meters (hereinafter referred to as "Submeter(s)") situated downstream of the Headmeter(s).
<b>Submetering Technical Information Checklist</b>	Template document compiled by ELIA which SDR Suppliers must complete with technical information about their Submetering facility/facilities for Delivery Points connected to the ELIA Grid. This document is also used to demonstrate that the minimum technical requirements established by ELIA for the Submetering facility/facilities are fulfilled. This document is available on ELIA's website : <a href="http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents">http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents</a>
<b>Unsheddable Margin ('UM')</b>	Minimum value of net active power Offtake that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point(s) concerned (or the SDR Unit to which it belongs). It is defined in case of SDR DROP-BY.
<b>Winter Period</b>	Period from 1 November to 31 March, as defined in Article (2) (51) of the Electricity Law.
<b>Working Day</b>	Any calendar day except for Saturday, Sunday and Belgian public holidays.

## 2 Background

### 2.1 The Electricity Law of 29 April 1999

In 2014, a mechanism called 'strategic reserve', was introduced in the federal Electricity Law of 29 April 1999 concerning the organisation of the electricity market ('Electricity Law') to ensure a sufficient level of security of supply during Winter Periods. The standard procedure and timeframes required to allow for the constitution of a strategic reserve are as follows:

- Before 15 October each year, the Federal Public Service Energy provides ELIA with any relevant information that may prove useful when conducting a probabilistic analysis (see below).
- ELIA must perform a probabilistic analysis before 15 November each year regarding the country's security of supply for the next Winter Period(s).
- By 15 December each year, the General Direction Energy must provide the Minister an opinion on the need to establish a strategic reserve. If the opinion concludes that such a need exists it will also suggest the required volume.
- Within one month of receiving this opinion, the Minister may instruct ELIA to constitute the determined volume of strategic reserve for a period of one to three years starting from the first day of the following Winter Period.
- ELIA shall determine the tendering rules via a Procedure for Constitution of Strategic Reserve after consulting the grid users, CREG, DSO's and the General Direction Energy, and shall initiate this procedure within one month after being instructed to do so by the Minister.
- Market actors belonging to at least one of the categories identified in the Electricity Law, who have assets located in the Belgian Control Area and who meet the criteria and specifications, may take part in the strategic reserve; some of them are even obliged to submit an offer.
- ELIA shall report to CREG and the Minister on the offers received within 30 Working Days after the offer submission deadline, and its report shall include a most optimal technical-economic proposal for the combination of offers.
- CREG will issue a reasoned opinion in that respect and will assess whether the prices proposed by the SDR and SGR Suppliers (and the combination of offers) are not clearly unreasonable:
  - If this is the case, ELIA will contract the proposed combination of offers as of 1 November of the Winter Period(s) to which the Minister's instruction relates.
  - If this is not the case, CREG will put forward its recommendations and the King can impose prices and volumes upon the Minister's suggestion.

ELIA proposes the Functioning Rules and submits them to CREG for approval. These rules serve to minimise the impact of strategic reserve on the operation of the associated electricity markets and shall include, for example, information on the indicators that are taken into account to detect a shortage and the principles related to the activation of the strategic reserve.

**Please note:** The above paragraphs are only meant to provide an indicative overview of the deadlines. Exact dates may vary as some deadlines are expressed as "number of Working Days" after a certain other deadline.

## **2.2 Scope**

The scope of this document is limited to strategic reserve and describes the tendering of strategic reserve organised in 2017 prior to the Winter Periods 2017-2018, 2018-2019 and 2019-2020.

This Procedure for Constitution of Strategic Reserve and the tendering that is organised via this procedure are established under Art. 7 quinquies §1 of the Electricity Law.

## 3 Strategic Reserve

### 3.1 Tendering schedule for 2017

The important dates for the tendering are listed in the table below.

**Please note:** This table is only meant to provide an indicative overview of the tendering procedure. The precise applicable deadlines as referred to in section 5 of this document take precedence over this table. Legal deadlines are put **in bold**, other deadlines are planned in order to be able to comply with legal ones, but could vary with a couple of days.

When	What	Who
<b>15/12/2016</b>	The General Direction Energy gives an advice on the need to establish a strategic reserve, which is the starting date for the calendar hereunder.	General Direction Energy ⇒ Minister
<b>&lt;= 15/01/2017</b>  <b>&lt;= within one month after the opinion the General Direction Energy</b>	The Minister <b>instructs</b> ELIA to launch the constitution of the strategic reserve for a determined volume and duration.	Minister
<b>&lt;= 15/02/2017</b>  <b>&lt;= at the latest one month after the decision by the Minister</b>	<b>Call for Candidates:</b> ELIA informs the market of the upcoming Call for Tender via a <b>Contract Notice</b> .	ELIA ⇒ Market
<b>&lt;= 7/03/2017</b>	Deadline for the submission of application files for the Admission procedure.	Potential SGR and SDR Candidates ⇒ ELIA
<b>&lt;= 15/03/2017</b>	ELIA initiates the <b>Call for Tender</b> for strategic reserve.	ELIA ⇒ all SGR and SDR Candidates who passed the Admission procedure
<b>&lt;=24/03/2017</b>	Submission of the <b>request for Certification of SDR Reference Power</b> .	SDR Candidates ⇒ ELIA
<b>&lt;=7/04/2017</b>	<b>Certification</b> issuing	ELIA ⇒ SDR Candidates
<b>&lt;= 18/04/2017</b>  <b>&lt;= at the latest two months after the Call for Candidates</b>	<b>Deadline for the submission of final offers</b> for strategic reserve.	SGR and SDR Candidates ⇒ ELIA

<b>&lt;= 01/06/2017</b>  <b>&lt;= at the latest 30 Working Days after submission of offers</b>	Report with all offers, justifications, prices and volumes, offered for strategic reserve, plus a <b>technical-economic proposal</b> based on the award criteria for the combination of offers.	ELIA ⇒ CREG + Minister
<b>&lt;= 14/07/2017</b>  <b>&lt; at the latest 30 Working Days after submission of report by ELIA</b>	An explicit and motivated <b>opinion</b> indicating whether the prices of the combination of offers proposed by ELIA is clearly (un)reasonable or not.	CREG ⇒ ELIA + Minister
<b>&lt;= 14/08/2017</b>	<b>Awarding</b> towards market parties at the latest one month after the opinion CREG. However following the Electricity Law, a Royal Decree may be imposed in case an (some) offer(s) is (are) considered as unreasonable. Such process may take longer than one month.	ELIA ⇒ SDR and/or SGR Candidates
<b>&lt; 01/11/2017</b>	<b>ELIA contracts</b> these offers for the duration stipulated in the Minister's decision.	ELIA ⇒ Awarded SDR and SGR Suppliers

### 3.2 Consulting stakeholders

Article 7quinquies of the Electricity Law stipulates that ELIA determines (and publishes) the Procedure for Constitution of Strategic Reserve following consultation. ELIA created a dedicated task force within its Users' Group (which also comprises CREG representatives) that specifically deals with the implementation of strategic reserve and the tender to be carried out in order to:

- **inform** market parties and stakeholders of all relevant aspects associated with the implementation of strategic reserve;
- **consult** market parties and stakeholders, particularly regarding the tendering procedure (including all relevant elements concerning this procedure such as selection criteria, tender rules, etc.) and the Functioning Rules (including product requirements, detection, activation, etc.) for strategic reserve (the latter is to be approved by CREG on proposition of ELIA).

All documentation regarding these consultations can be found here: <http://www.elia.be/en/about-elia/publications/Public-Consultation>

The documents approved at the end of the consultation can be found here: <http://www.elia.be/en/about-elia/publications/Public-Consultation/Publieke%20consultaties>

### 3.3 Entry into force and duration

The present Procedure for Constitution of Strategic Reserve will be applied at the latest at the start of the tender procedure organised over the course of 2017. This tender procedure starts at the latest one month after the instruction of the Minister to ELIA to constitute strategic reserve.

**Please note:** The Procedure for Constitution of Strategic Reserve will enter into force at the latest on this date if and only if the Minister's decision relates to the constitution of a strategic reserve for the Winter Periods 2017/2018, 2018/2019 and 2019/2020.

### 3.4 Hierarchy of documents

Without prejudice to application of the relevant laws and regulations, including those regarding liberalisation of the electricity market and strategic reserve in particular, and without prejudice to the Procedure for Constitution of Strategic Reserve established by ELIA according to Article 7 quinquies and 7 septies of the Electricity Law, the hierarchy of documents is determined as described below.

If there are any difficulties in interpreting or any contradictions between the constitutive elements of the relevant laws and regulations, the Functioning Rules, the Procedure for Constitution of Strategic Reserve, the SGR/SDR Contract or the General Terms & Conditions, each document shall take precedence over the following one in the following order:

1. To prevent any doubt, and without prejudice to the legal hierarchy principles, the relevant laws and regulations, including the Functioning Rules<sup>3</sup>, will always prevail.
2. This Procedure for Constitution of Strategic Reserve.
3. The SGR/SDR Contract(s) signed by ELIA and the SDR/SGR Supplier(s).
4. The General Terms & Conditions (i.e. for strategic reserve).
5. If applicable, the CIPU Contract or R1 non-CIPU contract signed by ELIA and the CIPU Contract holder respectively R1 non-CIPU contract holder.
6. Any other valid ancillary services contract signed by ELIA and the SDR and/or SGR Supplier(s).

### 3.5 Ministerial Decree on the determination of volumes

In accordance with Article 7 quater of the Electricity Law, the Minister may instruct the transmission system operator, no later than 15 January 2017, to constitute a strategic reserve for a period of one to three years starting on the first day of the following Winter Period and sets the level of this reserve in MW.

This document is therefore submitted for public consultation in anticipation of a possible instruction by the Minister to constitute a volume of strategic reserve.

The conclusion of an SDR or SGR Contract with ELIA does not prevent CREG from modifying the Functioning Rules which ELIA must submit to CREG. Given the fact that ELIA recommended the Minister to take a decision based on the latest available information, and given the possible changes in the availability of the production fleet in France and Belgium, ELIA will take into account the latest decision taken concerning the level of strategic reserve needed at the moment ELIA starts analysing the received offers on April 18<sup>th</sup>, 2017.

As a consequence of article 4 of the Ministerial Decree of 13 January 2017 and as written in paragraphs 74 to 76 of the final decision 1598 of CREG, dated 9 February 2017<sup>4</sup> CREG requests ELIA to submit as soon as possible a new version of the Functioning Rules integrating a new chapter concerning the modalities for production-units returning to market.

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<sup>3</sup> The Functioning Rules are proposed by ELIA and submitted to CREG for approval in line with Article 7septies (1 and 2) of the Electricity Law.

<sup>4</sup> "Beslissing over het voorstel van de NV ELIA SYSTEM OPERATOR betreffende de werkingsregels van de strategische reserve van toepassing vanaf 1 november 2017." Indicative translation: *Decision on the proposal of SA ELIA SYSTEM OPERATOR related to the functioning rules of the strategic reserve applicable as of November 1, 2017.*

## 4 Delivery Points

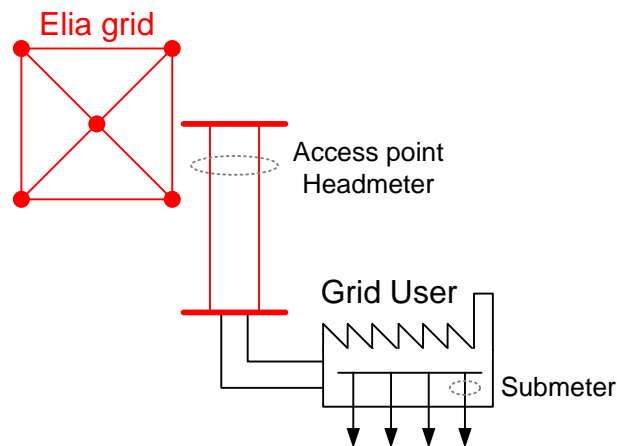
It is stipulated that a Delivery Point is a point located on the electricity grid from where the SDR Service can be delivered.

It may be:

- a. an Access Point connected to the ELIA Grid;
- b. an Access Point connected to the DSO Grid;
- c. a point within the electrical facilities of a grid user downstream of an Access Point connected to the ELIA Grid (hereafter referred to as 'TSO Submetering Delivery Point');
- d. a point in a CDS connected to the ELIA Grid;
- e. a point within the electrical facilities of a grid user downstream of an Access Point connected to the DSO Grid (hereafter referred to as 'DSO Submetering Delivery Point').

Every Delivery Point must be associated with one or more meter(s) allowing ELIA to control and measure the delivery of the SDR Service. In cases a or b, the metering associated with the Delivery Point is given by Headmeters. Specific requirements related to cases c, d and e are described in 4.1, 4.2 and 4.3 below.

### 4.1 Requirements for TSO Submetering Delivery Points



TSO Submetering Delivery Points will be measured by a Submetering facility.

#### 4.1.1 Technical requirements for TSO Submetering Delivery Points

Submeters for sites connected to the ELIA Grid must comply with the minimum technical requirements described in the 'General Technical Requirements of the Submetering Solutions', which is available on the ELIA website:

<http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents>

In the case of portfolios containing Delivery Points with Submetering, it should be noted that the service cannot be delivered with more than 4 Submeters per MW offered.

#### **4.1.2 Providing ELIA with Submetering data for TSO Submetering Delivery Points**

ELIA's metering data management system must be able to acquire the quarter-hour values of active power measured by a Submeter. This must be done in one of the following ways:

- Option 1: the Submeter fully complies with ELIA's metering standards (see. 'General Technical Requirements of the Submetering Solutions') and is therefore able to directly communicate with ELIA's metering data management system.
- Option 2: the private Submeter is connected to a Data Logger (compliant with ELIA standards, see 'General Technical Requirements of the Submetering Solutions') that passes on the measured values to ELIA's metering data management system through a communication protocol known by ELIA.
- Option 3: the private Submeter is connected to a GSM modem (compliant with ELIA standards, see 'General Technical Requirements of the Submetering Solutions') that passes on the measured values to ELIA's metering data management system through a communication protocol known by ELIA.

#### **4.1.3 Compliance of Submetering facilities at sites connected to the ELIA Grid**

To ensure that the Submetering facilities comply with all requirements mentioned in §4.1.1 and §4.1.2 and to gather all the technical information required for commissioning the Submeters and/or the communication with the ELIA metering data management system, SDR Candidates are obliged to provide a range of technical information about their Submetering facility prior to commissioning (see also §5.6.1). Based on the technical information provided by the SDR Candidate, ELIA will decide whether or not to validate the compliance of the Submetering facility.

The list of technical information to be supplied to ELIA ('Submetering Technical\_Information\_Checklist' document) will be available on ELIA's website at the following link:

<http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents>.

This document must be completed and returned to ELIA by 29 May 2017 at the latest (see table below).

Notwithstanding the above, when SDR Candidates submit a certification request for a TSO Submetering Delivery Point, they shall already be obliged to supply a single-line diagram of the site showing the Submeter(s) as well as, where relevant, the corresponding metering equation.

Communication with the ELIA metering data management system must be effective by 16 October 2017. It shall be commissioned by ELIA. In order for ELIA to guarantee compliance with deadlines, SDR Candidates must submit an offer request for one of the permitted options (see §4.1.2) by 29 May 2017. Failure to comply with the commissioning deadline will result in an administrative penalty. This penalty is defined as

$\text{Reservation price (in €/MW/h)} * 0.3 * \text{contracted power} * 24 \text{ hours} * 7$

and will be imposed for each week of the Winter Period in which the conditions are not fulfilled on the first day (Monday) of that week.

The following deadlines must be met for TSO Submetering Delivery Points:



- **<=24/03/2017** : Submission (with the certification request) of the single-line diagram and, where relevant, the metering equation.
- **<=18/04/2017** : Deadline for submission of SDR offers.
- **<=29/05/2017** : Deadline for submission of an offer request (i.e. choice of option for communication of metering data to ELIA) to ELIA. After this date, ELIA will no longer be able to guarantee commissioning by 16/10/2017.
- **<=18/08/2017** : Deadline for actually ordering a Submetering option (see 4.1.2).
- **<=16/10/2017** : Deadline for Submeter commissioning. After this date, an administrative penalty will be applied to the SDR Supplier.

The technical information to be supplied to ELIA is shown in the following table:

Metering data used for certification	Technical information to be supplied to ELIA				
	Single-line diagram <sup>(1)</sup>	Metering equation <sup>(2)</sup>	Technical information <sup>(3)</sup>	Site plan	Accuracy check or calibration report <sup>(4)</sup>
No past Submetering data or past data < 6 weeks (Winter Period) <b>=&gt; A Submetering solution must be ordered (4.1.2)</b>	with the certification request	with the certification request	< 29/5	< 29/5	< 29/5
Submetering data exists (> 6 weeks during Winter Period) but no communication with the ELIA system <b>=&gt; A Submetering solution must be ordered (4.1.2)</b>	with the certification request	with the certification request	< 29/5	< 29/5	< 29/5
Submetering data exist (> 6 weeks during Winter Period) and communication with the ELIA system is operational= <b>=&gt; A Submetering solution does not need to be ordered (4.1.2)</b>	ELIA will check whether the information it has is complete.				

<sup>(1)</sup> with location of meter(s)

<sup>(2)</sup> where relevant

<sup>(3)</sup> The required technical information is available in the document "Submetering Technical Information Checklist" on ELIA's website: <http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents>

<sup>(4)</sup> at least the planned date of the check must be communicated (before commissioning of communication with ELIA)

## 4.2 Requirements for Delivery Points within a Closed Distribution System connected to the ELIA Grid

Delivery Points in a Closed Distribution System connected to the ELIA Grid can participate in the SDR Service and must respect the following specific conditions:

- The **metering facilities** associated with Delivery Points within a Closed Distribution System must (already) be used by the CDS Operator in relation to their invoicing obligations regarding their CDS Access Points. These metering facilities must enable 1/4-hourly measurement of active energy and fulfil at least the technical requirements specified in the applicable Grid Code; the technical information contained in the table below must also be provided to ELIA.
- **In case of new CDS metering installations:** the installation must be completed and metering data exchange must be operational at latest at 16/10/2017 so that ELIA can dispose of data with which to perform its Baselineing starting from 1/11/2017. Failure to comply with this deadline will result in an administrative penalty. This penalty is defined as:

Reservation price (in €/MW/h) \* 0.3 \* contracted power \* 24 hours \* 7

and will be imposed for each week of the Winter Period on which the conditions are not fulfilled on the first day (Monday) of that week.

- **Data exchange:** As the CDS Operator already uses the metering data of the metering facilities within the CDS for invoicing purposes, the CDS Operator will send the metering data directly to ELIA using the data exchange formats as specified in his cooperation agreement with ELIA (see next section). A description of the permitted data exchange formats is available on the ELIA website.
- **A cooperation agreement between ELIA and the CDS Operator:** this agreement typically lays down the details of the metering data exchange between ELIA and the CDS Operator. It must be signed and executed by both parties before the start of the SDR Contract<sup>5</sup>.

The SDR Candidate must enclose with their certification request – **at the latest on 24 March 2017** – a **CDS Operator declaration**<sup>6</sup> in which the CDS Operator agrees that the CDS grid user can participate in the SDR Service and the CDS Operator commits to signing the cooperation agreement with ELIA under the condition that the SDR Candidate is awarded an SDR Contract.

The technical information to be supplied to ELIA is shown in the following table:

Technical information to be supplied to ELIA			
Single-line diagram <sup>(1)</sup>	Metering equation <sup>(2)</sup>	Technical information <sup>(3)</sup>	Accuracy check or calibration report
with the certification request	with the certification request	< 29/05/2017	not mandatory
If the Delivery Points have already been selected following an earlier Call for Tender, ELIA will check whether the information it has is complete.			

<sup>(1)</sup> with location of meter(s)

<sup>(2)</sup> where relevant

<sup>(3)</sup> The required technical information is available in the document "CDS Metering Technical Information Checklist" on ELIA's website: <http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents>

## 4.3 Requirements for DSO Submetering Delivery Points

### 4.3.1 Technical requirements for DSO Submetering Delivery Points

The Submeters of sites connected to the Distribution Grid must comply with the minimum technical requirements formulated by the DSOs.

### 4.3.2 Providing ELIA with Submetering data for DSO Submetering Delivery Points

The relevant DSO will provide ELIA with the data measured by a Submeter situated on a site connected to the DSO grid.

### 4.3.3 Compliance of Submetering facilities at sites connected to

<sup>5</sup> A template agreement can be obtained by sending an e-mail to Contracting\_SR@elia.be

<sup>6</sup> Owing to short deadlines, e-mail confirmation sent by CDS Operator and SDR Candidate to Contracting\_SR@elia.be shall suffice in this tendering procedure.

**the DSO grid**

The technical compliance of Submetering facilities at sites connected to the DSO grid will be certified by the concerned DSO.

The commissioning of the Submetering facilities/facilities must be effective before 16/10/2017. Failure to comply with this deadline will result in an administrative penalty. This penalty is defined as

Reservation price (in €/MW/h) \* 0.3 \* contracted power \* 24 hours \* 7  
and will be imposed for each week of the Winter Period on which the conditions are not fulfilled on the first day (Monday) of that week.

## 5 Stages of the tendering procedure

Pursuant to Article 7 quinquies of the Electricity Law, the tendering procedure that ELIA is instructed to organise, must collect offers based on objective, transparent and non-discriminatory processes.

The tendering procedure aims at collecting offers from market participants offering capacity in order to face potential security of supply problems.

It should be noted that CREG could:

- 1) deem the prices of the offers unreasonable, in which case the King may impose prices and volumes;
- 2) apply fines to market participants that do not respect their legal obligation to submit an offer.

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

ELIA will organise a negotiated procedure with publication as defined in the federal law of 15 June 2006 on public procurement, as amended from time to time.

### 5.1 Call for Candidates

#### 5.1.1 Contract Notice and Admission process

Prior to the Call for Tender, ELIA will publish a Contract Notice inviting parties to declare their interest in participating in the Call for Tender for strategic reserve by sending an application file.

- The Call for Candidates will be announced by means of a **Contract Notice** sent for publication at the latest on 15 February 2017 on the Tenders Electronic Daily website (<http://ted.europa.eu/>).
- In order to be valid, an application file must be sent via registered letter or carrier to following address:
  - ELIA System Operator - Amandine Leroux  
20 Boulevard de l'Empereur  
B - 1000 Brussels
  - Each application file must consist of an original paper version and an electronic copy and must be sent to [amandine.leroux@elia.be](mailto:amandine.leroux@elia.be) and [contracting\\_SR@elia.be](mailto:contracting_SR@elia.be).
  - If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.
  - The SGR or SDR Candidate shall state clearly which information is confidential and/or relates to technical and commercial secrets.
- Every application file must comprise all information required to demonstrate that the conditions listed in 5.1.2. are fulfilled.
- The application file must be written in English, French or Dutch.
- The application file must be complete and received by ELIA before 6 p.m. Central European Time (CET) on 7 March 2017.
- ELIA reserves the right to verify the information provided in the application files.

Before the Call for Tender at the latest, ELIA will electronically communicate the results of the Admission procedure to the address specified by the SGR or SDR Candidate:

- If Admission was not granted because of an unsuccessful application file, ELIA will provide reasons for the rejection.
- If an application file is granted Admission, the candidate will receive an invitation to participate in the Call for Tender.

### **5.1.2 Application file for SGR and SDR Candidates**

ELIA will grant Admission if the application files from the SGR and SDR Candidates satisfy the following conditions for both SGR and SDR Candidates:

1. The SGR/SDR 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 SGR/SDR Candidate must comply with their social security, VAT and tax obligations. Candidates must submit either a sworn statement<sup>7</sup> or a recent certificate provided by the competent authority as proof that they are complying with these obligations.
3. The SGR/SDR Candidate must declare in the same sworn statement that they are neither bankrupt, nor the subject of bankruptcy or liquidation proceedings, nor do they find themselves in a similar situation.
4. The SGR/SDR Candidate must declare in the same sworn statement that they have not been convicted of an offence concerning their professional integrity or been subject to a judgment *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the financial interests of Belgium and other European Union Member States.
5. The SGR/SDR Candidate must provide proof of their economic and financial capacity. To this end, the SGR/SDR Candidate must submit the following documents to ELIA:
  - a. Graydon's score: have a score above 1, or a multiscore above 20 (for companies based in Belgium). If the score is 1 or less or the multiscore is less than 20, the candidate will not be rejected as such but ELIA may ask for extra information and/or guarantees.
  - b. ELIA can order this report and send it to the SGR/SDR Candidate if explicitly requested to do so by the SGR/SDR Candidate.

#### **Conditions for SGR Candidates only:**

1. The SGR Candidate must provide the list of (Candidate) SGR Power Plant(s) that are eligible to participate, taking into account the fact that the proposed (Candidate) SGR Power Plant(s) must comply with the Certification of SGR Power Plant(s) criteria as listed in section 5.2.1.
2. The SGR Candidate must provide technical specifications for each (Candidate) SGR Power Plant as specified in the Contract Notice. These technical specifications will be based on elements of the Annex 1 of the CIPU Contract and elements related to the SGR Contract.
3. If the Candidate SGR Power Plant is (was) included in a CIPU Contract, the parameters submitted in connection with SGR may differ from those declared in connection with the CIPU Contract, which may also be updated accordingly if necessary. In any case, all data must be justifiable and provable.

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<sup>7</sup> In case the sworn statement was provided to ELIA for another tender/qualification, a copy of this sworn statement is sufficient, as long as the signature dates less than 2 years from the start date of Call for Tender.

4. All of the requested information must be included in the SGR Candidate's application file, which must be submitted no later than the deadline for the Call for Candidates on 7/3/2017.

Additionally ELIA may ask SGR Candidates for additional information regarding these technical specifications as part of the (Candidate) SGR Power Plant certification process. The SGR Candidate shall provide a reasonable level of detail and respond within a reasonable timeframe.

Conditions for **SDR Candidates only**:

- The SDR Candidate must provide a preliminary list of the Delivery Point(s) that he intends to propose in his offer during the Call for Tender taking into account the fact that the proposed Delivery Point(s) must correspond to one of the 5 categories as mentioned the definition of Delivery Point in section 4 "Delivery Points" and be located in the Belgian Control Area.

**Important disclaimer:** The assets in the SDR Unit used to provide the SDR Service with the SDR Reference Power should reduce electricity consumption (in MW) by changing, stopping or slowing down an energy-consuming process without relying on increased generation of electrical energy.

## 5.2 Certification

### 5.2.1 Certification of SGR Power Plant(s)

Only offers submitted by SGR Candidates that have successfully passed the Admission procedure **and** are based on certified Candidate SGR Power Plants will be accepted during the Call for Tender. Candidate SGR Power Plants can receive an SGR certification no later than the start date of the Call for Tender as long as they fall into one of the following categories:

1. Any Candidate SGR Power Plant for which the scheduled closure (see development plan) is planned after the end of the previous Winter Period and before the start of the Winter Period for which the Procedure for Constitution of Strategic Reserve applies.
2. Any Candidate SGR Power Plant that announced a closure according to Art. 4bis of the Electricity Law before the Minister's decision to constitute a strategic reserve and for which the closure is not yet effective.
3. Any Candidate SGR Power Plant that announced a temporary closure according to Art. 4bis of the Electricity Law for which the closure is effective.

Operators belonging to one of these three categories, as identified in Art. 7 quinquies, §2, 2°, 3° and 4°) of the Electricity Law, are obliged to submit at least the entire capacity of each Configuration of the Candidate SGR Power Plant.

In addition, a certified SGR Power Plant must consist of a set of Production Units able to generate electricity without relying on one or more Production Units still active on the market.

A SGR Power Plant that is awarded an SGR Contract will not be allowed to participate in any ancillary services tender, with the exception of Black Start, for which the details of participation will be outlined in the related Black Start tendering procedure.

In addition, SGR Candidates are asked to offer the volume that can be developed at 15°C and 1 atmosphere (atm) and that can be injected into the grid at the SGR Power Plant's Access Point (in other words the facility's Pmax Ref). To do this, the SGR Candidate must be able to justify, no later than the start date of the Call for Tender, the power that the SGR Power Plant can deliver at that plant's grid Access Point<sup>8</sup> at 15°C and 1 atm based on selected past data from the past two years. In practice, the SGR Candidate shall indicate the dates on which the Pmax Ref was achieved, where necessary, corrected<sup>9</sup> and standardised at a temperature of 15°C and 1 atm. To this end, the SGR Candidate must supply the curve or the function indicating the relationship between the Pmax Ref and the outside temperature<sup>10</sup>.

The power offered by the SGR Power Plant, which corresponds to Pmax Ref, is firm and binding and must be attainable at any time during a Simulation Test and activation, otherwise a penalty will be imposed for the missing power.

### 5.2.2 Certification of SDR Reference Power

Only offers submitted by SDR Candidates that have been granted Admission **and** respect the "certified maximum SDR Reference Power" (described later in this section), while maintaining SL or UM values for each Delivery Point which are less than or equal to the values for which the (combination of) Delivery Point(s) have been certified, will be accepted during the Call for Tender for a given (combination of) Delivery Point(s).

A Delivery Point which was since November 1, 2015 part of an offer that was made in the context of a tender by the system operator for the delivery of primary, secondary or tertiary reserve power, as defined in the market rules for the compensation of quarter-hour imbalances (available at website ELIA), cannot participate in the delivery of SDR, and this as from November 1, 2018.

Delivery Points that do not meet the above described conditions **as of November 1, 2018** will be excluded from the certified power and have to be replaced by one or more Delivery Points under the conditions described in the Contract.

The frequency of such changes shall be limited to 2 times a year, whereby a year is understood as the period from 1 November year Y to 31 October year Y+1.

Requests for Certification of a maximum SDR Reference Power must satisfy the practicalities and criteria below.

#### ▲ Metering data for Certification of SDR Reference Power

In order to issue a certified maximum SDR Reference Power, ELIA will base its analysis on historical metering data of the three most recent Winter Periods. For all Delivery Points, excluding Delivery Points connected to the ELIA Grid, Elia also need the historical metering data of the month of October of each year in order to be able to conduct the Baselining and to determine the availability during hours with a high market price. In case the Delivery Point did not exist during these whole time periods, ELIA will use metering data of at least the most recent Winter Period and, as explained here above, extended with the month of October. This

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<sup>8</sup> As determined by the meter at the Access Point in question.

<sup>9</sup> Based on curves showing the variation of Power as a function of temperature.

<sup>10</sup> If it is not possible to supply representative metering data (e.g. because investments are needed before 1/11 and have not been finalised at the time the certification request is submitted), a sufficiently justified adjustment of the metering data may also be accepted.



rule is applicable for all Delivery Points excluding Delivery Points connected to the ELIA Grid.

A Certification request of SDR Reference Power for a given combination of Delivery points will be based on the following metering data:

- Validated Headmetering of the ELIA Headmeter(s)<sup>11</sup> for Delivery Points connected to the ELIA Grid;
- Validated Headmetering of the DSO Headmeter(s) or Submeter<sup>12</sup> for Delivery Points connected to the Distribution Grid or DSO Submetering Delivery Points;
- Validated Submetering of the **existing** Submeter(s)<sup>13</sup> for TSO Submeter Delivery Points under the following condition:
  - Submetering Technical Information Checklist at the latest on 24 March 2017 (see also 4.1.3);
- Validated metering of the **existing** metering facilities for Delivery Points within a CDS under the following conditions:
  - CDS Metering Technical Information Checklist at the latest on 24 March 2017;
  - CDS Operator declaration at the latest on 24 March 2017 (see 4.2).

A profile will be applied in case <sup>14</sup>:

- a Submeter is installed after 24 March 2017;
- Submeter's past metering data are available for less than one Winter Period;
- There is no valid proof of Submeter compliance before 24 March 2017.

A profile is established on the basis of

- 1) either relevant past (and thus existing) data such as metering data from the process or another similar process (correctly scaled with the installed power of those processes)
- 2) or "on/off" values related to the process that will be metered by the Submeter multiplied by the installed power of that process x 0.75.

In case there are no relevant past data or "on/off" values, the profile will be established by multiplying the Headmetering at the corresponding Access Point by a pro rata ratio (= declared average Offtake of the Delivery Point over three Winter Periods divided by the average Offtake over three Winter Periods at the corresponding Access Point), as also mentioned by ELIA in the document "SDR Certification Guidelines" that is available on ELIA's website. All conditions such as the installation of the Submeter and provision of the Submeter Technical Information Checklist must be fulfilled prior to "Commissioning" (see 5.6).

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<sup>11</sup> ELIA already possesses Headmetering of its own Grid. SDR Candidates can request this information through the grid user or from ELIA after a signed grid user declaration that grants access to meter data.

<sup>12</sup> The concerned DSO will provide ELIA with the Headmetering of the Delivery Point(s). SDR Candidates must consult the DSO Concerned for process to obtain the Headmetering.

<sup>13</sup> All metering data available during the period 1/10/2014-31/03/2015; 1/10/2015-31/03/2016; 1/10/2016-28/02/2017 will be used.

<sup>14</sup> Nevertheless, if the available past metering data cover less than one Winter Period but more than six weeks within the Winter Period, SDR Candidates are invited to provide those metering data as well. ELIA will be fair when deciding whether the data will be taken into account for the certification.



Otherwise rules and administrative penalties as stipulated in the SDR Contract shall apply.

In addition, for Delivery Points with Submetering, as described in section 4.1.3, ELIA requires certain technical information to be supplied to it with the certification request. If this information is not provided, the Delivery Points with Submetering will not be included in the certification.

#### ▲ Certification request practicalities

A valid request for Certification of SDR Reference Power must be sent by **24** March 2017 6 p.m. CET to [Contracting\\_SR@elia.be](mailto:Contracting_SR@elia.be) and must contain the following information for each combination of Delivery Points (SDR Unit) submitted for Certification:

- List of Delivery Point combinations for the specific request;
- For each Delivery Point combination :
  - Type of Product (SDR DROP-TO or SDR DROP-BY) offered;
- For each Delivery Point:
  - Shedding Limit SDR (if SDR DROP-TO); for the certification procedure only, the value used will be  $\max(0 ; SL_{SDR})$ ;
  - Unsheddable Margin SDR (if SDR DROP-BY); for the certification procedure only, the value used will be  $\max(0 ; UM_{SDR})$ ;
  - Flexible volume  $Rref_i$ . The sum of the flexible volumes for all Delivery Points must be equal to the SDR Reference Power "Rref" of an SDR Unit;
  - Signed grid user declaration confirming exclusivity regarding the participation of the grid user's Delivery Point in the SDR Candidate's SDR Unit and granting ELIA access to the Delivery Point's (past) metering data ;
  - Sufficient technical proof of the flexibility offered. This must contain at least the following for each Delivery Point in the proposed SDR Unit:
    - a sworn statement of the SDR Candidate that the SDR Service at the Delivery Point will not be offered by means of emergency generators, CHPs or other production units;
    - a description of the industrial processes by which flexibility will be offered;
    - a description of the Delivery Point's ability to contribute to the SDR delivery, describing the electrical connection of the main facilities downstream of the Access Point and the connection of the flexible process to the site's other facilities.
- Justified explanation if certain periods are to be excluded from past metering data;
- Justified explanation if certain periods have to be corrected due to significant developments foreseen in the total consumption profile, such as the recent introduction of a new industrial process or the deconstruction of an old industrial process. ELIA and the SDR Candidate will consult each other in order to determine how metering data will be corrected. In case of disagreement on the correction to apply to the metering data, ELIA will take the final decision and will motivate it.

- If the Delivery Point is already part of a group prequalified for R1 non-CIPU for a certain volume:
  - The SDR Candidate shall provide the Minimum Offtake R1 non-CIPU as well as the individual contribution of the concerned Delivery Point to all R1 service types for which the related group(s) ha(ve)(s) been prequalified.
  - ELIA assumes that the amount of flexibility of the Delivery Point prequalified for R1 non-CIPU will not be offered for SDR. If the SDR Candidate decides to transfer part of the prequalified power to the SDR offer, then this volume shall be stated explicitly and the prequalified volume of the associated group providing the Primary Reserve needs to be adjusted corresponding to the rules of the 'general framework agreement' for the delivery of R1 non-CIPU services.
- As described hereby above, for all Delivery Points, excluding Delivery Points connected to the ELIA Grid, SDR Candidates must submit validated metering data for the periods 1/10/2014-31/03/2015, 1/10/2015-31/03/2016 and 1/10/2016-28/02/2017. For Delivery Points connected to the ELIA Grid, SDR Candidates must submit validated metering data for the periods 1/11/2014-31/03/2015, 1/11/2015-31/03/2016 and 1/11/2016-28/02/2017 unless for cases as described hereby above where such data are not available. In such an event, SDR Candidates must submit all other data mentioned hereby above that are required by ELIA to perform the certification.

This data must be duly entered in a form that ELIA will provide at the time of the Call for Tender. Any certification request not containing the completed form will be rejected.

Suppliers must submit the documents, metering data and/or justifications as described in the paragraph above for Delivery Points within a CDS or TSO Submetering or DSO Submetering Delivery Points.

For Delivery Points that are Access Points connected to the Distribution Grid or DSO Submetering Delivery Points, SDR Candidates must have obtained a DSO approval specifying the conditions under which the respective Access Point(s) can participate in the SDR Service. The DSO will provide ELIA with the maximum power values for the Delivery Point(s) subject to the certification.

ELIA will send the certification of maximum SDR Reference Power for each combination of Delivery Points by 7 April 2017 to the e-mail address specified by the SDR Candidate.

ELIA will provide justification for rejecting any requests for Certification of SDR Reference Power. An SDR Candidate is allowed to submit a maximum of 20 requests for Certification of maximum SDR Reference Power. Although a Delivery Point can be part of several requests for Certification of SDR Reference Power for one SDR Candidate, a Delivery Point can only be part of one selected offer. As such, ELIA may restrict the 'may not be combined with' column on the bidding sheet to certain offers depending on the request for the Certification of SDR Reference Power (see 5.3.3).

▲ **Exclusivity criteria governing the combination SDR DROP-TO, SDR DROP-BY and/or other ancillary services on a Delivery Point**

<b>Combination Possible?</b>	R3 non-CIPU	R3 non-reserved non-CIPU	ICH	R1 non-CIPU with ELIA measuring equipment	R1 non-CIPU with Private measuring equipment
SDR DROP-TO with Headmetering	<b>No</b>	<b>No</b>	<b>Yes, if TSO Access Point*</b>	<b>Yes*</b>	<b>No</b>
SDR DROP-BY with Headmetering	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes*</b>	<b>No</b>
SDR DROP-TO with Submetering	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes*</b>
SDR DROP-BY with Submetering	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>Yes*</b>
SDR DROP-TO within a CDS	<b>No</b>	<b>No</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Yes*</b>
SDR DROP-BY within a CDS	<b>No</b>	<b>No</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Yes*</b>

\*Under conditions as described below; N.A. Not Applicable

- a) The following conditions apply to Delivery Points that are Access Points connected to the ELIA Grid or the Distribution Grid (associated with (a) Headmeter(s)):
- a. No Delivery Point that participates in SDR DROP-TO can participate in SDR DROP-BY and vice versa.
  - b. Any Access Point connected to the ELIA Grid that participates in ICH can participate in SDR DROP-TO and vice versa under the following conditions:
    - i. The Shedding Limit for ICH ( $SL_{ICH}$ ) must be higher than the sum of the SDR Reference Power and the Shedding Limit SDR ( $SL_{SDR}$ );
    - ii. The SDR Candidate must be able to prove, if requested by ELIA, that the delivery of the SDR Service respects the conditions of the SDR Contract even when the Offtake is reduced to the  $SL_{ICH}^{15}$ .
  - c. Any Delivery Point connected to the ELIA Grid that participates in R1 non-CIPU can participate in SDR DROP-TO or SDR DROP-BY and vice versa under the following conditions:
    - i. The Shedding Limit SDR (for SDR DROP-TO) or Unshedding Margin (for SDR DROP-BY) must be higher than the sum of the total upward volume with which this point participates in the upward Primary Reserve (by means of the service "R1 upward" and/or "R1 symmetric") and the Minimum Offtake R1 non-CIPU related to that Delivery Point.

<sup>15</sup> In a Simulation Test that combines the two services.

- ii. The SDR Candidate must be able to prove, if requested by ELIA, that the delivery of the R1 non-CIPU contracted power respects the conditions of the R1 non-CIPU contract even when the Offtake is reduced to the Shedding Limit SDR (for SDR DROP-TO) or Unsheddable Margin<sup>16</sup> (for SDR DROP-BY).
- d. For Delivery Points situated within a CDS connected to the ELIA Grid, the following combinations are possible under the following conditions:
  - i. Any Delivery Point located in a CDS participating in R1 non-CIPU can also participate in SDR DROP-TO or SDR DROP-BY under the following conditions:
    - a. The Shedding Limit SDR ( $SL_{SDR}$ ) (for SDR DROP-TO) or the Unsheddable Margin ( $UM_{SDR}$ ) (for SDR DROP-BY) is higher than the sum of the total upward volume with which this point participates in the upward Primary Reserve (by means of the service "R1 up" and/or "R1 symmetric 100mHz" and "R1 symmetric 200mHz") and the Minimum Offtake R1 non-CIPU related to that Delivery Point.
    - b. The SDR Candidate must be able to prove that the delivery of R1 non-CIPU service respects the specifications of the R1 non-CIPU contract, even if the Offtake is reduced (e.g. during an activation) to the  $SL_{SDR}$  for SDR DROP-TO and to the  $UM_{SDR}$  for SDR DROP-BY.
  - b) The following conditions apply to Delivery Points with Submetering downstream of an Access Point connected to the ELIA Grid or the Distribution Grid:
    - i. Delivery Points with Submetering that participate in SDR DROP-TO cannot participate in SDR DROP-BY and vice versa.
    - ii. Any Delivery Point with one or more Submeters downstream an Access Point to the ELIA grid or Distribution Grid that participates to R1 non-CIPU can also participate in SDR DROP-TO or SDR DROP-BY under the following conditions:
      - a. The SDR Shedding Limit ( $SL_{SDR}$ ) (for SDR DROP-TO) or the Unsheddable Margin ( $UM_{SDR}$ ) (for SDR DROP-BY) is higher than the sum of the total upward volume with which this point participates in the upward Primary Reserve (by means of the service "R1 upward" and/or "R1 symmetric") and the Minimum Offtake non-CIPU related to that Delivery Point.
      - b. The SDR Candidate must be able to prove that the delivery of the R1 non-CIPU service respects the specifications of the R1 non-CIPU contract, even if the Offtake is reduced (e.g. during an activation) to the  $SL_{SDR}$  for a SDR DROP-TO and to the  $UM_{SDR}$  for SDR DROP-BY.

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<sup>16</sup> In a Simulation Test that combines the two services.

### ▲ Determination of the maximum Reference Power

In an initial stage, the metering data for each of the last three Winter Periods (2014-2015/2015-2016, first four months of the Winter Period 2016-2017)<sup>17</sup> and the profiles as described in the paragraph "Metering data for Certification of SDR Reference Power" for each Delivery Point are adjusted taking into account metering data that are not representative of a normal Winter Period if this is sufficiently justified by the SDR Candidate (owing to non-recurring maintenance for instance).

In a second stage, those data and the Shedding Limit (SDR DROP-TO) or the Unsheddable Margin SDR (SDR DROP-BY) are used to calculate a maximum permitted SDR Reference Power for each certification request as the maximum value satisfying the following statistical criteria for each specified period:

The Availability Rate of Rref during the periods defined in table below during the three Winter Periods is higher than the corresponding percentages in the table below.

[%]	Sunday and public holidays	Saturday			Working Days					
		[0;16]	[16;20]	[20;24]	[0;6]	[6;7]	[7;12]	[12;17]	[17;21]	[21;24]
Hour [begin;end]	[0;24]	[0;16]	[16;20]	[20;24]	[0;6]	[6;7]	[7;12]	[12;17]	[17;21]	[21;24]
November	40	40	65	40	40	40	75	75	85	40
December	40	40	65	40	65	75	85	85	85	75
January	40	40	65	40	65	75	85	85	85	75
February	40	40	65	40	65	75	85	85	85	75
March	40	40	40	40	40	75	75	65	85	65
Christmas Holiday 1	40	40	40	40	40	40	40	40	40	40
Christmas Holiday 2	40	40	40	40	40	40	75	75	75	65

The availability rate of Rref for a specified period in the table,  $AvRate_{period}(R_{ref})$ , expressed in % of Rref, is defined as the percentage Rref which is on average available for all hours (h) during the given period ("period"). The period corresponding to the availability rate corresponds to the month, represented by the row, and the hour of each type of day (working days, Saturday, Sunday and public holidays which are legally recognized), represented by the column of the table. This average only takes into account the available power lower or equal to Rref. It is calculated as follows:

$$AvRate_{period}(R_{ref}) = \frac{AvVol_{period}(R_{ref})}{\sum_h R_{ref}} * 100$$

For which  $AvVol_{period}(R_{ref})$  is expressed in MW determined as the sum of the available power, limited to the Rref, of each of the hours h of the given period. It is calculated as follows:

$$AvVol_{period}(R_{ref}) = \sum_h \min(R_{ref}, AvPow_{TOT}(h))$$

<sup>17</sup> For compliant Submeters on the ELIA Grid, metering data from the last Winter Period are accepted to determine the maximum SDR Reference Power.

For which  $AvPow_{TOT}(h)$  is the power which is available in SDR unit for a certain hour  $h$ . It is equal to the sum of the available power for each of the Delivery Points  $i$  of the SDR-unit for an hour  $h$ .

The available power for each Delivery Point  $i$  for the hour  $h$ ,  $AvPow_i(h)$  is defined as the quarter hour average for hour  $h$  of the difference (if positive) between the quarter hour offtake of that Delivery Point and its  $SL_{SDR}$  or  $UM_{SDR}$  for the four quarter hours for hour  $h$ . This takes the conditions into account for the Delivery Points in the Distribution Grid on the maximum volume that can be activated at this point specified by the concerned Distribution Grid Operator(s).

$AvPow_i(h)$  is calculated as follows:

- $AvPow_i(h) = avg(max(0, offtake_i(qh) - max(SL_{SDR_i}; 0)))$  for SDR DROP-TO
- $AvPow_i(h) = avg(max(0, offtake_i(qh) - max(UM_{SDR_i}; 0)))$  for SDR DROP-BY

Finally, in a third stage, ELIA adjusts the maximum permitted SDR Reference Power based on a reduction in consumption (observed in the past data for all Delivery Points in the portfolio) for hours where the EPEX Spot Belgium DAM price was greater than or equal to €150/MWh, or hours where the average positive imbalance prices was greater than or equal to €150/MWh.

To do this, for all hours within the Winter Periods (between 1/11/2014 and 28/2/2017) during which a EPEX Spot Belgium DAM price or the hourly average positive imbalance price greater than or equal to €150/MWh was recorded, ELIA will compare the measured consumption of all Delivery Points with a reference consumption determined according to the Baseline principle described in section 6.3.1 of the Functioning Rules and will adjust the user's maximum permitted SDR Reference Power if the relative reaction exceeds a threshold value of 20%.

For Delivery Points connected to the ELIA Grid, the Baseline is equal to the nomination of the power per quarter-hour as submitted in D-1 by the ARP responsible for the Access Point connected to the ELIA Grid.

For any other type of Delivery Point the Baseline is calculated based on the past consumption data at each Delivery Point in accordance with the X of Y method described below.

To calculate a reduction in consumption that could have taken place during a period  $D^{18, 19}$  during which the EPEX Spot Belgium DAM price or the hourly average positive imbalance price was greater than or equal to 150 €/MWh for a day  $J_i^{20}$ , the Baseline <sub>$i$</sub>  is constructed as follows for each Delivery Point:

1. Identify "standard days": This phase involves looking for  $X$  days in the past on which the quarter-hourly metering for the Delivery Point's Offtake will be used to calculate the Baseline <sub>$i$</sub> . These  $X$  days are chosen from the last  $Y$  representative days<sup>21</sup> of the same category as day  $A$  (i.e. either category 1: Working Day, or category 2: weekend or public holiday, or category 3: Monday or

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<sup>18</sup> A period  $D$  contains all the hours with a EPEX Spot Belgium DAM price or positive imbalance price  $\geq$  €150/MWh for the same day  $J_i$

<sup>19</sup> If the time between two consecutive periods  $D$  is less or equal to three hours, this is considered as one individual period  $D$ .

<sup>20</sup> A day  $J_i$  is identified as a day within the Winter Period between 1/11/2014-28/02/2017 during which a EPEX Spot Belgium DAM price or positive imbalance price  $\geq$  €150/MWh was recorded for at least one hour .

<sup>21</sup> A non-representative day is a day during which the Offtake of the SDR Unit was affected by an unexpected and/or unusual event (provided this is sufficiently justified by the SDR Candidate).

first Working Day following a public holiday<sup>22</sup>). They correspond to the X days (of the aforementioned Y days) on which the average of the active power consumption during the same quarter-hours as period D is the highest.

2. Calculate the Baseline<sub>i</sub> profile. This phase involves calculating the Baseline value for each quarter-hour of period D: this value corresponds to the average of the X values of the Offtake of Delivery Point i measured during the same quarter-hour in the course of the X representative days.
3. Adjust the Baseline level. This final phase involves adjusting the quarter-hourly profile obtained in point 2 above according to the Offtake of Delivery Point i during the 3 hours preceding the first hour during which the EPEX Spot Belgium DAM price or positive imbalance price was greater than €150/MWh in day J<sub>i</sub>. The adjustment is performed by adding a (positive or negative) "correction value" to each calculated quarter-hourly value. This is obtained by working out the difference between the average value of the Offtake at Delivery Point i during the 3 hours preceding the first hour during which the EPEX Spot Belgium DAM price or the hourly average positive imbalance price was greater than €150/MWh in day J<sub>i</sub> and the average value of the Offtake at Delivery Point i during the corresponding hours of the X standard days.

The pool Baseline is then reconstituted by the sum of the Baselines<sub>i</sub> for the Delivery Points in the combination. This is used to deduce, for each quarter-hour, the actual metering measurement for the Delivery Point, and this difference is divided by the pool Baseline to define a reaction ratio R<sub>qh</sub>. If the average of all the ratios R<sub>qh</sub> for the quarter-hours (R) exceeds 20%, ELIA adjusts the maximum permitted SDR Reference Power of the pool (R<sub>ref</sub>) as follows:

In case of DROP-TO:

$$R_{ref\ certified} = (R_{ref} + SL) * (1 - R\%) - SL$$

In case of DROP-BY:

$$R_{ref\ certified} = (R_{ref} + UM) * (1 - R\%) - UM$$

Where:

- UM is the sum of the Unsheddable Margins for each Delivery Point
- SL is the sum of the Shedding Limits for each Delivery Point.

## 5.3 Call for Tender

### 5.3.1 Launch of Call for Tender

All SGR and SDR Candidates that have passed the Admission procedure and have been awarded a Certification are invited to participate in the Call for Tender.

<sup>22</sup> Category 3 is optional; by default, i.e. unless the SDR Supplier explicitly opts for category 3, day A will be treated exclusively as a category 1 or category 2 day.



ELIA will send the **Call for Tender** documents at the latest on 15 March 2017 to the e-mail addresses specified by the SGR and SDR Candidates in the application file.

SGR and SDR Candidates will receive the following documents in the Call for Tender:

- SGR/SDR Contract and General Terms & Conditions;
- bidding instructions;
- bidding sheets;
- contractual data form;
- Functioning Rules including award criteria;
- An example ELIA offer for the Submeters of sites connected to the ELIA Grid;
- a document setting out ELIA's General Technical Specifications for Submeters of sites connected to the ELIA Grid, which describes the specifications which Submeters of Delivery Points connected to the ELIA grid must comply;
- a Technical Addendum for Submeters of sites connected to the ELIA Grid, which is communicated by mail along with the offer example and which describes the technical details relative to this offer.

### **5.3.2 SGR/SDR Contract**

The SDR and SGR Suppliers must accept and acknowledge the importance of the requirements imposed on ELIA in its capacity as a transmission or local/regional transmission system operator, according to the applicable legal and regulatory rules.

ELIA and the SGR and/or SDR Suppliers commit to make all necessary efforts to take due account of these requirements. As a result, if a legal or regulatory rule, decision, opinion or requirement issued by a competent authority that rules or regulates all or part of ELIA's activities calls for the revision, amendment or termination of the SDR and/or SGR Contract, ELIA can, after consulting with the SGR and/or SDR Supplier(s), amend one or more of its conditions, or it can revise, amend or, as the case may be, terminate the SDR/SGR Contract via registered mail without having to indemnify the SGR and/or SDR Supplier for this price amendment, or revision, amendment or termination of the SDR/SGR Contract.

If the SDR and/or SGR Contract(s) can be continued by means of amendments, ELIA and the SDR and/or SDR Supplier will make all necessary efforts to find the most appropriate contractual conditions that best satisfy both the initial spirit of the SDR/SGR Contract and the competent authority's requirement.

#### **▲ Relationship between the SGR Contract and other contracts**

SGR Candidates selected on the basis of the Admission procedure and certification criteria must be aware of the mutual relationships that will exist between the SGR Contract, the CIPU Contract (if applicable), the R1 non-CIPU contract (if applicable), the ARP Contract and the Access Contract. SGR Power Plant(s) must:

- be located within the Belgian Control Area;
- The ARP responsible for this Access Point must have signed a CIPU Contract with ELIA before 1 November 2017, if not already signed.



- In case of Local Production, a new Access Point I/O (Injection/Offtake) must be created:
  - The SGR Power Plant is independent in terms of access from the grid user for which it used to generate energy known as a Local Production.
  - This new Access Point of the SGR Power Plant must be referenced in Appendix 2 of a valid Access Contract to allow the SGR Supplier to appoint an access holder as a second grid user.
  - The SGR Power Plant will be sharing the physical connection of the industrial grid user for which it used to be a Local Production;
  - The access holder signing Annex 3 of the Access Contract must designate a responsible ARP.

#### ▲ **Subject of the SGR Contract**

By concluding a SGR Contract, the SGR Supplier will undertake to:

- provide the SGR Service during the five months of the Winter Period(s);
- keep their SGR Power Plant(s) out of the market throughout the validity period of the SGR Contract (cfr. §3.5).

In accordance with Article 7quater (1), the Minister may instruct the system operator to constitute a strategic reserve for a period of one to three years starting from the first day of the following Winter Period and sets the level of this reserve in MW.

Consequently, depending on the instructions given by the Minister, strategic reserve contracts may cover 1, 2 or 3 years starting from the first day of the following Winter Period and the volume to be constituted may vary from one Winter Period to another.

SGR Contracts concluded following the Call for Tender will cover a contractual period of 1, 2 or 3 years from the 1 November of the Winter Period(s) for which the unit is selected until the 31 October following said period(s).

The SGR Contract will determine on a non-discriminatory and transparent way additional requirements and terms of reference, including penalties for not complying with availability and activation requirements.

#### ▲ **Relationship between the SDR Contract and other contracts**

SDR Candidates selected on the basis of the Admission procedure 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 of the SDR Contract & Functioning Rules**

By concluding a SDR Contract, the SDR Supplier will undertake to provide the SDR Service during the five-month Winter Period(s) of the SDR Contract's validity period.

In accordance with Article 7quater (1), the Minister may instruct the system operator to constitute a strategic reserve for a period of one to three years starting from the first day of the following Winter Period and sets the level of this reserve in MW.

Consequently, depending on the instructions given by the Minister, strategic reserve contracts may cover 1, 2 or 3 years starting from the first day of the following Winter Period and the volume to be constituted may vary from one Winter Period to another.

The SDR Contract will determine on a non-discriminatory and transparent way additional requirements and terms of reference, including penalties for not complying with availability and activation requirements.

### **5.3.3 Structure of offers (bidding sheets & bidding instructions)**

SGR and SDR Candidates will have to make their offers in a bidding sheet, the rules for which are laid down in the bidding instructions.

#### **▲ Bidding principles for SGR Candidates:**

As stipulated in the law, SGR Candidates are obliged to submit a number of offers, covering the total capacity of their power plant, equal to the number of Winter Periods for which a strategic reserve volume must be constituted from SGR.

The duration of these offers must vary by increments of 1 year from the 1st year for which the power plant must<sup>23</sup> be offered and for which it is not covered by an existing SGR Contract.

Thus, for example, if the Minister's instruction relates to 3 years,

SGR Candidates must make 3 offers concerning the maximum capacity of a generating facility relating successively to: the 1st year, the 1st and 2nd year, and the 1st, 2nd and 3rd year.

If the Candidate SGR Power Plant is (was) included in a CIPU Contract, the parameters submitted in connection with SGR may differ from those declared in connection with the CIPU Contract, which may also be updated accordingly if necessary. In any case, all data must be justifiable and provable.

The bidding sheets will provide a reference for the fuel prices (e.g. gas, fuel oil, CO<sub>2</sub>, or other) for calculating the total cost. This parameter is determined based on the specific consumption of the type of SGR Power Plant concerned and the published price expected on the market of the fuel used by this SGR Power Plant (SFprice) according to the method described in the CIPU Contract.

SGR Candidates will have the chance to explain in detail the conditions or constraints for their offer(s) to be valid. The bidding instructions will specify how the SGR Candidate will have to prove these conditions or constraints.

These principles and others will be detailed in the bidding instructions.

#### **▲ Bidding principles for SDR Candidates:**

For each (combination of) Delivery Point(s) (SDR Unit) having received a maximum SDR Reference Power as a result of the Certification, the SDR Candidate can submit one or more offer(s) for a SDR Reference Power smaller or equal to such maximum SDR Reference Power, considering a UM or SL value lower than or equal to that for which the Delivery Point has been certified. Offers that do not comply with the Certification will be rejected.

These principles and others will be detailed in the bidding instructions.

SDR Candidates can submit an offer for the 1st or several consecutive Winter Periods (always including the 1st) for which a volume of strategic reserve from SDR is stipulated by the Minister's instruction.

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<sup>23</sup> According to the legal criteria concerning the obligation to make an offer such as those included in section 5.3.3 of this document.

Thus, if the Minister's instruction relates to an SDR volume for 3 years, SDR Candidates can make an offer covering the 1st Winter Period only, or multiple offers covering successively the 1st Winter Period as well as the 1st and 2nd Winter Periods and/or the 1st, 2nd and 3rd Winter Periods.

For each of these configurations (1, 2 or 3 Winter Periods), SDR Candidates may submit several offers covering the whole of the contractual period, whether or not the volume is divisible, with a minimum volume of 1 MW.

#### ▲ Bidding sheets

The bidding instructions will at least detail how to submit the following elements in the bidding sheets:

- an offer number serving as a reference [Offer no.]
- product [ SGR  
/SDR4\_DROP\_BY/SDR4\_DROP\_TO/SDR12\_DROP\_BY/SDR12\_DROP\_TO]
- offered volume [MW] – minimum bid size = 1MW
- Reservation Price [€/MW/h]
- fixed activation cost (cold) [€/Notification]
- For SGR only per offer line:
  - contractual period
  - Configuration type
  - activation energy (cold) [GJ/Act]
  - fixed activation cost (hot) [€/Notification]
  - activation energy (hot) [GJ/Act]
  - average and variation range of external costs (excluding CO<sub>2</sub> cost) [€/MWh]
  - start fuel type [Fuel type]
  - operational fuel type [Fuel type]
  - prolongation fuel [Fuel type]
  - various components that determine the variable activation price [€/MWh]
- For SDR only:
  - variable activation price [€/MWh]
  - prolongation cost [€/hour]
- Shedding Limit SDR DROP-TO or Unsheddable Margin SDR DROP-BY for each Delivery Point may not be combined with [Other Offer no.]
- divisible [Y/N].

#### 5.3.4 Contractual Data form

The contractual data form contains all information to be provided in the Annexes of the SDR/SGR Contract specific to each SGR and SDR Supplier.

## 5.4 Final Offer

In order to be valid, an offer must be sent by registered mail or carrier to following address:

- ELIA System Operator - Amandine Leroux  
20 Boulevard de l'Empereur  
B - 1000 Brussels
- Each offer must consist of an original paper version and an electronic copy and must be sent to [amandine.leroux@elia.be](mailto:amandine.leroux@elia.be) and [contracting\\_SR@ELIA.be](mailto:contracting_SR@ELIA.be)
- If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.

The offers must be complete and received by ELIA before 6 p.m. CET at the latest on 18 April 2017.

The SGR/SDR 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.

### ▲ Data & additional documents to be added to the offer

The SGR and SDR Candidates are obliged to use the bidding sheet provided by ELIA. In addition to the completed bidding sheet as specified in the bidding instructions, the offers must include the following information in order to be considered valid:

For both SGR as well as SDR Candidates:

- The authority of the person signing the offer.
- Contractual data as specified in the Call for Tender documents.
- The date on which said person signed the tender.
- The signature of the person authorised to sign the tender.

For SGR Candidates only:

- Proof of any constraints as specified in the bidding instructions.

### ▲ Validity of the offers

SGR and SDR Candidates are bound by their offer until 31 October 2017.

The prices and volumes of submitted offers are firm and binding, otherwise they shall be considered null and void.

SDR and SGR Candidates must be aware that submitting a final offer means that if the SDR/SGR Candidate is awarded an SGR/SDR Contract, but the SDR/SGR Service cannot be started on 1/11/2017, because of non-fulfilment of one of the conditions mentioned in 5.6, the SDR/SGR Candidate will be liable for the damages as a consequence of the non-fulfilment of these conditions. As a result, ELIA can recover the unavailability of that part of the strategic reserve and all costs and other damages related to it up to a maximum amount as specified in the General Terms and Conditions of strategic reserve. Besides that, depending on the conditions not being met, penalties will be applicable as defined in the SDR or SGR Contract.

In the negotiated procedure, all elements of the Specifications are considered as essential and must be respected by tenderers, otherwise their tenders shall be considered null and void.

## 5.5 Awarding

**Important notice:** whereas the awarding of the strategic reserve is part of this Procedure for Constitution of Strategic Reserve, the criteria for the most optimal technical-economic combination of offers are set out in the CREG approved Functioning Rules under 5.4.3. Since the approved Functioning Rules have to be published prior to the Call for Tender, this will be transparent for all SGR and SDR Candidates.

The offers are awarded in such a way that ensures that the contracted volume for strategic reserve (SDR and SGR) covers at least the volume set by the Minister at the lowest possible total cost while complying with the criteria fixed in the CREG-approved Functioning Rules.

ELIA shall report to the CREG and the Minister on the offers received and shall include in its report the most optimal economic proposed combination of offers according to different scenarios depending on the final volume to constitute for strategic reserves.

It should be noted that the CREG will issue an explicit and justified opinion as to whether ELIA's proposed combination of offers for participation in the strategic reserve is not clearly unreasonable:

- If the CREG concludes that the offers that are part of ELIA's most optimal economical proposal are not unreasonable, ELIA will contract the proposed combination of offers.
- If the CREG concludes that ELIA's proposal is clearly unreasonable, then the King can, at the Minister's suggestion and for reasons of security of supply, impose prices and volumes to one or multiple SGR/SDR Candidates whose offers the CREG judged to be clearly unreasonable.

ELIA will inform the SGR and SDR Candidates by e-mail and by registered letter whether they will be awarded a contract once the award decision has been made based on the aforementioned award criteria at the latest one month after the CREG Opinion.

## 5.6 Contracting

### 5.6.1 Contract conclusion process

The SGR and/or SDR Candidates that are officially awarded a contract will have to follow the contract conclusion process to sign the contract as soon as possible after the end of the official standstill and before the start of the service delivery.

#### ▲ Conditions for starting the SDR or SGR Service

- Before the start of the Contract, all SGR and/or SDR Suppliers must pass a Simulation Test as described in the SGR/SDR Contract. ELIA will only request additional Simulation Tests before the beginning of the contract in the case previous Simulation Tests have failed.

- Delivery Points that are Access Points connected to the Distribution Grid or DSO Submetering Delivery Points must be covered by a DSO-SDR Supplier contract<sup>24</sup>.
- TSO Submetering Delivery Points that will use a Data Logger or a GSM modem must successfully pass a communication test with the ELIA metering data management system (performed by ELIA) that is called "Commissioning".
- TSO Submetering Delivery Points must provide a valid proof of Submeter compliance prior to "Commissioning".
- Delivery Points with TSO or DSO Submetering via a new Submeter (installed after 24 March 2017) must have the new meter installed and a valid proof of Submeter compliance;
- For Delivery Points within a CDS:
  - a cooperation agreement between ELIA and the CDS Operator must be signed;
  - valid proof of Submeter compliance must be provided.

### **5.6.2 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/>

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<sup>24</sup> For more information, please consult the document on the Synergrid website: in Dutch : [http://www.synergrid.be/download.cfm?fileId=ContractDSO-FSP\\_R3\\_20161121\\_NL\\_FINAL.docx](http://www.synergrid.be/download.cfm?fileId=ContractDSO-FSP_R3_20161121_NL_FINAL.docx)  
In French : [http://www.synergrid.be/download.cfm?fileId=ContractDSO-FSP\\_R3\\_20161121\\_FR\\_FINAL.docx](http://www.synergrid.be/download.cfm?fileId=ContractDSO-FSP_R3_20161121_FR_FINAL.docx)

## **6 Rules regarding disputes**

Without prejudice to other remedies, where an SGR or SDR Candidate believes they have been adversely affected by an error or irregularity allegedly committed in relation to this procurement procedure, or that the procedure was tainted by any maladministration, they may file a complaint with ELIA.

Any remaining dispute regarding the interpretation or implementation of this procedure or subsequent agreements or operations that might arise therefrom shall be submitted to the courts of Brussels.

## **7 Cancelling the tendering procedure**

ELIA reserves the right to cancel the tendering procedure before the SDR/SGR Contract(s) is (are) signed, without the SGR and SDR Candidates being entitled to claim any compensation.

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

If the procurement procedure is cancelled, all SGR and SDR Candidates will be notified in writing as soon as possible of the reasons for the cancellation.

## **8 Modification of the instruction of the Minister**

In case of modification of the Ministerial Decree instructing ELIA to launch the constitution of the strategic reserve, ELIA reserves the right to further define the tender until the date of the Call for Tender, to take due account of such modification.

## **9 Questions**

Questions relating to this Procedure for Constitution of Strategic Reserve should be addressed to: Amandine Leroux ([amandine.leroux@elia.be](mailto:amandine.leroux@elia.be)), Contracting\_SR ([contracting\\_SR@elia.be](mailto:contracting_SR@elia.be)) with Manuel Aparicio ([manuel.aparicio@elia.be](mailto:manuel.aparicio@elia.be)) in CC.