

ELIA SYSTEM OPERATOR

PROCEDURE FOR THE CONSTITUTION OF STRATEGIC RESERVE

**Applicable as of 15 February 2015 for the tendering of strategic
reserve for the Winter Period 2015-2016**

**In accordance with Article 7quinquies (1) of the Law of
29 April 1999 concerning the organisation of the electricity
market, ELIA has to determine and publish the modalities of
the Procedure for the Constitution of Strategic Reserve after
consulting grid users, distribution system operators, the
regulator and the Federal Public Service Energy.**

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1 Definitions

Access Contract	The contract (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.
Access Point	An Injection and/or Offtake Point to the ELIA or Distribution Grid as defined in the corresponding Access Contract ¹ .
Admission	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.
ARP ('Access Responsible Party')	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 ¹ . Sometimes also referred to in the Grid Codes for distribution, local and regional transmission with the term 'balance responsible party'.
ARP Contract	The contract concluded between ELIA and an ARP in accordance with Articles 150 and 151 et seq. of the Grid Code for transmission.
Black Start	The service as defined in Art. 261 of the Grid Code for transmission.
Candidate SGR Power Plant	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.
Call for Tender	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.
Call For Candidates	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.
CDS Access Point	The access point to a Closed Distribution System User's Closed Distribution System as defined in the Access Contract.
CDS (Closed Distribution System)	Closed Distribution System (or the closed industrial system or closed professional system) as defined in the Access Contract.
CDS Operator	A natural or legal person appointed by the relevant authority as the operator of the Closed Distribution System as defined in the Access Contract.
Certification of SDR Reference Power	Process of defining a maximum SDR Reference Power for a submitted (combination of) Delivery Point(s).
Certification of SGR Power Plant	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.

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

CIPU Contract	Contract for the Coordination of the Injection of the Production Units, as defined in the Grid Code for transmission.
Contract Notice	A notice published on the Tenders Electronic Daily website (http://ted.europa.eu/) inviting all parties to declare their interest in participating in the Call for Tender.
Control Area	The area for which ELIA has been designated transmission system operator in accordance with the Electricity Law of 29 April 1999.
Configuration	The composition used by a (Candidate) SGR Power Plant, consisting of one or more Production Units in a certain relationship, to generate power.
CREG	The federal regulating body of gas and electricity markets in Belgium.
Critical Hours	9 a.m. to 1 p.m. and 5 p.m. to 9 p.m. on Working Days during the Winter Period, excluding Belgian public Christmas school holidays.
Data Logger	A device that collects/records the meter's pulse output so that it can be acquired by a metering data management system.
Delivery Point	Point on the electricity grid from which the SDR service is delivered as defined in Section 4 "Delivery Points".
Demand Side Service of Primary Control ('R1_Load')	The reserve power made available to ELIA, consisting of an automated and local response to frequency deviations by temporarily altering the Offtake.
Delivery Test	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.
Distribution Grid	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 licenced by the regional regulator or the competent regional authorities.
Distribution System Operator (DSO)	A natural person 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.
Electricity Law	The law of 29 April 1999 regarding the organisation of the electricity market; the law is amended from time to time.
ELIA	ELIA System Operator, the operator of the ELIA Grid;
ELIA Grid	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.
Functioning Rules	A document that determines the Functioning Rules for strategic reserve in line with Article 7septies (1) and (2) of the Electricity Law.
General Terms & Conditions	The General Terms & Conditions governing strategic reserve when the SDR and/or SGR Contract is concluded.
Grid Code	Technical regulations for operating an electricity grid (transmission grid, local and regional transmission grid, Distribution Grid) and access thereto;

Headmetering	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)")
Interruptibility Service ('ICH')	A tertiary reserve power made available to ELIA by one or several grid users; ELIA can use this to temporarily reduce the Offtake.
Local Production	As defined in the CIPU Contract
Law of 26 March 2014	The law of 26 March 2014 amending the Electricity Law of 29 April 1999 concerning the organisation of the electricity market.
Minimum Total Offtake R1_Load	Term relating to the contract of Demand Side Service of Primary Control delivered by load, indicating the minimum amount of electricity Offtake under which the R1_Load supplier cannot guaranty the delivery of the service, as defined in the R1_Load contract.
Ministerial Decree	Decree issued by the federal minister responsible for Energy.
Non-Critical Hours	All hours that are not Critical Hours.
Offtake	Usage of active power [MW] at a physical location at a certain voltage level.
Production Unit	The alternator of a physical unit that generates or absorbs electricity (in case of pumping capabilities).
Procedure For Constitution Of Strategic Reserve	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.
Proof of Submeter Compliance	Report demonstrating that the minimum technical requirements established by ELIA for the Submetering facility are fulfilled.
Reservation Price	Reservation Price per MW and per hour requested by the Candidate to provide either the SGR Service with a given Power Plant 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.
SDR Candidate	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.
SDR Contract	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.
SDR DROP-BY	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.
SDR DROP-TO	SDR Service whereby, in the event of activation, the SDR Supplier pledges to reduce their Offtake to the contractually fixed Total Shedding Limit SDR.
SDR Supplier	A person, company or organisation that has been awarded an SDR Contract in this tendering procedure.
SDR Service	Supply of strategic reserve by means of demand as foreseen in Article 7quinquies (2) (1) of the Electricity Law.

SDR Reference Power (Rref)	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)).
SDR Unit	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.
SGR Candidate	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 and 4) of the Electricity Law.
SGR Contract	Contract between ELIA and the SGR Supplier for the supply of strategic reserve by means of SGR Power Plants as foreseen in Article 7 quinquies (2) (2, 3 and 4) of the Electricity Law.
SGR Power Plant	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.
SGR Supplier	A person, company or organisation that has been awarded an SGR Contract in this tendering procedure.
SGR Service	Supply of strategic reserve by means of SGR Power Plants as foreseen in Article 7 quinquies (2) (2, 3 and 4) of the Electricity Law.
Total Shedding Limit ('SL')	Level of power (expressed in MW) at or under which the Supplier of reserve 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 comprises: * SL_{ICH} , valid for ICH Contracts; ** SL_{SDR} , valid for SDR Contracts in case of SDR DROP-TO.
Simulation Test	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.
Submetering	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)
Target	The expected power level reached by an Offtake of an SDR Unit during activation. This level is fixed for SDR DROP-TO and variable for SDR DROP-BY, as outlined in Section 5.3.2 of the Functioning Rules.
Total Unsheddable Margin SDR [MW]	Minimum amount 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.
Winter Period	Period from 1 November to 31 March, as defined in Article (2) (51) of the Electricity Law.
Working Day	Any calendar day except for Saturday, Sunday and Belgian public holidays.

2 Background

2.1 Amended Electricity Law of 29 April 1999

The Law of 26 March 2014 amended the federal Electricity Law of 29 April 1999 concerning the organisation of the electricity market ('Electricity law') by introducing a mechanism called 'strategic reserve' 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 Federal Public Service Energy must provide the Federal Minister of Energy 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 market actors, CREG, DSO's and the Federal Public Service Energy, and shall initiate this procedure within one month of being instructed to do so by the Minister.
- The market actors, who fall into 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 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.
 - 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 shall suggest the Functioning Rules and shall submit these 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.

2.2 Scope

The scope of this document is limited to strategic reserve and describes the tendering of strategic reserve organised in 2015 and prior to the Winter Period 2015-2016.

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 winter 2015-2016

The important dates for the 2015 tendering are listed below:

When	What	Who
15/01/2015	The Minister instructs ELIA to launch the constitution of the strategic reserve for a determined volume and duration.	Minister
<= 15/02/2015	ELIA informs the market of the upcoming Call for Tender via a Contract Notice .	ELIA => Market
< =12/03/2015	Deadline for the submission of application files for the Admission procedure.	Potential SGR and SDR Candidates => ELIA
<= 15/03/2015	ELIA initiates the Call for Tender for strategic reserve.	ELIA => all SGR and SDR Candidates who passed the Admission procedure
<01/04/2015	Submission of the request for Certification of SDR Reference Power .	SDR Candidates => ELIA
<11/04/2015	Certification issuing	ELIA => SDR Candidates
<=15/04/2015	Deadline for the submission of final offers for strategic reserve.	SGR and SDR Candidates => ELIA
< 22/05/2015 < at the latest 30 Working Days after submission final offers	Report with all offers, justifications, prices and volumes, offered for strategic reserve, plus a technico-economic proposal based on the award criteria for the combination of offers.	ELIA => CREG + Minister
< 30/06/2015 < at the latest 30 Working Days after submission report ELIA	An explicit and motivated opinion indicating whether the prices of the combination of offers proposed by ELIA is clearly (un)reasonable or not.	CREG => ELIA + Minister
< 01/11/2015	ELIA contracts these offers for the duration stipulated in the Minister's decision.	ELIA => Awarded SDR and SGR Suppliers

Disclaimer: This table is only meant to provide an indicative overview of the tendering procedure. The precise applicable deadlines as defined 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.

3.2 Consulting stakeholders

Article 7quinquies of the Electricity Law stipulates that ELIA determines (and publishes) the Procedure for the Constitution of Strategic Reserve following consultation. ELIA created a dedicated task force within its Users' Group (which also comprises CREG and aggregator 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 and so on) and the Functioning Rules (including product requirements, detection, activation, and so on) for strategic reserve (the latter is to be determined by ELIA and approved by CREG).

All documentation regarding these consultations can be found here: <http://www.elia.be/en/users-group/Strategic-Reserves-Implementation-Task-Force>

The Expert Working Group including representatives from the Distribution System Operators is also consulted in all matters concerning the Distribution Grid. Documentation regarding these consultations can be found here: <http://www.elia.be/en/users-group/ad-hoc-taskforce-balancing/Expert-WG>

3.3 Entry into force and duration

The present Procedure for the Constitution of Strategic Reserve will be valid as 15 February 2015 and applies to the tender procedure organised over the course of 2015.

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 follows:

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 the 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, the relevant laws and regulations will always prevail over the both this Procedure for the Constitution Of Strategic Reserves and the SGR/SDR Contract(s).
2. Functioning Rules².
3. This Procedure for the Constitution of Strategic Reserve.
4. The SGR/SDR Contract(s) signed by ELIA and the SDR/SGR Supplier(s).
5. The General Terms & Conditions (i.e. for strategic reserve).

² 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.

6. The CIPU Contract signed by ELIA and the CIPU contract holder.
7. 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

The Ministerial Decree of 15 January 2015 instructed ELIA to constitute a strategic reserve for an additional volume of 2750 MW for the Winter Period 2015-2016 in addition to the volumes already contracted pursuant to the Ministerial Decrees of 3 April 2014 and 16 July 2014. This volume is based on the hypothesis that the Doel 3 and Tihange 2 nuclear reactors shall remain unavailable for the Winter Period 2015-16.

It is specified that this additional volume needs to be constituted out of Strategic Demand Reserve (SDR) and Strategic Generation Reserve (SGR), for SGR Candidates from capacity that would have been out of the market on the 1 November 2015 without the strategic reserve mechanism. The additional volume of 2750 MW that will be constituted from the volume offered by SGR and/or SDR Candidates will be contracted for a period of one year starting on the 1 November 2015, with the exception of 300 to 500 MW of volume offered by SGR Candidates that will be contracted for a period of two consecutive years starting on 1 November 2015.

Should the Belgian Federal Agency for Nuclear Control (FANC) allow at the latest by 30 June 2015 one or both of the Doel 3 and Tihange 2 nuclear reactors to restart and be available for the Winter Period 2015-2016, then ELIA might be authorised, pursuant to Article 2 (2) of the Ministerial Decree, to constitute a strategic reserve for a different additional volume determined according to the situation at the time based on ELIA's new analysis and a new opinion from the Federal Public Service Energy. In this case, there will be no new tender, but the selected offers will be based on the offers received in the current tendering procedure in connection with the current Procedure for Constitution of Strategic Reserve following the Ministerial Decree of 15 January 2015.

Article 3 of the Ministerial Decree stipulates that concluding an SDR or SGR Contract with ELIA does not prevent CREG from modifying the Functioning Rules, which ELIA shall submit to CREG as per the law of 26 March 2014.

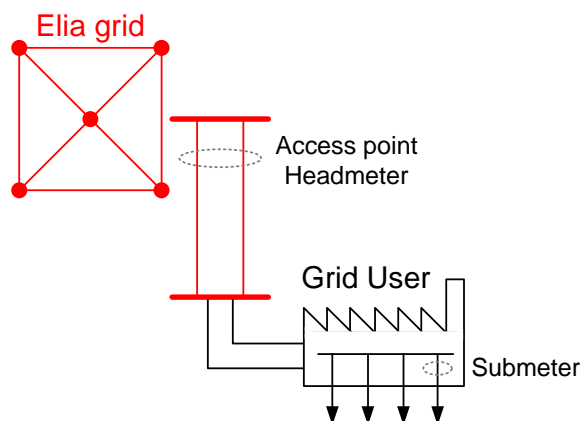
4 Delivery Points

In past tender procedures, participation in SDR was possible at Access Point(s) connected to the ELIA Grid. As of the Winter Period 2015-2016, participation in demand is extended to new 'segments', and as such the new concept of 'Delivery Point' has been introduced. 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 Distribution Grid;
- c. another point within the electrical facilities of a grid user downstream of an Access Point connected to the ELIA Grid (hereafter defined as 'Delivery Point within an Industrial Site');
- d. a point in a CDS connected to the ELIA Grid.

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 and d are described in 4.1 and 4.2 below.

4.1 Requirements for Delivery Points within an Industrial Site connected to the ELIA grid



Delivery Points within an Industrial Site will be measured by a Submetering facility.

4.1.1 Submeter requirements

Submeters must comply with the minimum technical requirements described in the 'General Technical Requirements for a Submeter Installation', which is available on the ELIA website.

4.1.2 Providing ELIA with Submetering data

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 and is therefore able to directly communicate with ELIA's metering data management system.

- Option 2: the private Submeter is connected to a Datalogger (complies with ELIA standards) 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 (complies with ELIA standards) that passes on the measured values to ELIA's metering data management system through a communication protocol known by Elia.

4.1.3 Proof of Submeter Compliance

In order to ensure that the Submetering facilities comply with all requirements mentioned in 4.1.1 and 4.1.2 and to gather all information required for commissioning, the SDR Supplier is obliged to provide a document called 'Proof of Submeter Compliance' prior to their commissioning (see section 5.6). The commissioning itself has to be made in collaboration with ELIA prior to 1 November. The Proof of Submeter Compliance must be validated by ELIA.

A checklist will be available on the ELIA website to help SDR Suppliers prepare this Proof of Submeter Compliance, which will at least demonstrate that current and voltage transformers are compliant and that the Submeter's accuracy has been checked.

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 principles:

- 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 fulfil the same requirements as those described in 4.1.1 and a Proof of Submeter Compliance as described in 4.1.3 must be provided.
- The **Data exchange**: As the CDS Operator already uses the metering data of the metering facilities within the CDS for invoicing purposes, they will send the metering data directly to ELIA using the data exchange formats as specified in their cooperation agreement with ELIA. A description of the permitted data exchange formats will be communicated to the CDS operator as of 13 February 2015.
- 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 Contract³.

The SDR Candidate must provide a **CDS Operator declaration**⁴ before 1 April 2015 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.

³ A template will be available on the ELIA website by 13 March 2015. CDS Operators are being consulted on this document.

⁴ 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.

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 to collect 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 tendering procedure as defined in the federal law of 15 June 2006 on public procurement.

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 around 15 February 2015 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:
 - o ELIA Asset - Pauline Ottoy
Avenue de Vilvorde - Vilvoordselaan, 126
B - 1000 Brussels
 - o Each application file must consist of an original paper version and an electronic copy and must be sent to pauline.ottoy@ELIA.be and contracting_SR@ELIA.be.
 - o If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.
 - o 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 12 March 2015.
- 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 statement⁵ 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. D&B (Dun and Bradstreet) rate: have a risk indicator <4. If the company has a risk indicator greater than 4 due to it being established less than three years ago, the candidate will not be rejected as such but ELIA can ask for extra information.
 - 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**:

6. 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.

⁵ 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 ago going back as of 12 March 2015.

7. 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.
8. If the (Candidate) SGR Power Plant has (had) a CIPU-Contract (in the past) and any of these elements differ from the information in this (past) CIPU-contract of the (Candidate) SGR Power Plant, SGR Power Units and/or Configuration or the standard SGR Contract parameters, it must be justified by the SGR Candidate.

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**:

9. 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 4 categories as mentioned in 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 until the end of the Call for Candidates 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 the 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 possible exception of Black Start, for which the details of participation will be outlined in the related Black Start tendering procedure in 2015.

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 further in this section) for a given (combination of) Delivery Point(s) will be accepted during the Call for Tender. Requests for Certification of a maximum SDR Reference Power must satisfy the practicalities and criteria below.

▲ Metering data for Certification of SDR Reference Power

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

- 1) Validated Headmetering of the ELIA Headmeter⁶ for Delivery Points connected to the ELIA Grid;
- 2) Validated Headmetering of the DSO Headmeter⁷ for Delivery Points connected to the Distribution Grid;
- 3) Validated Submetering of the **existing** Submeter⁸ for Delivery Points within an Industrial Site under the following condition:
 - Valid Proof of Submeter Compliance before 1 April 2015;
- 4) Validated metering of the **existing** metering facilities for Delivery Points within a CDS under the following conditions:
 - Valid Proof of Submeter Compliance before 1 April 2015;
 - CDS Operator declaration before 1 April 2015 (see 4.2).

A profile will be applied in all other cases⁹:

- The Submeter is installed after 31 March 2015;
- The Submetering is available for less than one Winter Period;
- Or there is no valid Proof of Submeter Compliance before 1 April 2015

This 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)

⁶ 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.

⁷ 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.

⁸ All metering data available during the Winter Periods will be used, but the metering data of at least one Winter Period are necessary in order to be able to use the Submeter's metering data.

⁹ 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.

- 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 is 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).

All conditions such as the installation of the Submeter and provision of a valid Proof of Submeter Compliance must be provided prior to “Commissioning” (see 5.6). Otherwise rules and administrative penalties proportional to the installed power of the process not metered by the Submeter and as stipulated in the SDR Contract shall apply.

▲ Certification Request practicalities

A valid request for Certification of SDR Reference Power must be sent by 31 March 2015 6 p.m. CET to Contracting_SR@elia.be and must contain the following 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.
 - Target: Total Shedding Limit SDR (if SDR DROP-TO) or Total Unsheddable Margin SDR (if SDR DROP-BY) offered.
 - 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.
- For each Delivery Point:
 - Shedding Limit SDR (if SDR DROP-TO);
 - Unsheddable Margin SDR and flexible volume (if SDR DROP-BY);
 - 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 at least contain descriptions of the following for each Delivery Point in the proposed SDR Unit:
 - 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;
 - the industrial processes for which flexibility will be offered;
 - 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.

Documents, metering data and/or justifications as described in the paragraph above for Delivery Points within a CDS or Delivery Points within an Industrial Site.

For Delivery Points that are Access Point(s) connected to the Distribution Grid, SDR Candidates have until 9 April 2015 to submit a DSO approval¹⁰ assigning the conditions for including the respective Access Point(s) in an offer to ELIA.

ELIA will send the Certification of maximum SDR Reference Power for each combination of Delivery Points by 10 April 2015 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 of Delivery Points participating in SDR DROP-TO, SDR DROP-BY and/or other ancillary services**

Combination Possible?	R3 DP with Headmeter	ICH with Headmeter	R1 Load with Headmeter
SDR DROP-TO with Headmeter	No, for R3 DP 2015*	Yes, if TSO AP*	Yes, if TSO AP*
SDR DROP-BY with Headmeter	Yes, if DSO AP*	No	Yes, if TSO AP*
SDR DROP-TO with Submeter	No	No	No
SDR DROP-BY with Submeter	No	No	No

* Under conditions as described below

- 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):
 - a. Any Access Point that participates in SDR DROP-TO cannot participate in SDR DROP-BY and vice versa.
 - b. Any Access Point connected to the ELIA Grid that participates in SDR DROP-TO can participate in ICH and vice versa under the following conditions:
 - i. The Total Shedding Limit for ICH (SL_{ICH}) must be higher than the sum of the SDR Reference Power and the Total Shedding Limit SDR.
 - ii. The SDR Supplier must be able to prove that the delivery of the SDR Service respects the conditions of the SDR Contract even when the Offtake is reduced to the SL_{ICH} ¹¹.

¹⁰ For more information, please consult the document C8/01 on the Synergrid website: <http://www.synergrid.be/index.cfm?PageID=16832#>

- c. Any Access Point connected to the ELIA Grid that participates in SDR DROP-TO or SDR DROP-BY can participate in R1 Load and vice versa under following conditions:
 - i. The Total Shedding Limit SDR (for SDR DROP-TO) or Total Unsheddable Margin (for SDR DROP-BY) must be higher than the sum of the R1_Load contracted power and the Minimum Total Offtake R1_Load as defined in the R1_Load contract;
 - ii. The SDR Supplier must be able to prove that the delivery of the R1_Load contracted power respects the conditions of the R1_Load contract even when the Offtake is reduced to the Target¹².
- d. Any Access Point connected to the Distribution Grid that participates in SDR DROP-BY can participate in R3 DP or Tertiary Reserve Dynamic Profile and vice versa under the following conditions
 - i. It is not part of an on-going R3 DP contract for 2015¹³.
 - ii. The SDR Supplier must be able to prove that one product remains available in case the other product is activated¹⁴.
- b. The following conditions apply to Delivery Points with Submetering downstream of an Access Point connected to the ELIA Grid:
 - i. Delivery Points with Submetering that participate in SDR DROP-TO cannot participate in SDR DROP-BY and vice versa.
 - ii. There is no Ancillary Services contract in 2015¹⁵ (R1 Load, R3DP, ICH) for the Access Point upstream of the Delivery Point with Submetering.
- c. Any other combination of SDR DROP-TO/SDR DROP-BY with Ancillary Services is not allowed on Delivery Points.

▲ **Determination of the maximum Reference Power**

The validated metering data for each of the last three Winter Periods (2012-2013/2013-2014/first four months of the Winter Period 2014-2015)¹⁶ and the profiles as described in the paragraph "Metering data for Certification of SDR Reference Power" for each Delivery Point are added together and adjusted taking into account:

- o metering data that are not representative of a normal Winter Period if this is sufficiently justified by the SDR Candidate (owing to maintenance reasons, for instance).

Using those data and the Total Shedding Limit (SDR DROP-TO) or the Total Unsheddable Margin SDR (SDR DROP-BY), ELIA calculates the maximum

¹¹ In a Simulation Test that combines the two services.

¹² In a Simulation Test that combines the two services.

¹³ The R3 DP Contract incorporates an exclusivity clause at the level of the Access Point in combination with all other ancillary or strategic reserves, except for R1_Load.

¹⁴ In a Simulation Test that combines the two services.

¹⁵ Introducing an SDR Contract on a Delivery Point downstream of an Access Point connected to the ELIA Grid that is also covered in an Ancillary Services contract would lead to a part of the same volume being contracted for two different services.

¹⁶ For compliant Submeters on the ELIA Grid, metering data from the last Winter Period are accepted to determine the maximum SDR Reference Power.

permitted SDR Reference Power for each certification request as the maximum value satisfying the following statistical criteria:

- Average hourly Offtake during the three Winter Periods \geq SDR Reference Power + Total Shedding Limit SDR (SDR DROP-TO) or the Total Unsheddable Margin SDR (SDR DROP-BY);
- Availability Rate of R_{ref} during Critical Hours of the three Winter Periods $\geq 80\%$;
- Availability Rate of R_{ref} during Non-Critical hours of the three Winter Periods $\geq 70\%$.

The Availability Rate of R_{ref} for a specific period¹⁷, $AvRate_{period}(R_{ref})$, is defined as:

$$AvRate_{period}(R_{ref}) = AvVol_{period}(R_{ref}) / \sum_h R_{ref}$$

$AvVol_{period}(R_{ref})$ is defined as:

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

$AvPow(h)$, the *Hourly Available Power for a certain hour h*, is defined as the difference (if positive) between the total past Offtake of the combination of Delivery Points¹⁸ used to control the service for a certain hour h and the Total Shedding Limit SDR or the Total Unsheddable Margin SDR, and is calculated as follows:

- $AvPow(h) = \max(0, Offtake(h) - SL_SDR(h))$ for SDR DROP-TO
- $AvPow(h) = \max(0, Offtake(h) - UM_SDR(h))$ for SDR DROP-BY

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 Certification are invited to participate in the Call for Tender.

ELIA will send the **Call for Tender** documents around 15 March 2015 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;
- bidding instructions;
- bidding sheets;
- contractual data form;
- Functioning Rules including award criteria;

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

¹⁷ The specific period covering either all the Critical hours during the three Winter Periods or all the Non-Critical hours during the three Winter Periods.

¹⁸ The total past Offtake is the global Offtake of the pool provided for certification after adjustments as specified above.

transmission system operator, according to the applicable legal and regulatory rules.

ELIA and the SGR and/or SDR Suppliers will pledge to make the effort needed 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 the effort required 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, 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 2015, if not already signed.
- In case of Local Production, a new Access Point I/O (Injection/Oftake) 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.

To avoid any doubt:

- It is stipulated that the **validity of the SGR Contract will be 12 months**, from 01/11/2015 until 31/10/2016, with the exception of **300 to 500 MW SGR** for which the validity of the SGR Contract will **be 24 months**, from 01/11/2015 until 31/10/2017.

The SGR Contract will determine 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.

For the avoidance of doubt:

- It is stipulated that the **validity of the SDR Contract will be for 12 months**, from 01/11/2015 until 31/10/2016, with the SDR Service running from 01/11/2015 until 31/03/2016.

The SDR Contract will determine additional requirements and terms of reference, including penalties for not complying with availability and activation requirements.

5.3.3 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 at least an offer for the total technical capacity of the Candidate SGR Power Plant.

Additionally, SGR Candidates must submit all offered capacity for the one year-period 01/11/2015-31/10/2016 as well as for the two-year period 01/11/2015-31/10/2017 for each Configuration. Offer(s) for the one-year period 01/11/2016-31/10/2017 will **not** be accepted.

SGR Candidates must submit offers for at least all known Configurations of the Candidate SGR Power Plant. Offers for Configurations of the same Candidate SGR Power Plant must be submitted in such a way that they **cannot** be combined with each other¹⁹.

If the Candidate SGR Power Plant is (was) included in a CIPU-Contract (in the past), then the SGR Candidate must justify any parameters and information included in the bidding sheets that differ from this (past) CIPU contract of the Candidate SGR Power Plant, SGR Power Units and/or Configuration types.

The bidding sheets will provide a reference for the fuel prices (e.g. gas, fuel oil, CO₂, or other) for calculating the total cost. These reference fuel prices will be based on the average fuel price of the three coldest days of the three previous Winter Periods according to the reference sources mentioned 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.

¹⁹ See also the example in footnote 6 of the Functioning Rules

▲ 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.

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

▲ 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:
 - 1-year period/2-year period
 - Configuration type
 - activation energy (cold) [GJ/Act]
 - fixed activation cost (hot) [€/Notification]
 - activation energy (hot) [GJ/Act]
 - start fuel type [Fuel type]
 - operational fuel type [Fuel type]
 - prolongation fuel [GJ/h]
 - Various components that determine the variable activation price [€/MWh]
- For SDR only:
 - variable activation price [€/MWh]
 - prolongation cost [€/hour]
 - Total Shedding Limit SDR DROP-TO or Total Unsheddable Margin SDR DROP-BY
- may not be combined with [Other Offer n°]
- 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 Asset - Pauline Ottoy
Avenue de Vilvorde - Vilvoordselaan, 126
B - 1000 Brussels
- Each offer must consist of an original paper version and an electronic copy and must be sent to pauline.ottoy@ELIA.be and contracting_SR@ELIA.be
- If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.

The offers must be complete and received by ELIA before 6 p.m. CET on 15 April 2015.

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 2015.

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 1/11/2015, 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.

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 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 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 additional volume to constitute for strategic reserves:

- 2750 MW as instructed by the Ministerial Decree of 15/01/2015.
- another additional volume, if established as per Art. 2 (2) of the Ministerial Decree of 15/01/2015.

Please note that 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 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 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 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.

Unsuccessful SDR and SDR Candidates requesting further information may be provided with non-confidential information, such as comments regarding their strengths and weaknesses, as this may assist them to be successful in future tenders.

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 15 days after the official end of the stand still.

▲ Conditions for starting the SDR or SGR Service

- The SGR and/or SDR Supplier must pass a Simulation Test as described in the SGR/SDR Contract.
- Delivery Points that are Access Points connected to the Distribution Grid must conclude a DSO-SDR Supplier contract²⁰;

²⁰ For more information, please consult the document C8/01 on the Synergrid website:
<http://www.synergrid.be/index.cfm?PageID=16832#>

- Delivery Point(s) within an Industrial Site that will use Submetering that uses a Datalogger or a GSM Modem must successfully pass a communication test with the ELIA metering data management system (performed by ELIA) that is called "Commissioning".
- Delivery Points with Submetering within an Industrial Site must provide a valid Proof of Submeter Compliance prior to "Commissioning".
- Delivery Points with Submetering with a new Submeter (not installed at 31/03/2015) must have the new meter installed and a valid Proof of Submeter Compliance;
- Delivery Points within a CDS:
 - the 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/>

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 Call for Tender

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 Questions

Questions relating to this tender should be addressed to Mrs. Pauline Ottoy (pauline.ottoy@ELIA.be), Contracting_SR (contracting_SR@ELIA.be) with Mr. Manuel Aparicio (manuel.aparicio@ELIA.be) in CC.