

General Framework for Tertiary Control by CIPU Technical units 2015 - 2018

Update November 2018

Between

ELIA SYSTEM OPERATOR N.V., a company established under Belgian law with head office at Keizerslaan 20, B-1000 Brussels, company registration number 476.388.378, and represented by **Patrick De Leener** and **Chris Peeters**, authorised signatories;

Hereinafter referred to as "ELIA"

and

Company name	
Company Registration Number	
Address Head Office	
V.A.T. Number	
Represented by	
Contract Reference	

Hereinafter referred to as the "BSP",

ELIA and the BSP are referred to as "The Parties"

This version of the General Framework for Tertiary Control Power by CIPU Technical Units (Hereinafter referred to as "General Framework R3") replaces the previous version of the General Framework for Tertiary Control by CIPU Technical Units signed between 30/11/2017 and 31/10/2018 between the Parties (Hereinafter referred to "Initial General Framework R3").

All Tenders organized as from 01/11/2018 and the resulting contracted volumes are subject to this General Framework R3. All R3 Power Contracted before 01/11/2018 is still subject to the Initial General Framework R3.

BSPs who did not have an Initial General Framework R3 with Elia, have to sign this version only as it replaces the initial version.

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WHEREAS:

ELIA is responsible for the operation of the Belgian transmission grid over which it has a property right or at least a user right (hereinafter, the 'Transmission Grid');

ELIA has been appointed as Transmission Grid Operator, in accordance with the law of 29 April 1999 concerning the liberalisation of the electricity market and supervises the safety, reliability and efficiency of the Transmission Grid;

Elia must therefore ensure the provision of the requisite ancillary services – in particular, the Tertiary Control – in accordance with Articles 249 et seq of the Federal Grid Code;

In this context ELIA purchases a quantity of Tertiary Control from CIPU Technical Units, needed to guarantee the safety, the reliability, and the efficiency of the Transmission Grid proposed by ELIA and validated by CREG cfr Article 233 of the Federal Grid Code. At the moment of the signature of the General Framework, Tertiary Control by CIPU Technical units can be provided in the form of the following services:

- Standard Tertiary Control
- Flex Tertiary Control

Since January 2017, all these services can be provided by both CIPU and non-CIPU Technical Units. The present General Framework only applies to Tertiary Control delivered by CIPU Technical Units.

The BSP is a CIPU Contract holder who can provide Tertiary Control Power for ELIA, on Production Units listed in a CIPU Contract, the purpose of which being to restore the balance between supply and demand for Active Power within the Control Area, in accordance with Articles 249 et seq of the Federal Grid Code and in this way to participate in the Tertiary Control Service;

The present General Framework for the Service lays down the mutual rights and obligations of ELIA and the BSP in relation to the procurement of Tertiary Control Power and the eventual provision by The BSP of the Tertiary Control within the Control Area.

IT IS CONSEQUENTLY AGREED AS FOLLOWS:

1 Definitions

Access Responsible Party or "ARP"	Any natural or legal person listed in the register of Access Responsible Parties in accordance with the Federal Grid Code for Transmission. Also referred as Balance Responsible Party or "BRP";
Auction Rules	Rules that describe how Capacity Bids made by a BSP are treated;
Balancing Rules	A document, validated by the CREG, describing the market operation rules for the compensation of quarter-hourly imbalances, pursuant to Article 159,§1 of the Federal Grid Code;
Balancing Services	As defined in article 2 (3) of the Electricity Balancing Guideline;
Balancing Service Provider or "BSP"	Any natural person or legal entity, as defined in article 2 (6) of the Electricity Balancing Guideline, and with whom ELIA has concluded a contract to provide Balancing Services;
Base	A Period defined as all hours of the day and all days of the year and that is equivalent to the superposition of the Long Off Peak and Peak Periods;
Belgian Bidding Zone Reference Day-Ahead Price	Reference price for the day-ahead timeframe for the Belgian Bidding Zone except in case of decoupling of one or several NEMO. In such a case, the reference price is equal to the average of each NEMO price weighted by its volume. While EPEX SPOT Belgium S.A is the only NEMO active in the Belgian Bidding Zone for the day-ahead timeframe, the Belgian Bidding Zone Reference Day-Ahead Price equals the EPEX SPOT Belgium Day-Ahead price;
Bidding Obligations for Capacity Bids	The obligations to be respected by the BSP when submitting Capacity Bids;
Capacity Bid(s)	A number of combinations of offered volumes (in MW) in combination with a price offer (€/MW/h), allowing ELIA to procure the Service for a defined Delivery Period;
CIPU Contract	The contract for the coordination of injection of Production Units concluded with Elia in respect of Article 198 of the Federal Grid Code;
CIPU Technical Unit	A production unit that is included in a CIPU contract;

Confirmed Transfer of Obligation	A quantity of Reserve Power to be made available by a Counterpart BSP to ELIA resulting from a transfer of obligations from the BSP to said Counterpart BSP, declared to ELIA and accepted by ELIA;
Contracted Tertiary Control Power or "Contracted R3"	The quantity of the Tertiary Control Power (in MW) contracted by ELIA with the BSP in relation to the present General Framework;
Control Area	The area in which a transmission grid operator controls the permanent balance between demand and offer of electricity, taking into account the exchanges of active power with the control areas of other transmission grid operators;
Counterpart BSP	A party holding a valid General Framework for the Service that is allowed to perform Transfers of Obligations;
CREG	The federal regulatory authority of gas and electricity markets in Belgium;
Day	Period of one day starting at 0:00 hrs morning until 24:00 hrs;
Delivery Period	The timeframe in which the corresponding reserve power has to be made available and delivered to ELIA;
Dossier Volumes	A document, validated by the CREG, defining the required volumes of Frequency Containment Reserve, secondary and Tertiary Control Power to be procured by Elia, pursuant to Article 233, of the Federal Grid Code;
Elia Control Area	The area in which ELIA controls the permanent balance between demand and offer of electricity, taking into account the exchanges of active power with the control areas of other transmission grid operators;
Energy Level	The remaining potential active energy that can be generated by the Production Unit. (only applicable for units with limited energy resources such as pump storage);
ENTSO-E	European Network of Transmission System Operators for Electricity;
Forced Outage	An unforeseen and unpredictable (full or partial) outage of Technical Units making it impossible for the BSP to deliver (part of) the Service;

Flex Tertiary Control Power or "R3 Flex"	A specific Tertiary Control Power Service Type;
Federal Grid Code	The provisions of the Royal Decree of 19 December 2002, as amended from time to time, regarding the technical regulations for operating an electricity grid and access thereto;
Long Off Peak or "LOP"	A Period defined as follows : the hours between 08:00 hrs and 20:00 hrs for all 7 the days of the week and the hours between 08:00 hrs and 20:00 hrs on Saturday and Sunday;
Month	Period starting at 0:00 hrs the 1 st of the month until 24:00 hrs the last day of the month;
Monthly Remuneration	The remuneration for the reservation of the Service, as specified in the General Framework, calculated on a monthly basis irrespective of the Delivery Period of the products;
Nominated Electricity Market Operator (NEMO)	Entity designated by the competent authority to perform tasks related to single day-ahead or single intraday coupling;
Open Qualification Procedure	A pre-qualification procedure in which prospective BSPs are screened based on criteria set by ELIA in a publication on ted.europe.eu ;
Peak or "P"	A Period defined as follows: the hours between 08:00 hrs and 20:00 hrs during weekdays (from Monday till Friday, including holidays)
Period	A tariff period : Peak (P), Long Off-Peak (LOP) hours or Base (BASE) hours;
R3 Missing MW	The difference (in MW) between Tertiary Control Power Obligation and Tertiary Control Power Made Available by the BSP;
R3 Service Type	One of the Tertiary Control Services, being either Standard Tertiary Control or Flex Tertiary Control;
Standard Tertiary Control Power or "R3 Std"	A specific Tertiary Control Power Service Type;
Technical Unit	A facility (part of CIPU Contract or not) connected within the Control Area of ELIA, able to provide balancing services to ELIA;
Tertiary Control or "R3"	The increase of active power on the ELIA Grid based on a request of ELIA. Also indicated in the Guideline on electricity balancing by the term "Manual Frequency Restoration Reserve" or "mFRR";;
Tertiary Control Power Made Available or	The quantity of Tertiary Control Power of the Service (in MW) actually made available to ELIA by the BSP;

“R3_mad”

Tertiary Control Power Obligation "R3_obligation"	The sum of Contracted Tertiary Control Power and Confirmed Transfers of Obligation of the Service;
Tertiary Control Power Required or "R3 Req"	The Tertiary Control Power to be supplied by the BSP to ELIA, expressed in an average power [MW] during a quarter hour;
Tertiary Control Power Supplied or “R3 Sup”	The quantity of Tertiary Control Power of the Service physically supplied by the BSP to ELIA, expressed in an average power [MW] during a quarter hour;
Tertiary Control Power or “R3”	A quantity of Tertiary Control Power expressed in MW;
Tertiary Control Service by CIPU Technical Units	<p>The Tertiary Control service supplied by CIPU Technical Units and that is governed by the Tertiary Control General Framework, comprising at least the following:</p> <ul style="list-style-type: none"> - the provision of the Tertiary Control Power Obligations; - the activation of this Tertiary Control Power in accordance with the provisions of the General Framework;
Transfer of Obligations	Part or all of the quantity of contracted reserve power that the BSP transfers to a Counterpart BSP
Transmission Grid	The electricity transport system for which ELIA has proprietary rights or at least user or operating rights and for which ELIA is the designated and certified transmission grid operator;
Week	Period starting at 0:00 hrs Monday morning until 24:00 hrs the next Sunday;

2 Conclusion of the General Framework and application of the General Terms & Conditions

- 2.1. The BSP makes its best effort (not being unreasonable) by signature of the General Framework to participate in the procurement for the Service throughout the validity period of the General Framework, i.e. from General Framework signature to 31 December 2018 and in case of Contracted Tertiary Control Power for a Delivery Period, to provide the Service throughout this Delivery Period.
- 2.2. This does not limit the BSP in any way to optimize its Tertiary Control CIPU Technical Unit portfolio and thus withdraw such CIPU Technical Unit from Annex 5.
- 2.3. The General Framework will come into force subject to the conditions set forth in Article 3.
- 2.4. The performance of the General Framework is governed by the General Terms & Conditions. An update of the General Terms & Conditions will be done in accordance with Article 11 of the General Framework.
- 2.5. The clauses of the General Framework will be supplemented by the General Terms & Conditions. If there is a contradiction between the General Framework and the General Terms & Conditions, the General Framework shall take precedence.
- 2.6. The BSP declares that he has received a copy of the General Terms & Conditions and that he accepts them. The BSP hereby renounces his own general terms & conditions, special or otherwise, regardless of the time when they were remitted or the form of their remittance.

3 Conditions for participation in the Service

3.1. BSP Conditions

- a. The General Framework will come into force subject to the conditions set forth in the Open Qualification Procedure.
- b. ELIA is entitled to evaluate, at any time during the validity period of the General Framework, whether the BSP complies with the conditions mentioned in article 3.1.a. For the avoidance of doubt, this does not entail any right for ELIA to physically access BSP's assets.
- c. If it is confirmed that the BSP no longer complies with conditions in art. 3.1.a, ELIA will notify the BSP via a registered letter. If after 15 working days after reception of notification the BSP remains uncompliant to these conditions, the General Framework will be terminated without prior approval by a court of law in accordance with the terms of Article 11 of the General Conditions. This implies, after termination, that if BSP wants to offer the Service, he must re-apply via the Open Qualification Procedure and sign a new General Framework for the Service with ELIA, subject to compliance with said conditions
- d. For the avoidance of any misunderstanding, the Parties are aware of the mutual relationships that exist between the present General Framework, the CIPU Contract, other Balancing Service contracts, the ARP Contract and the Access Contract, as each of them is an essential constituent of the means that ELIA uses to ensure the safety, reliability and efficiency of the Transmission Grid. The observance of the rules set out in the aforementioned contracts is necessary for the proper implementation of the present General Framework.
- e. The BSP allows ELIA to publish aggregated and anonymized information relating to the procurement results on [ELIA's website](#).

3.2. CIPU Technical Units conditions

The BSP and ELIA agree on the list of CIPU Technical Units that the BSP declares technically capable of providing the Service.

All CIPU Technical Units in this list must meet the technical and organizational requirements and therefore have successfully completed the prequalification procedure as described in Annex 6.

This list shall be kept up to date by exchanging an updated lists based on the template in Annex 5 via e-mail and by agreeing on this new list.

4 **Procurement of the Service**

- 4.1. Within the framework of this General Framework, ELIA will procure the Service consisting of two Service Types of Tertiary Control provided by CIPU Technical Units, during Peak and Long Off Peak hours:
 - Standard Tertiary Control by CIPU Technical Units
 - Flex Tertiary Control by CIPU Technical Units
- 4.2. Only BSPs who have a valid General Framework can participate in the procurement procedures.
- 4.3. The total volume to be procured by ELIA, the repartition between the R3 Service Types are determined and fixed in the Dossier Volumes and the Balancing Rules, both approved by the CREG.
- 4.4. The quantity of Contracted Tertiary Control Power (hereinafter referred to as “Contracted R3”) is the result of the procurement of both R3 Service Types, Standard Tertiary Control and Flex Tertiary Control.
- 4.5. The process, Bidding Obligations for Capacity Bids, consequences of non-respect, rights and rules for procurement are described in Annex 1 of the Terms and Conditions.
- 4.6. ELIA has the right to reject Capacity Bids that are not in line with the rules and obligations set forth by ELIA as described in the General Framework.
- 4.7. Once a Capacity Bid is awarded, the Contracted Tertiary Control Power is part of the Tertiary Control Power Obligations and thus the BSP undertakes the necessary to provide the Service for the entire duration from the start of the applicable Delivery Period (without further action by ELIA).
- 4.8. In case of observation of a bidding behaviour that might prejudice market rules and/or fair competition between parties, and after consultation of the CREG, ELIA reserves the right to exclude the BSP from future procurements.
- 4.9. ELIA can decide, for an objectively justified reason, to limit or cancel the quantity of Contracted Tertiary Control Power.

5 **Transfer of Obligations between the BSP and a Counterpart BSP**

In order to grant the BSP more flexibility and to allow him to optimize the cost of delivering the Service, for instance but not exclusively when having to carry out planned or unplanned maintenance, ELIA gives the BSP the possibility to transfer in day-ahead or in intraday for a certain quarter-hour part or all of his Tertiary Control Obligations in the framework of the present General Framework to one or several Counterpart BSP(s) holding a valid General Framework for Tertiary Control with ELIA to the date of the performance of the Obligation.

Similarly, the BSP may agree to make an additional quantity of Tertiary Control Power available to ELIA as a result of a Transfer of Obligations from a Counterpart BSP to the BSP.

- 5.1. The BSP should at any time, even in case of Forced Outage, maintain his Contracted Tertiary Control Power available to ELIA either by providing its Tertiary Control Obligations by himself or by transferring part or all of its Tertiary Control Obligations.

- 5.2. The BSP may transfer his Tertiary Control Obligations to other of his own CIPU or non-CIPU Technical Units or to one or multiple Counterpart BSP(s).
- 5.3. The Transfer of Obligations may concern all R3 ServiceTypes as mentioned in Art. 4.1.
- 5.4. The procedure to be followed by the BSP, ELIA and the Counterpart BSP in case of a Transfer of Obligations is described in Annex 2.
- 5.5. As long as the Transfer of Obligations is not confirmed by ELIA, the Tertiary Control Power Obligation remains with the BSP.
- 5.6. Once a Transfer of Obligations is confirmed, the transferred volume is added to the Tertiary Control Power Obligations and thus the BSP undertakes the necessary to provide the Service to be provided for the applicable quarter hours (without further action by ELIA).
- 5.7. Consequently, the record and monitoring of the provision of the Service, the resulting penalties for non-compliance according to Article 9 among other provisions will be based on the amended R3 Obligation resulting from the Transfer(s) of Obligations validated by ELIA.
- 5.8. The remuneration of the Contracted Tertiary Control Power remains fixed as per Article 8.2 irrespective of the Transfers of Obligations that the BSP has agreed with Counterpart BSP(s), declared to ELIA and that ELIA has validated.
- 5.9. ELIA will not owe any remuneration under Article 8.2 (reservation) to the Counterpart BSP with whom the BSP has agreed a Transfer of Obligation.
- 5.10. ELIA will pay the Counterpart BSP to whom the BSP has transferred his Obligation for the Tertiary Control Power Supplied as per Article 8.3 (activation).
- 5.11. The conditions, financial or otherwise, of the Transfer of Obligations between the BSP and the Counterpart BSP are to be arranged between them. ELIA is not to be informed nor involved in any decision in this respect beyond the observance of the rules laid down in Annex 2.
- 5.12. Any dispute arising from a failure on the part of the BSP or the Counterpart BSP to comply with his commitments in the framework of the agreement under which they are bound to one another for the Transfer of Obligations will not to be reported to ELIA nor arbitrated by ELIA.
- 5.13. ELIA informs the BSP that CREG may ask to be informed about the financial conditions of the Transfers of Obligations between the BSP and Counterpart BSPs. The BSP and the Counterpart BSP agree to provide the CREG with this information.
- 5.14. When ELIA updates of the Transfer of Obligations principles and/or procedures, these new principles will apply for all R3 Contracted, including the R3 Contracted before an eventual addendum to the General Framework.

6 **Provision of the Service**

- 6.1. The Tertiary Control to be provided by the BSP is the Tertiary Control Power Obligation or R3 Obligation, which is the sum of Tertiary Control Power Contracted and the results of the Transfer of Obligations.
- 6.2. Day-ahead nomination
 - a. The BSP has the obligation to make his Tertiary Control Power Obligation available to ELIA in day-ahead (D-1) for possible activation by ELIA in day D according to the rules set out in Annex 7. The combination of CIPU Technical Units that will provide his Tertiary Control Power Obligation is chosen among the list of CIPU Technical Units as agreed upon in Article 3.2, without prejudice to ELIA's right to demand any change in accordance with the CIPU contract.

- b. In case the BSP makes Tertiary Control available on CIPU Technical Units subject to an Energy Level, he will do so in such a way that all Tertiary Control Power Made Available on this unit can be activated by ELIA.
- c. CIPU Technical Units that are not used as Tertiary Reserve could be withheld as “I-Bid” / “D-Bid” within the CIPU Procedures Nomination and Exploitation.
- d. The BSP may make more Tertiary Control Power available to ELIA than his Tertiary Control Power Obligation without additional cost to ELIA with regard to the remuneration foreseen for the reservation under Article 8.2.
- e. After checking the validity of the nominations sent in day-ahead by the BSP to ELIA and any corrections according to the rules under each contract mentioned in Article 3.1, the reserve nominations thus obtained will be subject to a cross-check for coherence between other Balancing Service contracts concluded between ELIA and the BSP (in particular the “CIPU” contract, the General Framework for Frequency Containment Reserve Service by CIPU resources and the General Framework for Secondary Control) and, as the case may be, corrected according to the procedure described in Annex 8.
- f. The values of Tertiary Control Power Made Available by the BSP for each quarter-hour are established by ELIA based on the results of the above mentioned cross-check. Said value is the quantity of Tertiary Control Power Made Available that will be considered by ELIA for the monitoring of the Availability, as per Article 7.3.
- g. The Tertiary Control Power Made Available on CIPU Technical Units is monitored as described in Article 7.3 and in case of non-respect with the Tertiary Control Power Obligation, penalized for non-compliance according to Article 9.1.
- h. When ELIA updates the nomination principles and/or procedures, these new principles will apply for all R3 Contracted, including the R3 Contracted before an eventual addendum to the General Framework.

6.3. Activation

- a. In real time (day D), ELIA may activate the Tertiary Control Power according to the specifications set out in Annex 7 of the present General Framework.

The maximal value of Tertiary Control Power that can be activated on a CIPU Technical Unit is equal to the Tertiary Control Power Made Available on this CIPU Technical Unit.
- b. ELIA will remunerate the activation of Tertiary Control Power, including the additional Tertiary Control Power Made Available under Article 6.2, as described in Article 8.3.
- c. The Tertiary Control Power Supplied on the CIPU Technical Unit is monitored as described in Article 7 and in case of non-respect with the Tertiary Control Power Required, penalized for non-compliance according to Article 9.
- d. The BSP has the right to activate at his own expense, taking the obligations following the CIPU contract concluded with ELIA into account, all or some of the CIPU Technical Units made available as Tertiary Power Control, if and only if the following criteria are met simultaneously:
 - The activation is to compensate for active power that was lost as the result of a Forced Outage, as defined in the CIPU contract, which occurred on another production unit for which the BSP is the ARP responsible for monitoring the injection.
 - The other reserve resources (except the reserve resources of which the activation is limited in time) of the BSP are exhausted at that moment, including Production Units described in Article 3.2 that were not made available as Tertiary Reserve for ELIA

- ELIA has granted permission beforehand as described in Annex 7
- e. ELIA will correct the BSP's imbalance on a quarter-hourly basis as provided in the "Access Responsible Party Contract" between ELIA and the BSP. The imbalance will be corrected according to the calculation in Annex 4.
- f. ELIA may request to prolong an activation beyond the contractual activation duration, as defined in Articles 6.3.h and 6.3.i for Standard and Flex Tertiary Control respectively. In that case, the BSP is free to accept or reject the request of ELIA without any justification.
- g. Rules for Tertiary Control Power Activation
 - The BSP has to activate the Technical CIPU Units specified by ELIA in its request of Tertiary Control Power activation. ELIA may activate partially or entirely the Tertiary Power Control Obligation.
 - The quantity of Activated Tertiary Control Power requested by ELIA may change on a quarter hourly basis.
 - The Tertiary Control Power Made Available must be activated in less than 15 minutes.
- h. Specific rules for Standard Tertiary Control
 - The number of activations of Standard Tertiary Control is unlimited for a Delivery Period.
 - ELIA can activate Standard Tertiary Control up to 8 hours a day per CIPU Technical Unit.
- i. Specific rules for Flex Tertiary Control
 - The maximal duration of a single Flex Tertiary Control activation is 2 hours. There shall be at least 8 hours between 2 consecutive Flex Tertiary Control activations on the same CIPU Technical Unit.
 - The number of activations of Flex Tertiary Control is limited to 8 per Delivery Period, irrespective to the CIPU Technical Unit activated by ELIA. For a Delivery Period, the counter of activations is incremented following the rules described hereunder :
 - i. For each activation of a CIPU Technical Unit, the increment is equal to the ratio of the total volume (MW) of Tertiary Control Power of the concerned CIPU Technical Unit and the total Flex Tertiary Control nominated (MW) by the BSP for the first quarter hour of the activation.
 - ii. The counter is rounded with a precision of 0.1.
 - iii. If the counter of activations amounts to 7.9, ELIA can still request one last activation of the full Contracted Flex Tertiary Control Power.
 - iv. In case of Transfer of Obligations, the counter of activations is maintained at the level observed before the Transfer of Obligations. In other words, there is no reset of the counter in case of Transfer of Obligations.

7 Exchange of information, record and monitoring of the Service

- 7.1. The exchange of information for the performance of the General Framework will be done through Real-Time Communication and Off-Line Communication, as described in Annex 7.

- 7.2. The exchange of information for the performance of the General Framework will be directed to the respective contact persons of The Parties (list of contact persons exchanged as described in Article 12).
- 7.3. Record and monitoring of the Tertiary Control Power Made Available (Availability)
- a. The availability of the Service will be monitored on the basis of the values of Tertiary Control Power Made Available, established in accordance with Article 6.2 of the present General Framework, compared to the Tertiary Control Power Obligations.
 - b. ELIA will check every Month M that the BSP has made, for each quarter-hour of Month M-2, the amount of Tertiary Control Power Obligations available to ELIA during Month M-2 in the agreed Period(s) as per Article 4 and Article 5 and informs the BSP via a report as described in Article 10.1.
 - c. The Parties agree that if the Tertiary Control Power Obligations are not fulfilled, penalties will be applied as foreseen in Article 9.1, taking into account the dispute resolution mechanisms described in Article 10.4 & 10.5.
- 7.4. Record and monitoring of activations for own use (exclusivity)
- a. The Parties agree that in case the BSP has used the available upwards capacity (delta between the actual injection and the maximum power output) on a CIPU Technical Unit, on which Tertiary Control was made available, for his own use without respecting the criteria set out in Article 6.3.d, ELIA will apply a penalty as described in Article 9.2., taking into account the dispute resolution mechanisms described in Article 10.4 & 10.5.
 - b. When these circumstances and procedures are not met at the moment that the BSP activates Tertiary Control Power Made Available on a CIPU Technical Unit for own use, ELIA will notify the BSP after the end of the Month of the activation through the report on the evaluation and monitoring of Tertiary Control Power Obligations as defined in article 10.1.
- 7.5. Record and monitoring of start-ups
- a. ELIA will check each Month that each of the start-ups it has requested was actually realized by the BSP:
 - in less than 15 minutes
 - without a Forced Outage within 15 minutesThis check will be performed as described in Annex 13.
 - b. The Parties agree that in case of failed start, penalties will be applied as foreseen in Article 9.3, taking into account the dispute resolution mechanisms described in Article 10.4 & 10.5.

8 Remuneration

- 8.1. The remuneration of the Service consists of a remuneration for the Contracted Tertiary Control Power, a remuneration for the energy requested resulting from the activation of the Service and a remuneration for the Start-Up of a CIPU Technical Unit.
- 8.2. Remuneration for the Tertiary Control Power Contracted (reservation)

The foreseen remuneration or Monthly Remuneration for the delivery of the Contracted Tertiary Control Power will be calculated on a monthly basis, with respect to unit prices obtained for the corresponding Contracted Tertiary Control Power. The remuneration corresponds to the sum of the remunerations for the various selected Capacity Bids where the remuneration is the product of:

- The unit price, in €/MW/h, for the Contracted Tertiary Control Power in accordance with Article 4,
- The number of MW of said Contracted Tertiary Control Power in accordance with Article 4 and

- The number of corresponding hours of the Delivery Period concerned.

8.3. Remuneration for the activation of Tertiary Control Power

The remuneration of the energy activated on day D by ELIA shall be calculated according to Annex 13. The amount owed by ELIA to the BSP for a given Month is the sum of the individual remunerations calculated according to Annex 13, without prejudice of ELIA's right to apply the penalties foreseen under Article 9.

8.4. Remuneration for the Start-Up

The remuneration for the Start-up of a Production Unit by ELIA shall be calculated according to Annex 13.

9 **Penalties for non-performance of the General Framework**

9.1. Non-compliance with the Tertiary Control Power Obligation (Availability)

- a. If ELIA establishes, based on the quantity of Tertiary Control Power Made Available in D-1 as per Article 6.2 that the BSP has failed for a particular quarter-hour to provide at least the quantity of his Tertiary Control Power Obligations, ELIA will apply a penalty. The calculation of the penalty is detailed in Annex 10

The penalty is an incentive for the BSP to limit his failure to make the Contracted R3 available to ELIA and to resort as much as possible to the procedure of Transfer of Obligations described in Article 5.

- b. The penalty applies to any R3 Missing MW and for any quarter-hour of the considered Month in which ELIA establishes that the quantity of Tertiary Control Power Obligations has not been reached.
- c. ELIA reserves the right to limit the value of Tertiary Control Power Made Available by the BSP in case the BSP has not complied with the rules regarding the Energy Level as described in Article 6.2.d.

9.2. Non-compliance with the activations for own use (exclusivity)

- a. In case the BSP has used the available upwards capacity (delta between the actual injection and the maximum power output) on a CIPU Technical Unit, on which Tertiary Control was made available, for his own use without respecting the criteria set out in Article 6.3.d, ELIA will apply a penalty as described in Annex 11.

9.3. Non-compliance with Start-Up requirements

- a. A requested start by ELIA of a CIPU Technical Unit nominated as available in accordance with Article 6.2.f which goes into "Forced Outage", as defined in the CIPU contract, within 15 minutes following the activation, is considered by The Parties as a failed start.
- b. If the same CIPU Technical Unit fails 2 consecutive start-ups as specified here above, this CIPU Technical Unit will lose its prequalification for the present Service. The CIPU Technical Unit can only be prequalified again by completing successfully the procedure as described in Annex 6.B. The renewal of prequalification is at the expense of the BSP.

- 9.4. Penalties for non-compliance with Tertiary Control Power Obligation and penalties for non-compliance with the activations for own use can be accumulated.

- 9.5. The sum of the penalties under Article 9.1 and Article 9.2 of the present General Framework will be subject to a monthly cap, without prejudice to any liability on the part of the BSP for the non-fulfillment of his obligations in accordance with Article 6 of the General Conditions. The method for calculation of this penalty cap is detailed in Annex 12.

10 Invoicing and payment

- 10.1. For every volume awarded (Contracted Tertiary Control Power) the BSP will receive an order confirmation stating a purchase order number and the remunerations for the Tertiary Control Power Contracted (reservation).
- 10.2. Via a joint validation platform or other channel, ELIA will provide the BSP with a report, at the latest by the end of each calendar Month, relating to the record and monitoring of the Service provided by the BSP in Month M-2. This report will indicate, among other things, all penalties for Month M-2 as calculated by ELIA in accordance with Article 9 of the present General Framework, showing the method of calculation and all data on which the calculation is based.
- 10.3. If it appears subsequently that the calculated penalty(ies) is (are) incorrect, the first party to take action will inform the other party thereof as soon as possible. The Parties will then try to reach an amicable solution. In the absence thereof, the dispute settlement procedure mentioned in Article 13.2 of the General Conditions shall apply.
- 10.4. Disputes from the BSP regarding the report stipulated in Article 10.1 must be reported within 25 calendar days starting from the day following ELIA's submission of the respective report. Should this occur, The Parties shall enter into negotiations with each other with a view to reaching an agreement.
- 10.5. If no agreement can be reached:
- the BSP, when drawing up his pro-forma invoice for Month M as specified in Article 10.6, shall take account of the penalties calculated by ELIA;
 - the Parties shall continue their negotiations with a view to reaching an amicable arrangement and, after concluding their agreement, settle this invoice ex-post;
 - if no amicable arrangement is reached, the dispute settlement procedure set out in Article 13.2 of the General Conditions shall apply.
- 10.6. The BSP shall send ELIA's Settlement department (see list of contact persons exchanged as described in Article 12) his monthly pro-forma invoice no later than on the 25th (twenty-fifth) of each calendar Month M. The pro-forma invoice will include, among other things:
- (a) the purchase order number;
 - (b) the remuneration for the Contracted R3 for Month M, calculated as described in Article 8.2;
 - (c) as the case may be, the remuneration for the Tertiary Reserve requested in Month M-2, as specified in Article 8.3;
 - (d) as the case may be, the remuneration for the Start-Up of a Production Unit in Month M-2, as specified in Article 8.4;
 - (e) as the case may be, the penalties for Month M-2 as calculated by ELIA under Articles 9.1. and 9.2. of the present General Framework;
 - (f) the BSP's bank account number to which payment must be made.
- 10.7. ELIA shall either approve or reject the pro-forma invoice within 5 working days of receiving it. In accordance with the pro-forma invoice, the invoice may only be sent to the Invoicing & Payment department after ELIA has approved the pro-forma invoice.
- 10.8. Annex 14 includes the appropriation structure to be used by the BSP.

11 Modifications to the General Framework

- 11.1. ELIA has the responsibility to have the same General Framework for Tertiary Control by CIPU Technical Units for all BSPs.

- 11.2. Therefore, before modifying the General Framework, ELIA will inform all the BSPs who have signed a General Framework for Tertiary Control. The modifications will then be applicable for the first auction occurring after a period of thirty calendar days following the notification at the soonest.
- 11.3. In case the notification is made less than thirty days before the procurement, the current General Framework without modifications will apply.
- 11.4. When ELIA does not reach an agreement with one or more BSPs who have signed a General Framework for Tertiary Control Power with ELIA, ELIA can, in order to respect Article 11.1:
- notify all abovementioned BSPs that the General Framework without modifications will apply for the next tender;
 - exclude the BSP if he refuses the addendum from auctions until both Parties agree upon the addendum.
- 11.5. All contracted Tertiary Control Power from the BSP before the contractual update are subject to the General Framework applicable at that time.
- 11.6. In case of modifications to the General Framework requested by the BSP to ELIA, ELIA will consider these modifications, taking Article 11.1 into account and to implement the changes, will proceed as described in article 11.2.

12 Consultation and disputes

- 12.1. If there is a dispute or conflict of interpretation between the Parties regarding one of the clauses of the General Framework or regarding the implementation thereof, or when application of Article 10, as explicitly organized by the General Framework, the Parties shall try to settle their dispute or conflicting interpretation amicably, before resorting to legal action, but with the reserve of all legal means required because of extreme urgency, including in this case summary proceedings in court. The Parties undertake to organize a consultative meeting within 10 calendar days of receiving a registered letter in which the dispute is raised by one of the Parties. If the Parties cannot reach agreement within 30 calendar days of that first meeting, article 13.2 of the General Terms & Conditions applies.

13 Contact persons

- 13.1. Both parties shall keep the contact details up to date throughout the validity of the General Framework, by exchanging the filled out template in Annex 15. These exchanges and updates can be done via e-mail.
- 13.2. All contacts between the BSP and ELIA regarding the present General Framework should take place between the persons designated in Annex 15.

Drawn up in Brussels in duplicate, with each Party declaring having received an original copy.

ELIA System Operator S.A., represented by:

Patrick De Leener
Chief Officer Customers, Markets & System

Date:

Chris Peeters
Chief Executive Officer

Date:

[BSP Name] represented by:

Name:
Position:

Date:

Name:
Position:

Date:

ANNEX 1. PROCUREMENT OF TERTIARY CONTROL (ANNEX FOR R3 BY CIPU TECHNICAL UNITS AND R3 BY NON-CIPU TECHNICAL UNITS)

CONTENT

- A. PROCUREMENT PROCESS
- B. AUCTION RULES & BIDDING OBLIGATIONS FOR CAPACITY BIDS
- C. AWARD CRITERIA
- D. TRANSPARENCY

PRIOR TO PARTICIPATION IN PROCUREMENT - CONCLUSION OF A GENERAL FRAMEWORK

As stated in Article 4.2 of the General Framework, only BSPs with a valid General Framework for Tertiary Control are allowed to participate in procurement of R3.

Step 1: become a qualified BSP

Prior to the signature of the General Framework, a party should apply to become a selected BSP.

A candidate BSP can apply by submitting a completed application form and the required documents for the applicable service to ELIA. The application form can be found on the ELIA website or requested via email to “contracting_AS@ELIA.be.

The deadline for application takes place one month before the deadline of the signature of the General Framework.

Step 2: sign the Contract

In order to participate in an auction, the General Framework should be signed at latest the day before the BSP can start submitting Capacity Bids. The deadline for signature in order to be allowed to participate for Delivery Period P, is the day before start of period P-1 (prior to process step A1 as described below).

Step 3: prequalify CIPU Technical Units.

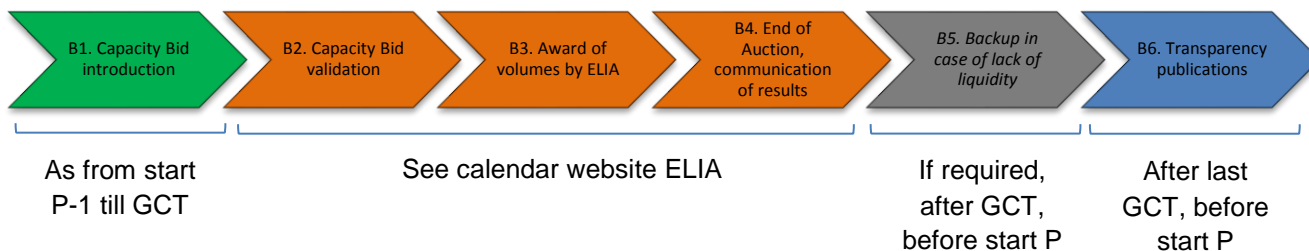
Prior to first participation to the auction, any CIPU Technical Unit that the BSP wants to offer needs to be prequalified as per Annex 6.

A. PROCUREMENT PROCESS

0. Procurement Calendar

A calendar indicating the delivery period and the deadline to submit Capacity Bids (hereinafter referred to as “gate closure time(s)” or “GTC”) is published on the [ELIA website](#).

In case of a change in the calendar, the BSP will be informed via email to the contact details for auctions & contractual matters, listed as contact in respect with Article 12.



1. Capacity Bid introduction

When?

As of a new delivery period starts, the Bidder can start to make Capacity Bids for the next delivery period. The Capacity Bids have to be introduced before GCT (Gate Closure Time).

What & How?

- When the gate is open, new Capacity Bids can be introduced and already created Capacity Bids can be modified or cancelled, regardless of their status.
- The minimum size of a Capacity Bid is 1MW. The granularity of the Capacity Bids is also 1MW (no number after the decimal).
- When a new Capacity Bid is created it automatically has status 'Received'.
- The complete set of Capacity Bids must be in respect with the Bidding Obligations for Capacity Bids as described in section B of this Annex. When this is not the case, the entire set of Capacity Bids will automatically be rejected at GCT. More details on the validation and the rejection of the bids can be found on the [ELIA website](#) (document "STAR Auction Rules").
- The BSP can combine R3 Standard and R3 Flex in one Capacity Bid.
- The BSP makes the best effort (not being unreasonable) to offer all of its available prequalified capacity.
- ELIA may request supplementary information or a justification for certain Capacity Bids via the communication channels described in the auction manual published on the [ELIA website](#).
- A log of the communications will be held at all times so that traceability is guaranteed. The log and the key facts are reported by ELIA to CREG.
- Auction participants remain fully responsible for their Capacity Bids.
- Bids are a firm commitment at GCT and must remain firm until the end of the auction. A BSP shall not use the offered capacity in any way until he has been notified of the outcome of the tender or until the deadline for communication has passed.
- Capacity Bids are to be made in the tool STAR. The manual for the tool is published on the ELIA website.

2. Capacity Bid validation**When?**

After GCT, no new Capacity Bids can be introduced, nor can existing Capacity Bids be modified or cancelled.

What?

The entire set of Capacity Bids will be evaluated with regard to the respect of the Bidding Obligations for Capacity Bids as described in section B of this annex. In case of non-respect with the Bidding Obligations for Capacity Bids, certain Capacity Bids and/or the entire set of Capacity Bids can automatically be rejected (Status "rejected").

The permitted number of Capacity Bids is unlimited.

How?

An automatic process is implemented to check if the Capacity Bid set respects the binding Bidding Obligations for Capacity Bids, as described in section B:

[BSP name] – [Contract Reference]

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- If the Capacity Bids respect the Bidding Obligations for Capacity Bids, the status changes to 'Checked';
- If the Capacity Bids do not respect the Bidding Obligations for Capacity Bids, the status changes to 'Rejected' for all concerned Capacity Bids.

In addition, ELIA manually checks feasibility and consistency of the 'Received' Capacity Bids; following this process, the status of a Capacity Bid is changed to 'Accepted' or 'Rejected'. Rejection of a Capacity Bid or a set of Capacity Bids is limited to cases when:

- Such Capacity Bids or group of Capacity Bids show manifest errors or inconsistencies, and after consultation of the bidder via the comment box.
- The Bidding Obligations for Capacity Bids are not respected.

More details on the validation and the rejection process of the bids can be found on the [ELIA website](#) (document "STAR Auction Rules").

3. Award of Volumes by ELIA

When?

After GCT, no new Capacity Bids can be introduced, nor can existing Capacity Bids be modified or cancelled.

What & How?

ELIA selects the optimal set of Capacity Bids (entirely or partially), amongst the Capacity Bids with the status "Validated", following the award criteria as described in Annex 1C.

4. End auction & communication of the auction results

What & How?

- When ELIA ends the auction, the status of the retained Capacity Bids changes to "Retained". The status of the other Capacity Bids remains unchanged (Accepted or Rejected).
- All bidders receive an email to inform that the auction ended and can consult if and which volume of his Capacity Bids has been retained in the auction overview.
- ELIA publishes the required information as described in section 1D "Transparency" of this Annex.

5. Backup procedure in case of insufficient volume.

In case insufficient volumes R3 are offered to ELIA in Procurement Procedure, ELIA will award the maximum possible offered volume.

ELIA will organize a second auction for the remaining volume, in which ELIA will request all BSPs to make extra volume available.

6. Transparency publications

When?

Between the end of the auction and the start of the delivery period P.

What & How?

The aggregated and anonymous results are published on the ELIA's website. (<http://www.elia.be>)

B. AUCTION RULES & BIDDING OBLIGATIONS FOR CAPACITY BIDS

0. Introduction

In order to be able to find a valid combination of Capacity Bids, complying with the volume ELIA procures and in order to guarantee an optimal solution which minimizes overall reservation procurement costs, ELIA should dispose of as many Capacity Bids as likely possible. Not only will this improve ELIA's chances to find an optimal solution and possibly avoid iteration & renegotiation, it will also improve the reserve BSP's chances of being selected for a certain Capacity Bid.

Besides the guarantee for ELIA to be able to find the optimal solution, it's important to assure a level playing field for all BSPs.

To allow ELIA to achieve the latter the BSPs participating in an auction must respect the minimum 'Bidding Obligations for Capacity Bids' and should be aware of how Capacity Bids are treated by ELIA (the auction rules).

Capacity bids with a status "rejected" will not be considered in the checks for the Bidding Obligations for Capacity Bids and the application of the auction rules.

This Chapter describes these obligations, how Capacity Bids are interpreted and how Capacity Bids are attributed.

When submitting Capacity Bid a BSP will have to provide at least the following information in STAR:

- Capacity Bid number – unique identifier, automatically assigned
- Contract Type – R3 CIPU, R3 non-CIPU
- Volume per R3 Service Type (Standard R3 - Flex R3) [MW] – the offered volume(s)
- Price per R3 Service Type (Standard R3 - Flex R3) [€/MW/h] – the unit price per R3 Service Type for the offered volume(s)
- Tariff Period – the Tariff Period in which the Capacity Bid is valid
- Divisibility of a Capacity Bid – can an offered volume be divided by ELIA at the same unit price.
- Combinability of Capacity Bids via "May not be combined with"

More information on how to submit the information can be found in the manual published on the [ELIA website](#).

1. Combinability of Capacity Bids

For all BASE Capacity Bids: **All** Capacity Bids with tariff period BASE are considered as not combinable with other Capacity Bids with the tariff period BASE. Consequently, in BASE, a BSP should submit Capacity Bids for an increasing volume.

For all Peak/Long-Off peak Capacity Bids: The BSP is free to set the combinability (or may not be combined with).

Example: A BSP wishes to offer 2 blocks of 5MW BASE to ELIA.

ELIA expects a Capacity Bid for 5MW and a Capacity Bid for 10MW (2 combinable Capacity Bids for 5MW is not allowed in BASE).

It's allowed to submit Capacity Bids for PEAK/LONG OFFPEAK that are combinable or not combinable with these BASE Capacity Bids.

2. Obligations regarding the volumes to be offered (obligation 1, 2 and 3)

The obligations described under obligations 1 and 2 are only applicable to BASE (Tariff Period) Capacity Bids.

The following obligations are the minimum obligations to be respected for each R3 Service Type. ELIA invites every BSP to submit more Capacity Bids in order to increase the possibility to be retained in the optimal selection.

Obligation 1 – Smallest offered volume

The smallest offered volume should not exceed following volumes:

- R3 CIPU (Standard & Flex): the Pmin of the unit with the second smallest Pmin listed in Annex 5.
- R3 non-CIPU (Standard & Flex): 10 MW

Capacity Bids for a smaller volume are allowed and strongly encouraged! The obligation applies for individual Capacity Bids of all R3 Service Types as well as for combined Capacity Bid of Standard Tertiary Control Power and Flex Tertiary Control Power.

Obligation 2 – Volume Increments

When sorting the Capacity Bids in terms of offered volume, the difference between 2 Capacity Bids can be at maximum:

Product Type	Max Step [MW]
R3 Standard	10 MW
R3 Flex	10 MW

Table 1

The obligation applies for individual bids for all R3 Service Types as well as for combined Capacity Bids of Standard Tertiary Control Power and Flex Tertiary Control Power.

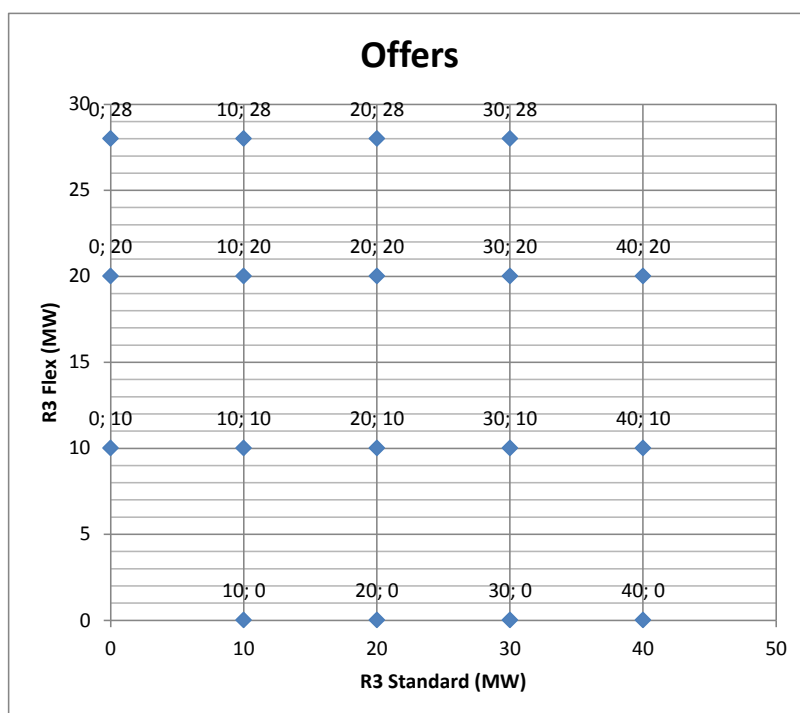
In case of combined Capacity Bids R3 Standard and R3 Flex, the maximum increments should be respected for one R3 Service Type for all Capacity Bids with the same amount of the other R3 Service Type:

- The difference of R3 Standard volume between 2 Capacity Bids combined with the same volume of R3 Flex, can be maximum the volume as defined in Table 1.
- The difference of R3 Flex volume between 2 Capacity Bids combined with the same volume of R3 Standard, can be maximum the volume as defined in Table 1.

Example

If a BSP wishes to offer 40 MW of R3 Standard and 28 MW of R3 Flex with a maximal total volume of 60 MW, he must at minimum offer the following set:

Offer Number	Standard R3	Flex R3
	Offered Volumes (MW)	Offered Volumes (MW)
1	0	10
2	0	20
3	0	28
4	10	0
5	10	10
6	10	20
7	10	28
8	20	0
9	20	10
10	20	20
11	20	28
12	30	0
13	30	10
14	30	20
15	30	28
16	40	0
17	40	10
18	40	20



Obligation 3 – Base offer available

[BSP name] – [Contract Reference]

When offering both in PEAK and LONG OFF-PEAK, the BSP must submit a BASE Capacity Bid, while respecting the obligations below, for a volume that is at least minimum of the maximum volume offered in PEAK and the maximum volume offered in LONG OFF-PEAK.

Consequences of non-respect

In case a BSP does not respect the obligations, all his Capacity Bids will be rejected at gate closure time/deadline to submit Capacity Bids.

3. Divisibility of Capacity Bids

For all Capacity Bids

The BSP can make a Capacity Bid divisible, meaning that ELIA can retain a volume between 1MW and the offered volume with a granularity of 1MW, or not divisible.

4. Obligations regarding the total costs of Capacity Bids (**obligation 4**)

Obligation 4 – Total cost check

The total cost (unit price x volume) of the smallest volume that can be retained resulting from a Capacity Bid, should never exceed the total cost of the smallest volume that can be retained from a Capacity Bid with a larger offered volume.

The obligation applies for individual BASE Capacity Bids for all R3 Service Types as well as for combined BASE Capacity Bids of Standard Tertiary Control Power and Flex Tertiary Control Power. In case of combined offers for R3 Standard and R3 Flex, the check is performed while keeping the volume of one R3 Service Type constant and varying the volume of the other R3 Service Type.

Consequence of non-respect

In case of a non-respect with obligation 4 - a smaller volume at more expensive in total cost – only the applicable Capacity Bid(s) will be rejected.

In case this lead to a non-respect with the obligations 1 and/or 2 regarding to the volume as described in this annex, the entire set of Capacity Bids will be rejected.

Example:

If a BSP wishes to offer 40 MW of R3 Standard and 28 MW of R3 Flex, he should respect the bidding obligation regarding the total cost check. Table 2 presents an Capacity Bid set that is in line with the Bidding Obligations for Capacity Bids. Table 3 shows an Capacity Bid set for which the total cost check of Capacity Bid 7 is lower than the total cost check of Capacity Bid 5. In consequence, obligation 4 is no longer respected and Capacity Bid 7 will be rejected. The remaining Capacity Bids will also be rejected as they do not satisfy anymore bidding obligation 2.

Offer Number	Standard R3 (MW)	Unit Price (€/MW/h)	Flex R3 (MW)	Unit Price (€/MW/h)	Total Cost (€/h)
1	0	0	10	3	30
2	0	0	20	2	40
3	0	0	28	1,8	50,4
4	10	5,1	0	0	51
5	10	4,5	10	2,5	70
6	10	3,2	20	2	72
7	10	2,7	28	1,9	80,2
8	20	4,2	0	0	84
9	20	3,5	10	2	90
10	20	3,4	20	1,8	104
11	20	3,2	28	1,7	111,6
12	30	3,8	0	0	114
13	30	3,4	10	1,8	120
14	30	3,2	20	1,7	130
15	30	3,1	28	1,6	137,8
16	40	3,7	0	0	148
17	40	3,5	10	1,8	158
18	40	3,2	20	1,7	162

Table 2

Offer Number	Standard R3 (MW)	Unit Price (€/MW/h)	Flex R3 (MW)	Unit Price (€/MW/h)	Total Cost (€/h)
1	0	0	10	3	30
2	0	0	20	2	40
3	0	0	28	1,8	50,4
4	10	5,1	0	0	51
5	10	4,5	10	2,5	70
6	10	3,2	20	2	72
7	10	2,4	28	1,5	66
8	20	4,2	0	0	84
9	20	3,5	10	2	90
10	20	3,4	20	1,8	104
11	20	3,2	28	1,7	111,6
12	30	3,8	0	0	114
13	30	3,4	10	1,8	120
14	30	3,2	20	1,7	130
15	30	3,1	28	1,6	137,8
16	40	3,7	0	0	148
17	40	3,5	10	1,8	158
18	40	3,2	20	1,7	162

Table 3

C. AWARD CRITERIA

[BSP name] – [Contract Reference]

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Initial of the BSP

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When retaining Capacity Bids, ELIA will retain the combination of Capacity Bids that lead to a minimal total reservation procurement cost, while

- retaining at least Required R3 Volume per R3 Service Type as specified in the Dossier Volumes, (the contracted R3 must at all times be at least the requested volumes);
- respecting the auction rules (divisibility) set forth in section B of this Annex;
- only considering non-rejected Capacity Bids;
- respecting constraints set by the BSP in terms of combinability and divisibility.

In case an alternative optimum exists the following criteria will successively be applied to determine the solution:

1. maximizing the retained volume of R3 Standard¹
2. maximizing overall retained volume of R3¹
3. maximizing the number of retained bidders
4. maximizing the equal distribution of the volume amongst all retained bidders.

D. TRANSPARENCY

At the moment of the conclusion of the General Framework, ELIA foresees to publish aggregated anonymous results of the auctions on its [website](#).

¹ at BASE equivalent

ANNEX 2. CONDITIONS, RULES AND PROCEDURE FOR TRANSFER OF OBLIGATION.

A. PRINCIPLES FOR TRANSFER OF OBLIGATIONS

In accordance with Article 5, ELIA allows the BSP to transfer part or all of his Obligation to one or several Counterpart BSP(s). Similarly, the BSP may agree to make an additional quantity of volume available to ELIA as a result of a Transfer of Obligations from a Counterpart BSP to the BSP.

Since only Confirmed Transfers of Obligation will be considered as valid by ELIA, the present Annex lays down the conditions under which the Transfer of Obligations may occur and defines the rules and procedure that ELIA, the BSP and the Counterpart BSP must respect in order to notify and validate said transfers.

As long as the Transfer of Obligations is not confirmed by ELIA, the Obligation remains with the BSP.

All procedures regarding the Transfer of Obligations and the tools are explained and illustrated with examples on our website (www.elia.be).

B. OBLIGATIONS THAT CAN BE TRANSFERRED VIA THE SECONDARY MARKET.

Following signature of the relevant General Framework, the BSP can transfer Obligations to/from a Counterpart BSP for the products listed below.

- Tertiary Control Service by CIPU Technical Units
- Tertiary Control Service by Non-CIPU Technical Units

All combinations of Transfer of Obligations are allowed, i.e.:

- From Tertiary Control Service by CIPU Technical Units to Tertiary Control Service by CIPU Technical Units ;
- From Tertiary Control Service by CIPU Technical Units to Tertiary Control Service by Non-CIPU Technical Units ;
- From Tertiary Control Service by non-CIPU Technical Units to Tertiary Control Service by Non-CIPU Technical Units ;
- From Tertiary Control Service by non-CIPU Technical Units to Tertiary Control Service by CIPU Technical Units ;

Transfer of Obligations is applicable in Day-ahead or in Intraday and is managed per R3 Service Type.

Counterpart BSP can be the BSP himself in case of transfer of Obligations within his own CIPU or Non-CIPU assets.

ELIA can at any time allow new services to participate. In this case ELIA will inform the BSP.

C. RIGHTS FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

Any BSP holding a valid Contract for one of the services listed in section B to the date of the performance of the concerned Tertiary Control Obligations can exchange Tertiary Control Obligations with a Counterpart BSP even if his quantity of contracted service is 0 (zero) for the concerned Delivery Period;

D. CONSTRAINTS FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

ELIA proceeds to verification of the Transfer of Obligation requests announced by the BSP. Only the requests with matching status “Confirmed” are considered as valid by ELIA.

Day-ahead procedure

- Transfer of Obligations requests have to be submitted by both BSPs, before 13.30 hrs on day D-1.
- One BSP can have multiple exchanges with different Counterpart BSPs.
- Consistent Transfer of Obligations requests are blocked at 13.30 hrs on day D-1 and cannot be changed from then onwards. Status for these Transfer of Obligations requests becomes “Confirmed”. As from then on no new requests may be sent in, except by the counterparty of a Waiting for Counterpart (WFC) request.
- If a request is inconsistent, BSPs can correct it until 14.00 hrs on day D-1.
- If a Transfer of Obligations request still shows inconsistencies by 14.00 hrs on day D-1, ELIA will reject (both) Transfer of Obligations request(s) (the BSP’s and the Counterpart BSP’s) completely.
- The Obligations undertaken by a Counterpart BSP summed to the rest of Obligations nominated in day-ahead must be in respect of :
 - a. CIPU Technical Unit’s Pmax limitations for CIPU Technical Units;
 - b. Prequalified volume for the corresponding R3 Service Type.

Intraday procedure

- Intra-Day Transfer of Obligations process starts after the end of the CIPU Nomination check and confirmation (no later than 18:00 on D-1) and ends at midnight (00:00) in intraday.
- The Transfer of Obligations must take place at latest one hour before beginning of the first quarter-hour of Delivery.
- One BSP can have multiple exchanges with different Counterpart BSPs.
- The Obligations undertaken by a Counterpart BSP summed to the rest of Obligations nominated in day-ahead must be in respect of :
 - a. CIPU Technical Unit’s Pmax limitations for CIPU Technical Units;
 - b. Prequalified volume for the corresponding R3 Service Type.
- A Counterpart BSP undertaking an Obligation cannot supply the service with CIPU Technical Units that are situated within a CIPU Red-zone.
- A Counterpart BSP undertaking a Tertiary Control Obligations to be supplied by non-CIPU Technical Units should update its nominations, as provided by Article 7.9, in order to reflect the agreed Transfer of Obligations.

E. OVERALL PROCESSING WORKFLOW FOR TRANSFER OF OBLIGATIONS.

Day-Ahead Procedure

- a. BSP(s) is (are) contracted for any one of the two R3 Service Types.

[BSP name] – [Contract Reference]

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Initial of the BSP

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- b. BSPs that don't have the possibility to offer partially or completely the contracted Control Power in day-ahead (i.e. for technical or economical reason) can redistribute partially or entirely their obligation towards one or several Counterpart BSP(s) who will then take over the responsibility to offer these reserves to ELIA in day-ahead. BSPs arrange between themselves how, when and at what price a BSP takes over obligations from a Counterpart BSP.
- c. Both BSPs must announce said transfers towards ELIA before 13.30hrs in day-ahead.
- d. At 13.30 hrs day-ahead, Transfer of Obligations requests for the next day with matching status Balance OK are blocked and their status will become Confirmed. As from then on no new requests may be sent in except by the counterparty of a Waiting for Counterpart (WFC) request.
- e. An email is also sent to all BSPs to indicate that the first gate has closed. The BSPs having day-ahead requests with matching status Waiting For Counterpart (WFC) and Balance Error can still change their requests till 14.00hrs.
- f. At 14.00 hrs, the second gate is closed, from then on no changes can be made to the requests.
- g. All consistent requests (BalanceOK) are confirmed, inconsistent (Waiting for Counterpart or BalanceError) requests are rejected. An email is sent to the BSPs and the status of their requests changes to "Confirmed" or "Rejected".

Intraday Procedure

- a. A BSP can still transfer Obligations in Intraday up to 1 hr before the first quarter hour of Delivery.
- b. The BSP can request a transfer of obligations and the Counterpart BSP must confirm the transfer up until 1 hr before delivery. If the Counterpart BSP hasn't accepted by this time, the Transfer of Obligation will not be taken into account by ELIA.
- c. Once the Counterpart BSP has accepted the Transfer of Obligations, the transfer receives the status "Accepted by Counterparty".
- d. If the transfer of obligations request respects aforementioned constraints, ELIA will accept it and the request will receive the status "Accepted by Elia". At this point the transfer of obligations is registered and will be taken into account in ELIA's settlement.
- e. In order to reflect the agreed and validated Transfer of Obligations, the Counterpart BSP undertaking a Tertiary Control Obligation to be supplied by non-CIPU Technical Units should update its nominations at the latest 45 minutes before the first quarter hour of delivery, as provided by Article 7.9.

F. PROCEDURE FOR ANNOUNCING (REQUESTING) TRANSFER OF OBLIGATIONS.

The procedures to be followed for the Transfer of Obligations and the manual for the tools are published on ELIA's website (www.elia.be).

ANNEX 3. QUANTITY OF TERTIARY CONTROL POWER REQUIRED.

If ELIA requests activation of the Tertiary Reserve or a part thereof, it must do so under the terms of the CIPU contract and in accordance with the procedures described in that CIPU contract and in Article 6.3 of the present General Framework.

ANNEX 4. FORMULA FOR CORRECTION OF THE BSP'S IMBALANCE

Following the full or partial activation of the Tertiary Control Power at its request, ELIA shall include the corresponding quantity of power (corresponding to one or more upward adjustments calculated in accordance with annex 8 of the CIPU contract) that the BSP has to provide in the calculation of the BSP's quarter-hour imbalance.

ANNEX 5. TEMPLATE FOR THE LIST OF TERTIARY CONTROL CIPU TECHNICAL UNITS

A. LIST OF TERTIARY CONTROL CIPU TECHNICAL UNITS

Version: [date]

In accordance with Article 3.2 the BSP must declare the CIPU Technical Units connected to the Transmission Grid that are technically capable of making available Tertiary Control Power and supplying Tertiary Control Power.

CIPU Technical Unit	EAN Code	R3max,std for Standard Tertiary Control [MW]	R3max,flex for Flex Tertiary Control [MW]	Minimum Power (Pmin) [MW]

The fact of being listed in the present Annex does not constitute a right of access for the said CIPU Technical Units.

Updates of this list must be exchanged and agreed upon via email (both the contracting responsible and contracting_AS@elia.be)

B. EXPLANATION FOR ENERGY LIMITED UNITS DELIVERING STANDARD TERTIARY CONTROL

For Energy Limited Units delivering Standard Tertiary Control, the BSP must give a qualitative explanation on how the activation is performed.

ANNEX 6. PREQUALIFICATION PROCEDURE

This annex describes both organizational and technical requirements for the Tertiary Control Service.

Because of the importance on the Balancing Services, ELIA must be assured that the BSP meets the organizational requirements and that his CIPU Technical Unit(s) meet the technical requirements in order to be able to deliver the contracted service.

A BSP who meets the organizational requirements can supply said Balancing Services to ELIA with the prequalified CIPU Technical Units for that service. CIPU Technical Units which have provided ELIA with said Balancing Services in previous years are considered to be prequalified.

The BSP must meet the organizational requirements before the start of the General Framework. Only prequalified CIPU Technical Unit can be part of a General Framework.

A. ORGANIZATIONAL REQUIREMENTS FOR THE BSP

The BSP and ELIA will check together:

- i. *Offline Communication*
Correct Nominations: the BSP must be able to nominate his Obligations to ELIA in the formats requested by ELIA as described in Annex 7.
- ii. *Real-time communication (if applicable for the considered Balancing Services)*
The BSP must be able to receive and interpret the signals as defined in Annex 7.

B. TECHNICAL REQUIREMENTS: PREQUALIFICATION OF CIPU TECHNICAL UNITS

A CIPU Technical Unit that meets the technical requirements will be prequalified by ELIA for each R3 Service Type and may provide ELIA with the R3 Service Types for which it has been prequalified. CIPU Technical Units which have provided these R3 Service Types to ELIA in previous years are considered to be prequalified for these particular R3 Service Types. A CIPU Technical Unit must be prequalified before it can be part of a General Framework.

In order to attest a CIPU Technical Unit to participate to a specific R3 Service Type it must successfully pass a simulation test as described below.

The outcome of the test will define the maximal Tertiary Control Power that the BSP may offer to ELIA for each R3 Service Type, i.e R3max,std and R3max,flex respectively for Standard Tertiary Control and Flex Tertiary Control.

In case the CIPU Technical Unit does not complete the simulation test successfully, ELIA and the BSP will make best effort to identify the source of the failure and the BSP will make best effort solve the source of the failure.

Organization of the simulation test

- a. The BSP contacts ELIA for the practical organization of the simulation test. To this purpose, the BSP sends by e-mail to ELIA the filled template given in Annex 5.
- b. Any Costs linked to the tests are borne by the BSP.
- c. The tests may not jeopardize the grid security

Simulation Test

- a. For the simulation test of Tertiary Control, the BSP must simulate an activation of Tertiary Control Power.
- b. The CIPU Technical Unit must activate the maximum R3 as specified in Annex 3 within 15 minutes.
- c. The same simulation test is applied for all R3 Service Type of Tertiary Control by CIPU Units. As a consequence, the resulting prequalified quantity of Tertiary Control applies for both R3 Service Types.

Checks:

Requirements for the simulation test

R3max,std and R3max,flex as defined in Annex 5 must be attained within 15minutes

The CIPU Technical Unit must be able to return to its original program within 15minutes.

ANNEX 7. RULES FOR THE EXCHANGE OF INFORMATION BY THE PARTIES

A. REAL-TIME COMMUNICATION

ELIA shall communicate the following information in real time:

- If ELIA wishes to activate the Tertiary Reserve or part of it, then it shall inform the BSP thereof in accordance with the procedure described in the CIPU contract.

IT solutions

- Communication in real time is done by electronic messages, in accordance with protocols laid down in the CIPU contract. More technical information can be found on the ELIA website (www.elia.be).

If the BSP wishes to activate all or some of the CIPU Technical Units on which Tertiary Reserve are made available to ELIA as described in Article 6.2., the BSP has to request ELIA's authorisation beforehand as described in Article 6.3.d. This request for authorisation has to be done by means of setpoints as described in the CIPU contract, or in case the system of setpoints is out of service, via the communication procedure foreseen in Annex 7. In case ELIA does not react to the request within 5 minutes, the authorisation shall be deemed given by ELIA. If ELIA agrees the activation, it shall confirm this request within the framework of the CIPU contract.

B. OFF-LINE COMMUNICATION

Off-Line Communication will take place by electronic message according to formats and software specified by ELIA.

1. Day Ahead Off-line communication

No later than 15:00 hrs, the BSP will decide and inform ELIA in Day Ahead about:

- The quantity of Tertiary Reserve for each R3 Service Type (Standard R3 and Flex R3) that the BSP will make available to ELIA;
- The list of the CIPU Technical Units where the Tertiary Reserve of each R3 Service Type will be made available;
- The quantity of each R3 Service Type the BSP will make available to ELIA in each of those Production Units.

By 15:00 hrs at the latest in day-ahead, the BSP shall enter his bids for 'Incremental Bids' in accordance with the procedure for daily bids (Day D-1 for Day D) which is set out in the CIPU contract.

	A	B	C	D	E	F	G	H
1	Procedure :		NOMINATION					
2	Period of execution :		YYYY_MM_DD					
3	ARP :		ARP					
4	File Type :		TERT_STD_RES					
5	ARP Version :		1					
6	TSO :							
7	TSO Version :							
8								
9	CODE	FRIENDLY NAME	Availability	0h - 1h				
10				0 - 15	15 - 30	30 - 45	45 - 60	0 - 15
11				Power	Power	Power	Power	Power
12	<EAN Code 18 characters>	<Display Name Power Unit>	Y	0.0	0.0	0.0	0.0	0.0
13			Y	0.0	0.0	0.0	0.0	0.0
14			Y	0.0	0.0	0.0	0.0	0.0
15			Y	0.0	0.0	0.0	0.0	0.0
16			Y	0.0	0.0	0.0	0.0	0.0
17		TOTAL		0.0	0.0	0.0	0.0	0.0

Standard Tertiary Control

Template of a D-1 .xls nomination sheet for R3 Standard

	A	B	C	D	E	F	G	H
1	Procedure :		NOMINATION					
2	Period of execution :		YYYY_MM_DD					
3	ARP :		ARP					
4	File Type :		TERT_FLEX_RES					
5	ARP Version :		1					
6	TSO :							
7	TSO Version :							
8								
9	CODE	FRIENDLY NAME	Availability	0h - 1h				
10				0 - 15	15 - 30	30 - 45	45 - 60	0 - 15
11				Power	Power	Power	Power	Power
12	<EAN Code 18 characters>	<Display Name Power Unit>	Y	0.0	0.0	0.0	0.0	0.0
13			Y	0.0	0.0	0.0	0.0	0.0
14			Y	0.0	0.0	0.0	0.0	0.0
15			Y	0.0	0.0	0.0	0.0	0.0
16			N	0.0	0.0	0.0	0.0	0.0
17		TOTAL		0.0	0.0	0.0	0.0	0.0

Flex Tertiary Control

Template of a D-1 .xls nomination sheet for R3 Flex

ELIA shall provide the following information off-line day ahead:

- ELIA will check above mentioned nominations for coherence with the rules specified in this General Framework as well as other Balancing Services contracts concluded between ELIA and the BSP and, as the case may be, nominations will be corrected accordingly, amongst others with the procedure described in Annex 8. ELIA will inform the BSP of the results of these checks no later than 17:00 hrs on D-1.
- The amount of Tertiary Reserves determined according to the abovementioned procedure, will be used in the control of the provision of Tertiary Control Power Obligations as described in article 6.2.

ANNEX 8. CONSISTENCY CHECK BETWEEN BALANCING SERVICES CONTRACTS

ELIA will check the nominations sent by the BSP on D-1 for coherence between this General Framework and other Balancing Service contracts concluded between ELIA and the BSP (in particular the "CIPU" contract, the General Framework for Frequency Containment Reserve Service by CIPU Resources and the General Framework for Tertiary Control) and, as the case may be, correct the nominations according to the procedure described in this Annex. Data mentioned in this annex that do not originate from one of above mentioned contracts have a value of zero with regard to the present procedure.

Via the procedure described in this Annex, ELIA establishes the value of Frequency Containment Reserve, Secondary and Tertiary Control Power actually Made Available by the BSP for each quarter of hour. Said values are the quantities of Control Power that will be considered as actually made available to ELIA by the BSP for monitoring whether or not the BSP respected his obligations:

- for upward Control Power it is called "R1up_mad", "R2up_mad" and "R3_mad"
- for downward Control Power it is called "R1down_mad" and "R2down_mad"

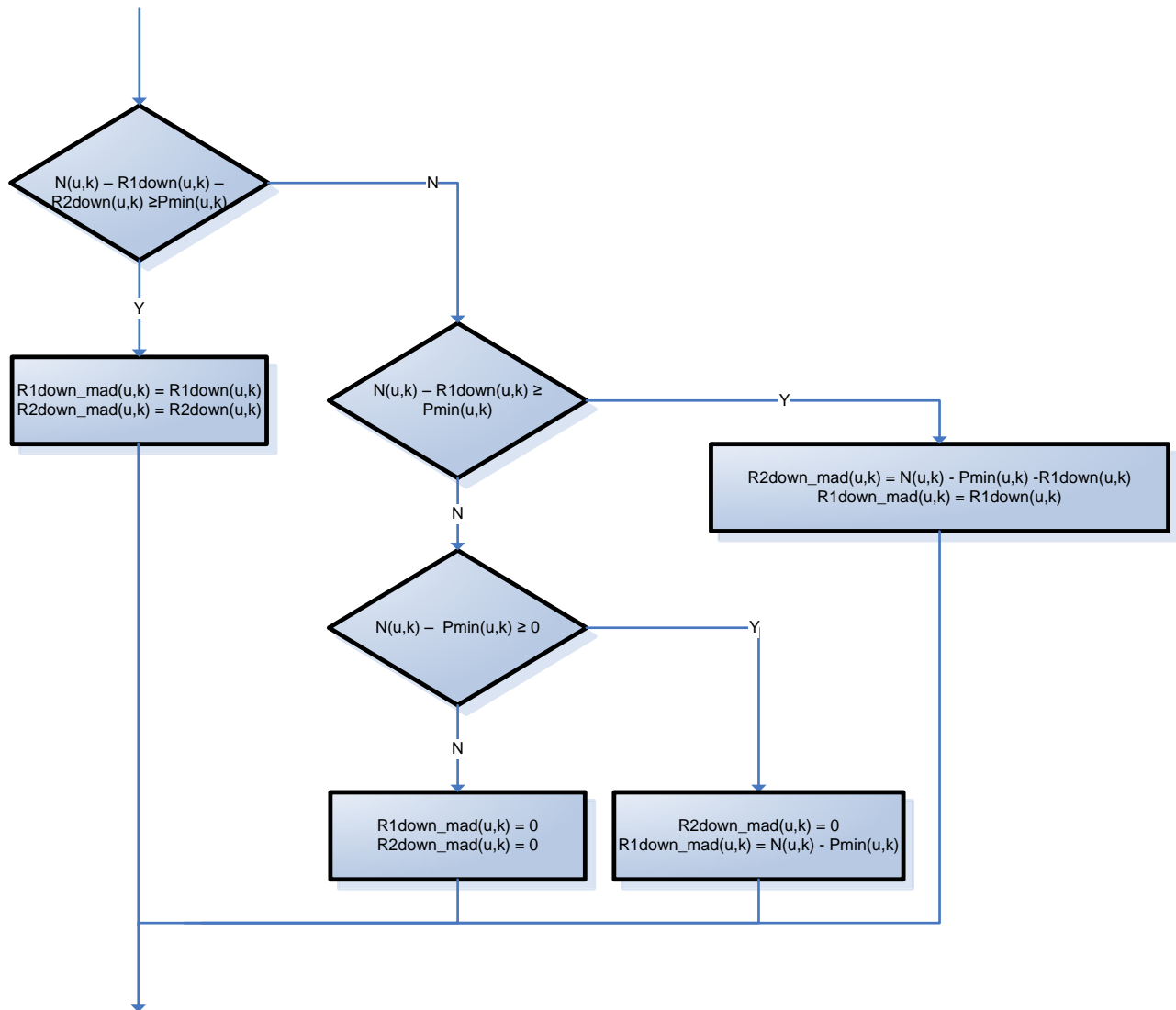
A. DEFINITIONS

- u = An index designating a production unit mentioned in Appendix of the AS contract concerned;
- k = A parameter that represents the quarter-hour;
- $N(u,k)$ = injection nomination for unit u , for quarter-hour k , sent to ELIA by the producer under the CIPU nomination procedure;
- $P_{\min}(u,k)$ = The minimum power limit actually attainable by unit u , for quarter-hour k , corresponding to the $P_{\min \text{ avail}}$, sent on D-1 by the BSP to ELIA under the CIPU Contract;
- $P_{\max}(u,k)$ = The maximum power limit actually attainable by unit u , for quarter-hour k , corresponding to the $P_{\max \text{ avail}}$, sent on D-1 by the BSP to ELIA under the CIPU Contract;
- $R1up(u,k)$ = The quantity of Frequency Containment Reserve Power made available on Day D, for the Frequency Containment Reserve Range $f < F_s$, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;
- $R1down(u,k)$ = The quantity of Frequency Containment Reserve Power made available on Day D, for the Frequency Containment Reserve Range $f \geq F_s$ and for the Frequency Containment Reserve Range $f \geq 50,10\text{Hz}$, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;
- $R2up(u,k)$ = the quantity of upward Secondary Control Power made available to ELIA on Day D, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;
- $R2down(u,k)$ = the quantity of downward Secondary Control Power made available to ELIA on Day D, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;
- $R3std(u,k)$ = the quantity of Standard Tertiary Control Power made available to ELIA on Day D, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;
- $R3flex(u,k)$ = the quantity of Flex Tertiary Control Power made available to ELIA on Day D, communicated on D-1 by the BSP to ELIA, for unit u and quarter-hour k ;

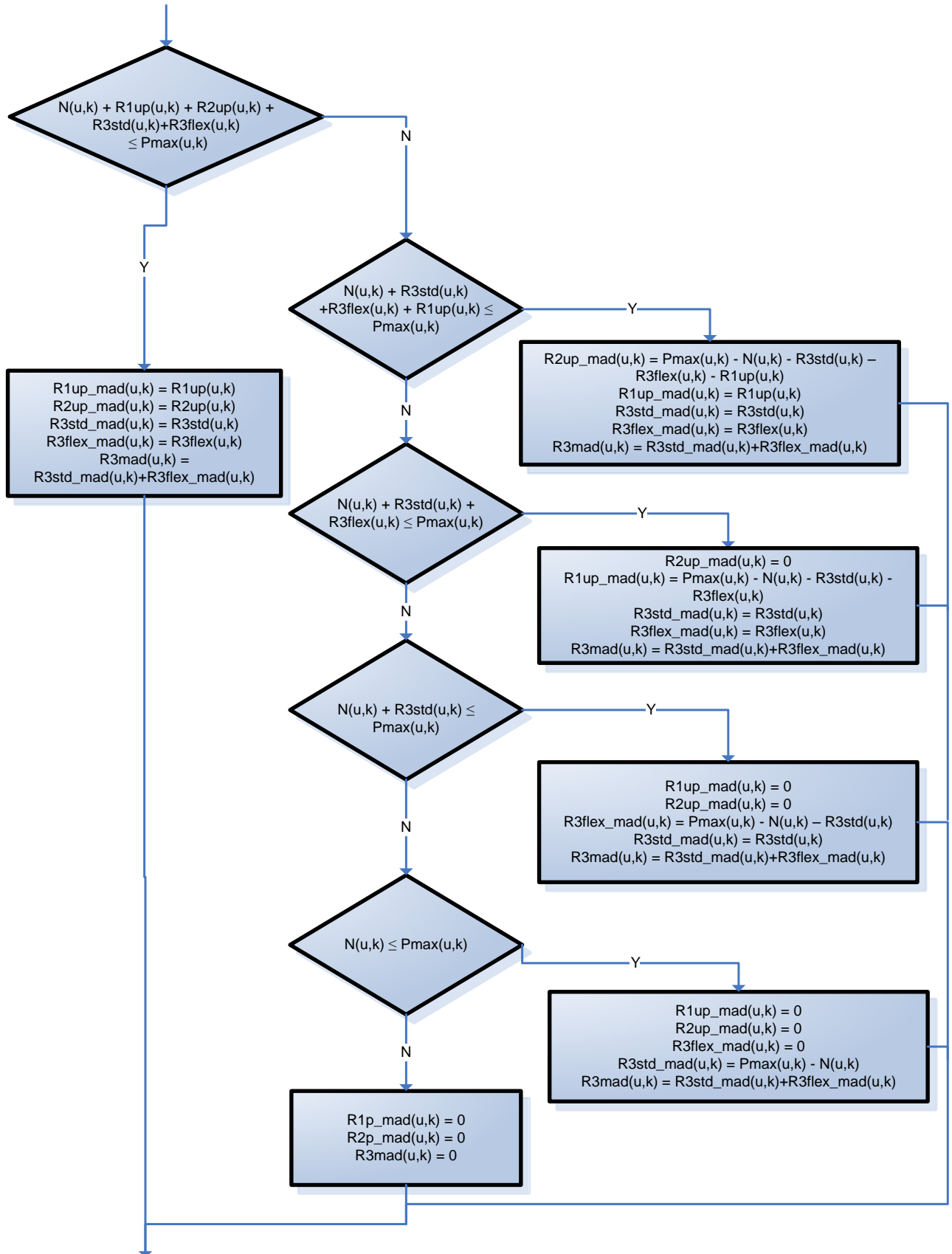
- $R1_{up_mad}(u,k)$ = the quantity of Frequency Containment Reserve Power actually made available on Day D, for the Frequency Containment Reserve Range $f < F_s$, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R1_{down_mad}(u,k)$ = the quantity of Frequency Containment Reserve Power actually made available on Day D, for the Frequency Containment Reserve Range $f \geq F_s$ and for the Frequency Containment Reserve Range $f \geq 50,10\text{Hz}$, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R2_{up_mad}(u,k)$ = the quantity of upward Secondary Control Power actually made available to ELIA on Day D, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R2_{down_mad}(u,k)$ = the quantity of downward Secondary Control Power actually made available to ELIA on Day D, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R3_{std_mad}(u,k)$ = the quantity of Standard Tertiary Control Power actually made available to ELIA on Day D, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R3_{flex_mad}(u,k)$ = the quantity of Flex Tertiary Control Power actually made available to ELIA on Day D, obtained at the end of the present procedure, for unit u and quarter-hour k;
- $R3_{mad}(u,k)$ = the quantity of Tertiary Control Power, including all R3 Service Types, actually made available to ELIA on Day D, obtained at the end of the present procedure, for unit u and quarter-hour k;

For each CIPU Technical Unit u mentioned in an Appendix of a valid Balancing Service contract declared available under the Nomination procedure of the CIPU Contract, ELIA will carry out the following cross-checks for each quarter-hour k:

B. CONTROL WITH REGARD TO P_{min} AVAILABLE



C. CONTROL WITH REGARD TO P_{MAX} AVAILABLE



D. OUTCOME

At the end of these cross-checks the following values will be obtained:

- $R1up_mad(BSP,k) = \sum R1up_mad(u,k)$
- $R1down_mad(BSP,k) = \sum R1down_mad(u,k)$
- $R2up_mad(BSP,k) = \sum R2up_mad(u,k)$
- $R2down_mad(BSP,k) = \sum R2down_mad(u,k)$
- $R3mad(u,k)$;

These are the quantities of Frequency Containment Reserve, Secondary and Tertiary Control Power made available, by the BSP to ELIA. For Secondary and Tertiary Control Power, those values will be used for controlling the availability of the service.

ANNEX 9. EX-POST CHECK OF THE TERTIARY CONTROL POWER OBLIGATION

Availability will be monitored each Month based on the values of Tertiary Control Power made available by the BSP to ELIA as determined per Annex 7 and when applicable reduced further as described in Annex 8. If ELIA establishes that the BSP has failed for a particular quarter-hour to provide at least the quantity of his Tertiary Control Power Obligations, ELIA will apply a penalty. Since this penalty applies to any R3 Missing MW, for any quarter-hour of the considered Month, the number of R3 Missing MW must be determined. This annex describes the method for calculating the number of R3 Missing MW.

A. CALCULATION OF R3 MISSING MW:

The quantity of R3 Missing MW will be determined for each BSP, each quarter hour as follow:

	Name	Determination: For each BSP and each QH
1a	Contracted Standard Tertiary Control Power	Quantity awarded in procurement
1b	Contracted Flex Tertiary Control Power	Quantity awarded in procurement
2	Confirmed Transfers of Obligation R3 (all R3 Service Types)	Confirmed Transfers for Contracted Tertiary Control Power, as per Annex 2
3	R3_Obligation	= [1a+1b+ 2]
4	R3std_mad	Quantity of R3std_mad(BSP,k) as defined per Annex 8
5	R3flex_mad	Quantity of R3flex_mad(BSP,k) as defined per Annex 8
6	R3_mad	= [4+5] as defined per Annex 8
7	R3 Missing MW	= Max [(3 - 6) ; 0]

This means that for each quarter hour:

- 1a, 1b:** The quantity of Contracted R3 for each R3 Service Type, these values are always positive or 0 (zero)
- 2:** Confirmed transfers of obligations as per Annex 2 are:
 - i. Positive (+) in case the BSP has sold obligations: the BSP took over obligations **from** a Counterpart BSP
 - ii. Negative (-) in case the BSP has bought obligations: the BSP transferred obligations **to** a Counterpart BSP
- 3:** R3 obligations are determined as the sum of Contracted R3 and Confirmed Transfers of Obligations.
- 4:** These are the quantities of Standard R3 the BSP had actually made available to ELIA, these values are always positive or 0 (zero)
- 5:** These are the quantities of Flex R3 the BSP had actually made available to ELIA, these values are always positive or 0 (zero)

- 6:** These are the quantities of R3 the BSP had actually made available to ELIA, these values are always positive or 0 (zero)
- 7:** The number of R3 Missing MW is as the difference between the R3 actually made available and the Obligations:
 - i. Positive (+) in case the BSP has failed to comply with all his obligations for that respective direction.
 - ii. Zero (0) in case the BSP complies with all his obligations for that respective direction.

B. EXAMPLE FOR CALCULATION OF R3 MISSING MW:

Imagine ELIA has contracted 30MW of R3 with a BSP.

For several cases of Confirmed Transfers of Obligations R3 values the number of R3 Missing MW is computed as follows:

	Name	Determination: For each QH						
1a	Contracted Standard Tertiary Control Power	30	30	30	30	20	20	20
1b	Contracted Flex Tertiary Control Power	0	0	0	0	10	10	10
2	Confirmed Transfers of Obligation R3 (Standard+Flex) ²	10	20	0	-30	-10	10	30
3	R3_Obligation	40	50	30	0	20	40	60
4	R3_mad	50	50	0	0	10	30	45
5	R3 Missing MW	0	0	30	0	10	10	15

² Transfer of Tertiary Control Obligations is performed per R3 Service Type

ANNEX 10. CALCULATION OF PENALTIES FOR R3 MISSING MW

In accordance with Article 9.1 ELIA will apply a penalty if the BSP has failed, for any particular quarter-hour, to make the quantity of his Tertiary Control Power Obligations available to ELIA. Said penalty is valued by means of the Belgian Bidding Zone Reference Day-Ahead Price and applies to any R3 Missing MW as calculated per Annex 9.

A. CALCULATION OF MONTHLY PENALTY

ELIA will calculate on a monthly basis the sum of penalties for all R3 Missing MW, during the concerned quarter hours:

$$P_{MonthM} = \sum_k^M \left[\text{MAX} \left(10 \frac{\text{€}}{\text{MWh}}; \text{Ref_Price}(k) \right) * \frac{\text{R3 Missing_MW}(k)}{4} \right]$$

With:

- k: a quarter hour of Month M
- Ref_Price(k): The Belgian Bidding Zone Reference Day-Ahead Price during the considered quarter hour.
- R3 Missing_MW(k): R3 Missing MW for quarter hour k as calculated in Annex 9

ANNEX 11. CONTROL & CALCULATION OF PENALTIES FOR NON-COMPLIANCE WITH EXCLUSIVITY

In accordance with Article 9.2 ELIA will apply a penalty in case the BSP activates for his own use a CIPU Technical Unit on which Tertiary Control Power is made available for ELIA.

A. CALCULATION OF PENALTY FOR OWN USE (EXCLUSIVITY)

If The BSP fails to respect one of the criteria defined in Article 6.3.d, for the activation of CIPU Technical Units on which Tertiary Reserves is made available for ELIA, for his own use, ELIA will notify The BSP after the end of the Month of the supply though the report on the evaluation and monitoring of Tertiary Reserve as defined in article 10.1.

Then The BSP will provide ELIA a detailed report on the circumstances and causes of the incident

On the basis of this detailed report, if it considers that the circumstances and motivations that led to the activation of the BSP's CIPU Technical Units on which the Tertiary Reserves were made available, is not conform with the article 6.3.d. of this Agreement, ELIA apply the following discounts:

For each Infraction, Elia will apply the RED 4 penalty.

$$RED4 = \left[\frac{R3_{Infraction}}{R3_{contractuel Std+Flex_{equiv_lot_i}}} \right] * \left[\frac{Monthly\ fixed\ Remuneration\ R3\ Std + Flex}{4} \right]$$

With:

- $R3_{Infraction}$: The maximum R3 activated during the Infraction on the considered CIPU Technical Unit by The BSP without respecting one of the criteria specified in article 6.3.d. The maximum will be defined based on quarterly hour metering data.
- $R3_{contractuel Std+Flex_{equiv_lot_i}}$: the amount of Tertiary Reserves, expressed in MW, as defined in Article 4.
- $Monthly_fixed_remuneration\ R3\ Std+Flex$: in accordance with article 8.2;

An Infraction can be defined as follows:

- One Infraction on a CIPU Technical Unit is the activation of R3 for own use during one or more quarter hours.
- An Infraction
 - starts at the first quarter hour in which R3 was activated for own use on the applicable CIPU Technical Unit;
 - ends the quarter hour before the quarter hour in which the R3 activated for own use is 0.
- The duration of an Infraction is maximum 24 consecutive hours. In case the BSP uses R3 for own use for more than 24 consecutive hours, an infraction will be considered for each started 24 hours of own use.

- Multiple infractions at the same moment on different CIPU Technical Unit will nevertheless be considered as multiple infractions.

ANNEX 12. PENALTY CAP

A. MONTHLY CAP

$$\text{Monthly cap} = F5 * (\text{Monthly Fixed Remuneration R3 Std} + \text{Flex}(M)) + \text{Estim Smart}(M)$$

With

- Monthly Remuneration R3 Std+Flex: as described in Article 8.2
- F5: a factor defined as:
 - $$F5 = \frac{\sum_{k \in Y} R3_{obligation}(k)}{\sum_{k \in Y} R3_{contracted}(k)}$$
 - k: a quarter hour of Month M
 - R3_obligation(k): as calculated in Annex 9
 - R3_contracted(k): equal to the Contracted Tertiary Control Power
- Estim_smart, an estimated monthly remuneration for secondary market deals based on the average STAR R3 price, defined as:

- In case the Contracted R3 is greater than 0MW, the value is 0.
- In case the Contracted R3 is equal to 0MW, the following formula applies:

$$\begin{aligned} \text{Estim Smart}(\text{Month}) \\ &= \text{averageR3obligation}(\text{month}) * \text{AvSTAR}_{R3\text{Price}(\text{month})} \\ & * \text{hours}(\text{month}) \end{aligned}$$

With:

- AverageR3obligation_M: the average of the R3 obligations exchanged during the Month M
- AvSTAR_R3_Price_M: the weighted average reservation price for R3 as published on the ELIA website for Month M.

ANNEX 13. REMUNERATION FOR THE ACTIVATION

A. REMUNERATION FOR THE ACTIVATED ENERGY

If ELIA requests activation of the Tertiary Reserve or a part thereof, ELIA shall pay for the Energy it requested (and supposed to be supplied) to the BSP. Remuneration will be calculated as an Incremental Bid in the procedure for "Exploitation" of daily bids (Day D-1 for Day D) as specified in the CIPU contract (Article 13.)

B. REMUNERATION FOR A START-UP

If ELIA requests activation of the Tertiary Reserve or a part thereof, it shall pay for the start-ups the BSP does accordingly, in respect with the provisions and price of the CIPU contract if and only if the conditions below were simultaneously met:

- The power effectively injected by the CIPU Technical Unit before and after the activation has to be below or equal to $P_{min_Available}$. The power taken into account is the average calculated 4 quarter hours before and 4 quarters after the activation.
- The last Production Program received before the activation has to be below or equal to the $P_{min_Available}$ for all quarter hours of the activation and also for the quarter hour before and after the activation.
- The power as activated per CIPU Technical Unit has effectively been injected within 15 minutes, conform to the provisions of the present General framework.

If one of these criteria is not respected, the start-up will be considered as failed.

ANNEX 14. APPROPRIATION STRUCTURE

Name	Imputation	Remuneration
Tertiary CIPU - reservation	910847	Tertiary Control Reservation
Tertiary CIPU – start-up	907192	Tertiary Control Start-up
Tertiary CIPU - activation	904070	Tertiary Control Activation
Tertiary CIPU - Reduction 4	908070	Penalty for own use of Tertiary Control
Tertiary CIPU - Penal missing MW	909134	Penalty for R3 Missing MW

ANNEX 15. TEMPLATE CONTACT PERSONS

Version:

For ELIA:

1	Contractual monitoring Amandine Leroux 20 boulevard de l'Empereur 1000 Bruxelles Tél : 32 2 546 74 43 Adresse e-mail: amandine.leroux@elia.be
2	Delivery Control Manuel Aparicio 20 boulevard de l'Empereur 1000 Bruxelles Tél. : 32 2 546 70 62 Adresse e-mail: system.services@elia.be
3	Invoice monitoring 3.1 Settlement Manuel Aparicio 20 boulevard de l'Empereur 1000 Bruxelles Tél. : 32 2 546 70 62 Adresse e-mail: system.services@elia.be 3.2 Invoicing & Payment ELIA SYSTEM OPERATOR SA Lieve Kerckhof Boulevard de l'Empereur, 20 1000 Bruxelles N° TVA BE 476 388 378

4 Real time operations and operational monitoring

Centre de contrôle national (Operations)
Avenue de Vilvorde, 126
1000 Bruxelles

Tél. : 32 2 382 23 83
Fax : 32 2 382 21 39
Adresse e-mail: dispatching@elia.be

5 Offline operations (Duty)

Centre de contrôle national (Duty)
Avenue de Vilvorde, 126
1000 Bruxelles

Tél. : 32 2 382 23 08
Fax : 32 2 382 21 39
Adresse e-mail: dispatching@elia.be

For the BSP:

1	Contractual matters
2	Auctions
3	Invoicing matters
4	Real time (24 hrs per day)
5	Transactions outside real time

Updates of this list must be exchanged via email (both the contracting responsible and contracting_AS@elia.be)