

28 OCTOBER 2022

CRM AUCTION REPORT

Y-4 Auction for the 2026-2027 Delivery Period



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Disclaimer

1. General provisions

1.1 Introduction

This report (hereinafter the “Report”) is published by Elia Transmission Belgium SA, with registered office at Boulevard de l'Empereur 20, 1000 Brussels, registered with the Crossroads Bank for Enterprises under number 0731.852.231 (hereinafter “Elia”), pursuant to Article 7undecies §10 of the Act of 29 April 1999 on the organisation of the electricity market (hereinafter the 'Electricity Act'). Please also refer to section 2 below.

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1.3 Relation with the Capacity Contract, the Electricity Act and the Functioning Rules

For the avoidance of doubt, the content of this Report can in no way serve as, or constitute a, legal (or contractual or any other kind of) basis for the signature of a Capacity Contract; the only basis for which rests within the Electricity Act and the CRM Functioning Rules established in the Royal Decree ¹ (hereinafter the “Functioning Rules”).

In the event of any conflict or inconsistency between this Report and the Electricity Act and/or the Functioning Rules, the latter documents shall prevail.

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¹ Royal Decree approving the functioning rules for the capacity remuneration mechanism, pursuant to 7undecies, § 12, of the Electricity Act



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Y-4 Auction Report

2. Purpose of this document

Pursuant to Article 7undecies §10 of the Electricity Act, ELIA has the legal obligation to publish on its website, by 31 October 2022 latest, the results of the Y-4 Auction for the 2026 – 2027 Delivery Period.

*“§ 10. For each Delivery Period, two auctions shall be organised by the transmission system operator: a first auction four years before the delivery period and a second auction one year before the delivery period. In execution of an instruction as referred to in paragraph 6, the transmission system operator organises an auction for which bids are accepted until 30 September at the latest **and for which the results are published on the website of the transmission system operator by 31 October at the latest**, unless paragraph 13 is applied. If the commission cancels the auction on the basis of its supervisory powers in accordance with paragraph 13, the transmission system operator shall hold a new auction, for which the results of the auction shall be published on the website of the transmission system operator by 30 November at the latest.”*

This Report is published in order to comply with this legal obligation, as well as those stemming, as the case may be, from REMIT, and it is established following the transparency requirements as set forth in chapter 16 of the Functioning Rules. Pursuant to the Electricity Act, these rules guarantee the transparency of the capacity remuneration mechanism.



3. Summary of the final results of the Y-4 Auction for the 2026-2027 Delivery Period

The following table presents the most important price and volume results of the Y-4 Auction for the 2026-2027 Delivery Period organized in October 2022.

The total amount of capacity (in derated MW) selected in the Auction amounts to 0 MW and, as a consequence, no CMU has been selected.

Auction and Delivery Period	Y-4 Auction organized in October 2022, for 2026-2027 Delivery Period
Weighted average Bid Price	***
Highest Bid Price (in EUR/MW/year)	***
Total selected capacity (in MW)	0
Number of selected Capacity Market Units (CMUs)	0

*Note that, in order not to reveal individual information, the ‘Weighted average Bid Price’ and the ‘Highest Bid Price’ are not disclosed.

Please consider that all capacity volumes mentioned in the remainder of this Report, concern capacities after application of the derating factor.



3.1 General information about the submitted and selected Bids

As referred in §979 of the Functioning Rules, the table below shows that in total **8** Prequalified CRM Candidates submitted at least one Bid for a total of **13** different CMUs. Of these, **0** CMUs were ultimately selected.

The Bid volume weighted average bid price for the submitted Bids subject to the Intermediate Price Cap amounts to 19718.68 €/MW/year.

		Submitted Bids	Selected Bids
Bid volume weighted average bid price (EUR/MW/year)	Subject to Intermediate Price Cap	19,718.68	0
	Not subject to Intermediate Price Cap	***	***
Average capacity volume (MW)		73.26	0
Number of bids	Total	17	0
	Of which mutually exclusive (%)	0%	0
Total volume of mutually exclusive bids (MW)		0	0
Maximum volume of mutually exclusive bids that can be selected (MW)		0	0
Total number of CMUs		13	0
Total number of Unique Prequalified CRM Candidates		8	0

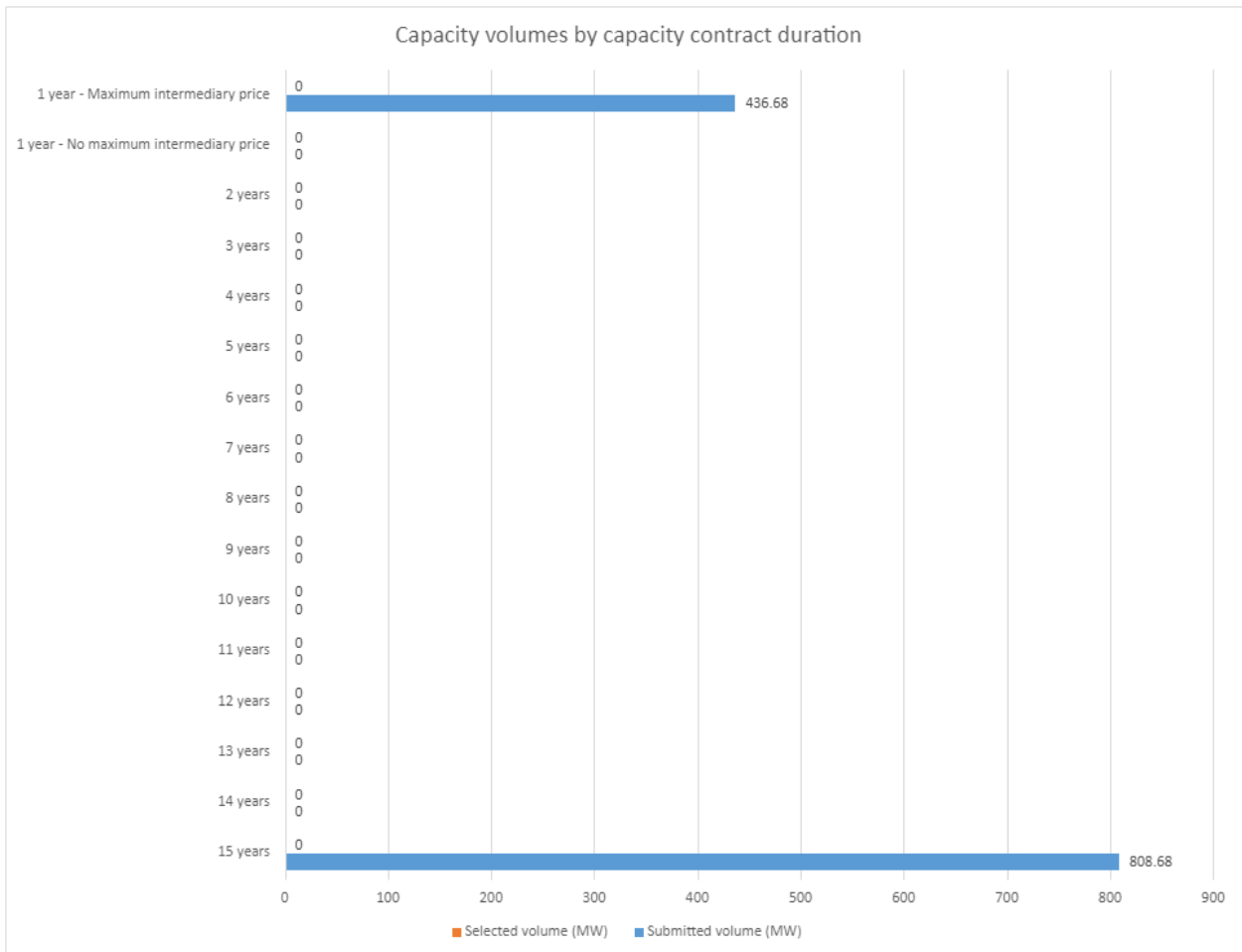
*Note that, in order not to reveal individual information, the 'Bid volume weighted average bid price' that is not subject to the Intermediate Price Cap is not disclosed.



3.2 Volume statistics of the submitted and selected Bids

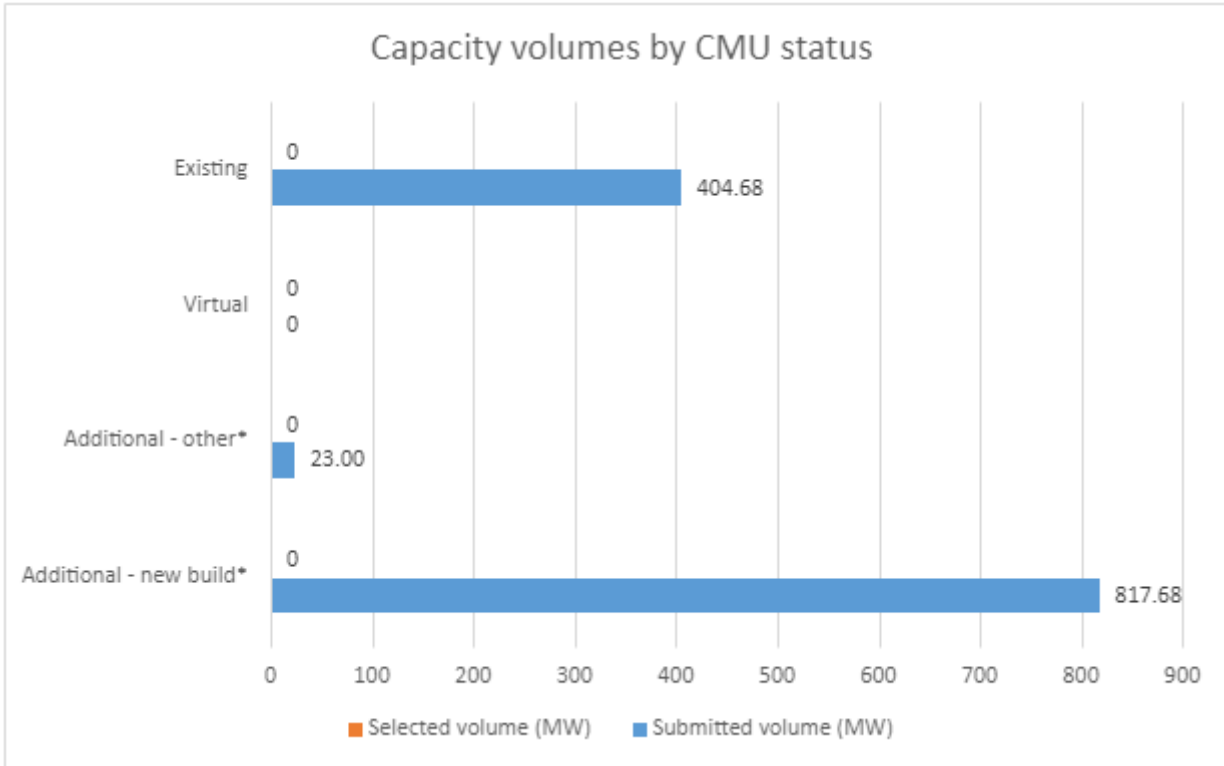
3.2.1 Capacity volumes by capacity contract duration

The submitted and selected capacity volumes (in MW) are split below according to the capacity contract duration, as envisaged in §980 and §984 of the Functioning Rules. Capacities with a **15-year** Capacity Contract represented **64.9%** of the capacities participating in the Auction. None of them was selected in the auction.



3.2.2 Capacity volumes by CMU status

The submitted and selected capacity volumes (in MW) are summarized below according to the type of CMU (existing, additional or virtual), as referred in §980 and §984 of the Functioning Rules. **Additional - new build** capacities accounted for **65.7%** of the submitted volume and are thereby the largest category of capacities participating in the Auction. They ultimately accounted for **0%** of the capacities selected in the Auction.



*Note that the total volume of additional capacity is determined by the sum of the categories "Additional - new build" and "Additional - other".

The category "Additional – new build" consists of the additional capacities for which a formal commitment concerning the renunciation of the usage of the connection capacity has been made in accordance with §93 of the Functioning Rules.

The category "Additional - other" contains, for example, capacities for which adjustments to the metering installation are necessary or to which a (limited) expansion of the capacity applies, but without affecting the connection capacity.



3.2.3 Capacity volumes by technology

The submitted and selected capacity volumes (in MW) are split below by technology, as referred in §980 and §984 of the Functioning Rules.

The following graphs show respectively:

- a breakdown based on the **derating factors laid down in the Ministerial Decree regarding the instruction for the organisation of the auction**² and declared by the CRM Candidates per CMU during the prequalification procedure in accordance with §92 of the Functioning Rules;
- a breakdown based on the **technology of the delivery point in accordance with the list of technologies defined in article 13, §1 of the Royal Decree on Methodology**³ and indicated by the CRM Applicants per delivery point during the prequalification procedure in accordance with §82 of the Functioning Rules. If a CMU consists of multiple delivery points with different technologies, the capacity volume is allocated to the category "Aggregated technologies" which also includes the delivery points which themselves are composed of multiple technologies.

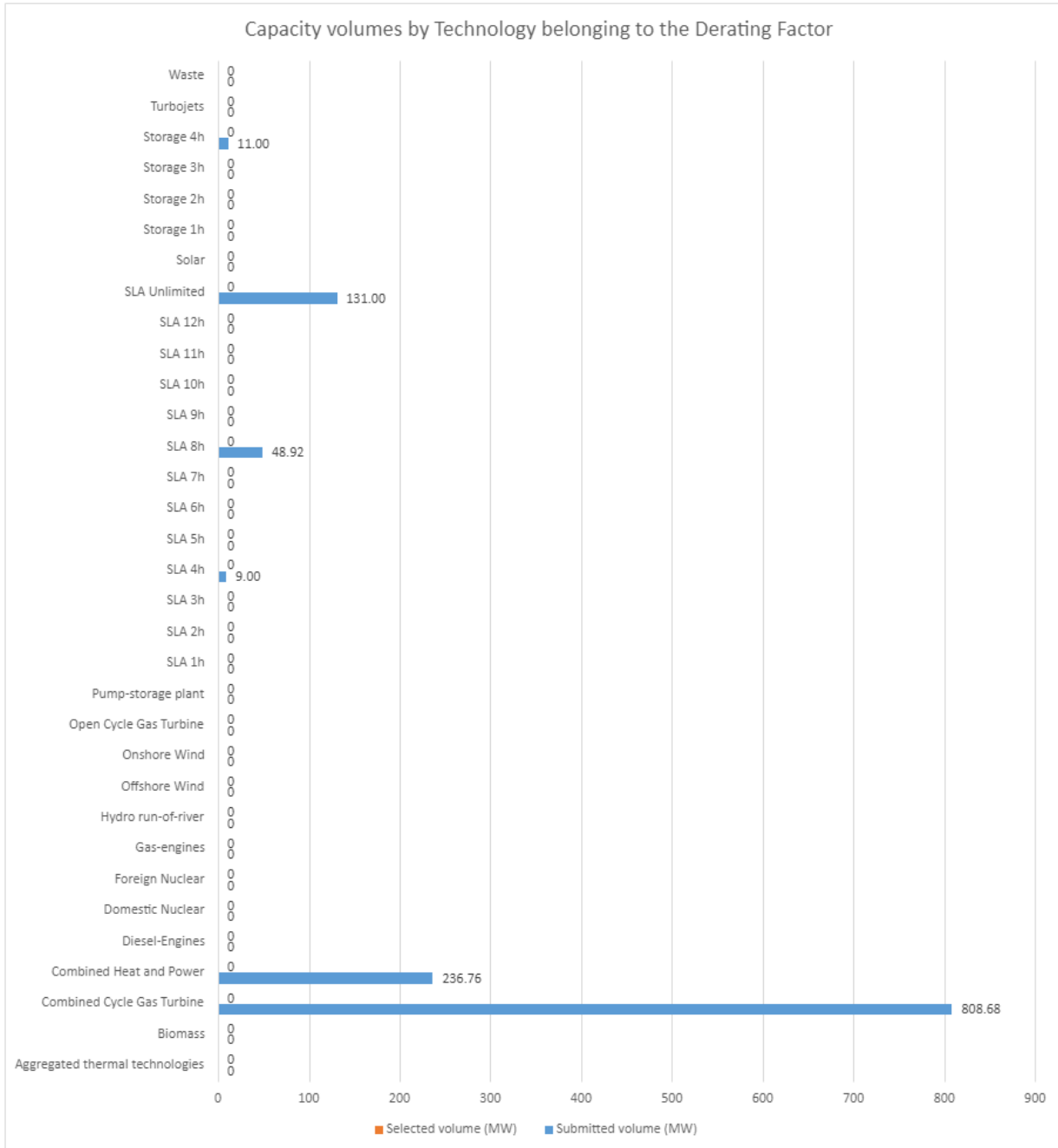
² Ministerial Decree of 30 March 2022 regarding the instruction to the system operator to organise the auction four years prior to the delivery period starting on 1 November 2026, the parameters needed to organise the aforementioned auction, the maximum volume of capacity that can be contracted with all holders of unproven capacity and the minimum volume to be reserved for the auction to be organised one year prior to the delivery period, in accordance with Article 7undecies, § 6, first paragraph of the Law of 29 April 1999 on the organisation of the electricity market.

³ Royal Decree of 28 April 2021 establishing the parameters used to determine the volume of capacity to be procured, including their calculation method, and the other parameters necessary for the organisation of the auctions, as well as the method and conditions for obtaining individual derogations from the application of the intermediate price cap(s) under the capacity remuneration mechanism.



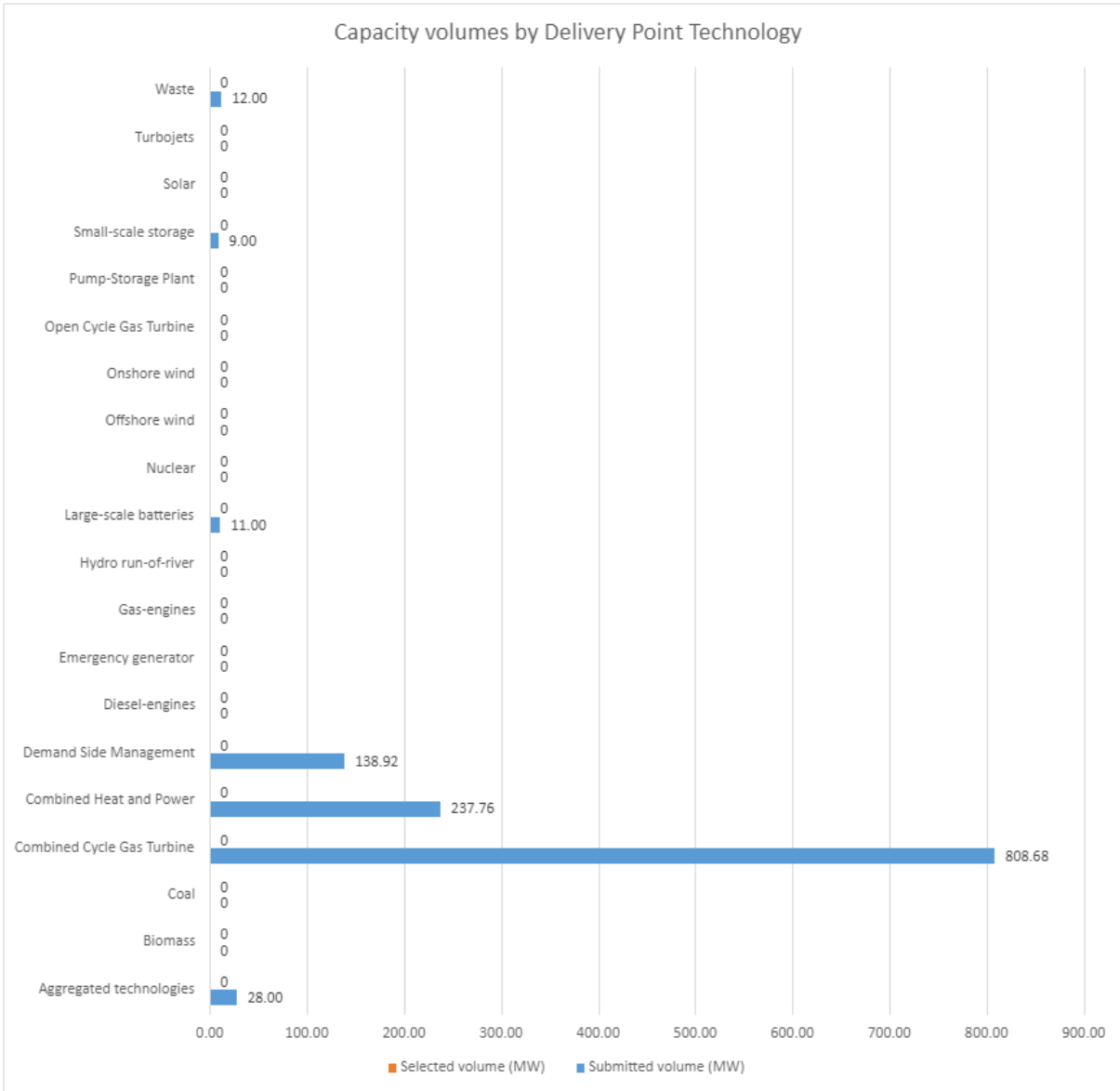
3.2.3.1 Capacity volumes by technology – Derating factor

Capacities of different technologies, belonging to various derating factors, have participated in the Auction: Combined Cycle Gas Turbine (64.9%), Combined Heat and Power (19%), SLA Unlimited (10.5%), SLA 8h (3.9%), Storage 4h (0.9%) and SLA 4h (0.7%).



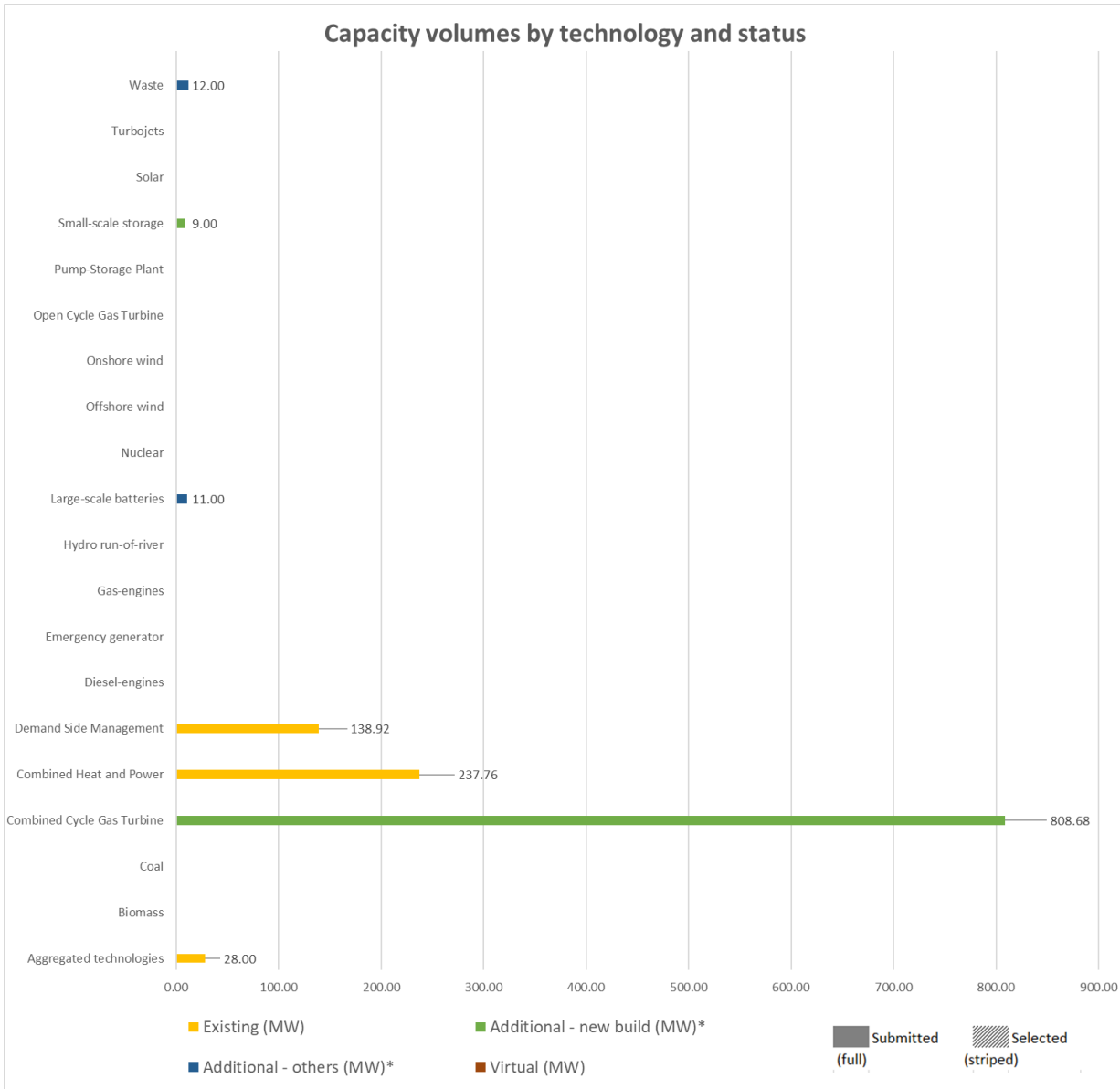
3.2.3.2 Capacity volumes by delivery point technology

Capacities of various technologies have participated in the Auction: Combined Cycle Gas Turbine (64.9%), Combined Heat and Power (19.1%), Demand Side Management (11.2%), Aggregated technologies (2.2%), Waste (1%), Large-scale batteries (0.9%) and Small-scale storage (0.7%).



3.2.4 Capacity volumes by technology & status

The submitted and selected capacity volumes (in MW) are split below by both the technology (of the delivery point) and the status of the capacities.

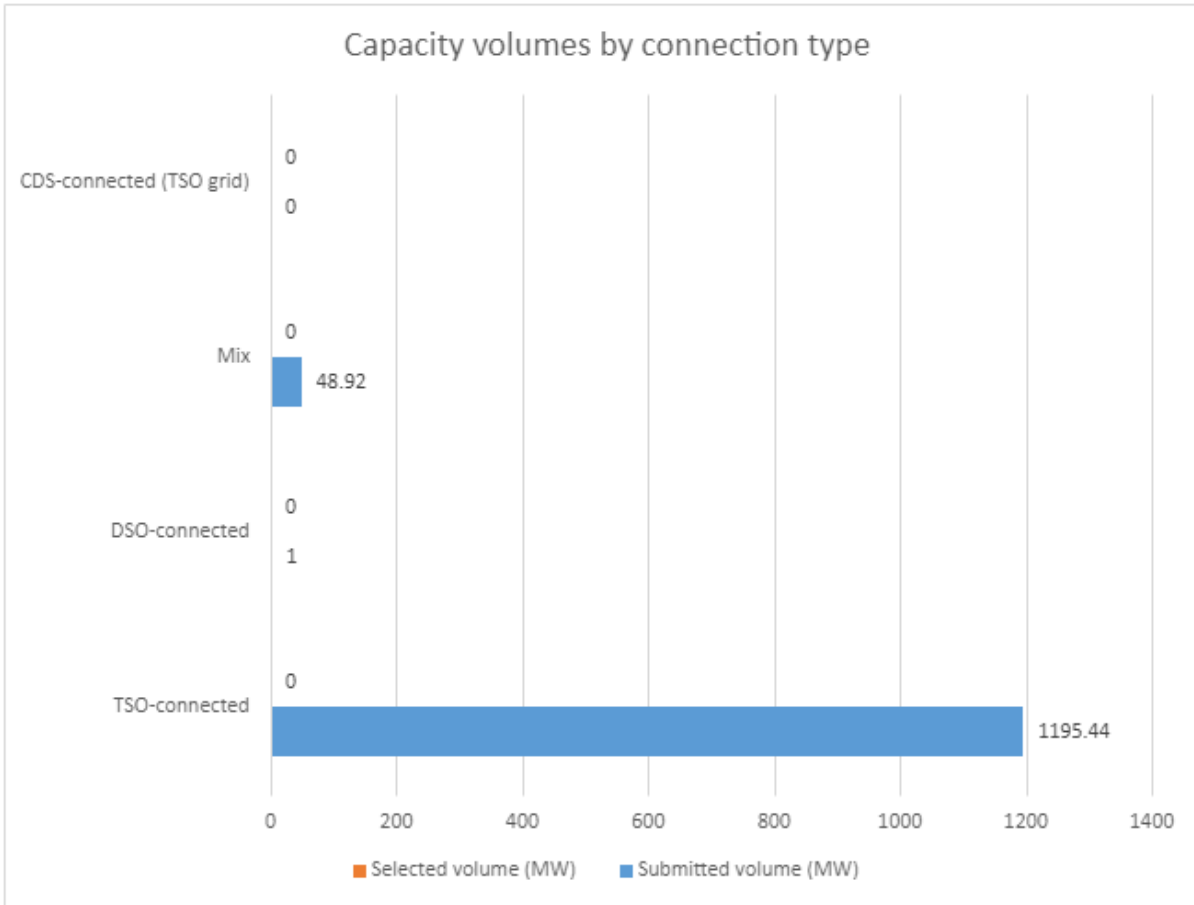


*Note that the total volume of additional capacity is determined by the sum of the categories "Additional - new build" and "Additional - other". The category "Additional – new build" consists of the additional capacities for which a formal commitment concerning the renunciation of the usage of the connection capacity has been made in accordance with §83 of the Functioning Rules. The category "Additional - other" contains, for example, capacities for which adjustments to the metering installation are necessary or to which a (limited) expansion of the capacity applies, but without affecting the connection capacity.



3.2.5 Capacity volumes by connection type

The submitted and selected capacity volumes (in MW) are split below by connection type, as referred in §§980 and 984 of the Functioning Rules.



3.3 Opt-out volume summary

The total notified Opt-out volume for the Y-4 Auction for the 2026 - 2027 Delivery Period is, as referred in § 974 of the Functioning Rules, broken down below into volumes that contribute to security of supply (category "IN") and volumes that do not contribute to security of supply (category "OUT"). **73.77 %** and **26.23 %** of the total notified Opt-out volume are classified as "IN" and "OUT" respectively.

Note that the table below does not include opt-out volumes for nuclear units in Belgium as they are considered as non-eligible volumes in the determination of the demand curve for a derated amount of 1662 MW, cf. the ministerial decree of 30/03/2022. In the prequalification process those units have been fully opted-out "OUT" by the CRM candidate. For the remaining nuclear capacity in Belgium, the total derated opt-out volume amounts to 2883.28 MW and is considered as "OUT".

	Opt-out volumes 'IN'	Opt-out volumes 'OUT'			
	Total	Notification of definitive closure/structural reduction of capacity (Article 4bis of the Electricity Act)	Additional generation capacity with 'full opt-out' and without production license and/or connection contract*	Non-fixed capacity as part of a connection with flexible access	Conditional opt-out**
Opt-out volumes (MW)	6616.53	528.56	1823.51	0	0
% of total opt-out volume	73.77%	5.89%	20.33%	0.0%	0.0%

*This category also includes full opt-outs related to *new build* (cf. category "Additional - new build" as described above) capacities.

** This category also includes conditional partial opt-outs related to *new build* (cf. category "Additional - new build" as described above) capacities, if these are considered "OUT" following the outcome of the Auction clearing.



3.4 Determination of the demand curve

In accordance with section 6.3.1 of the Functioning Rules, ELIA determined, based on the information gathered during the prequalification procedure and during the auction *clearing*, the dummy bids that correct the volume to be purchased in the Auction.

Dummy bids determined prior to clearing of the auction, based on information gathered during the prequalification process, as referred in § 976 of the Functioning Rules:

- The **dummy bid** referred to in § 280 of the Functioning Rules, which corrects the volume to be purchased in the auction for the capacities that do not participate in the auction but are deemed to contribute to security of supply. This volume amounts to a total of **6681.79 MW** and contains the following elements.
 - o The opt-out volume "IN" as shown in section 3.3 above, which amounts to **6616.53 MW**. This volume consists of **1834.95 MW** of Fast-track volume, **4705.17 MW** of Opt-out IN volumes of CMU's that followed the Standard process, and the opt-out volumes of New build CMU's that have already been contracted (**76.41 MW**).
 - o The eligible volume that didn't participate (**31.20 MW**) and the eligible volume that was rejected during the prequalification process (**25.01 MW**).
 - o Finally, the instruction of the Minister did not take into account the results of the rerun, of the Y-4 Auction for the delivery period of 2025 - 2026, in the determination of the demand curve. Therefore, an additional correction is made of **9.05 MW**.
- The total volume of **conditional dummy bids** referred to in § 281 of the Functioning Rules, which depending on clearing of the auction is deemed to contribute to security of supply or not, amounts to **0 MW**.
- The **reversed dummy bid** referred to in § 282 of the Functioning Rules, resulting in an upward volume shift of the demand curve, which corrects the volume to be purchased in the auction for successfully prequalified capacities that were deemed non-eligible during the demand curve calibration, amounts to **225.77 MW**.
 - o This volume consists on the one hand, of **39.99 MW** coming from a total of **1** CHP CMU which, as estimated by the Federal Public Service Economy during the determination of the demand curve, are eligible for subsidies during the supply period covered by the auction but which have nevertheless registered as eligible capacity and have been successfully prequalified. On the other hand, the volume consists of **185.78 MW** coming from successfully prequalified CHP, Biomass, Waste and On-shore wind capacities for which no estimation has been made by the FPS Economy and which were also considered non-eligible during the calibration of the demand curve.
 - o Split by technology, the volume is made up of **103.14 MW** CHP, **14.95 MW** Biomass, **56.58 MW** Waste and **11.11 MW** Onshore wind capacity.

The reversed dummy bid was not adjusted during the clearing of the auction (cf. § 286 of the Functioning Rules) because the volume to be auctioned was already 0 and it would be inconsequential to the results of the auction.



3.5 Individual information on the selected Capacity Market Units

As referred in §977 of the Functioning Rules, the auction report should include information on the individual selected Bids in the Auction. However, no new Capacity Market Units have been selected for this auction.

The table below shows the capacities already contracted - on a multi-year basis - in last year's Auction (October 2021) for the delivery period 2026-2027.

Prequalified CRM Candidate	CMU ID	Derating factor	Technology of delivery point	Status of the CMU	Capacity Contract Duration (in years)	Contracted Capacity (in MW)
ArcelorMittal Belgium	CMU-36kwQ	SLA No Limit	Combined Cycle Gas Turbine	Additional - new build	15	6
Centrica Business Solutions Belgium	CMU-349dt	SLA 1h	Small scale storage	Additional - new build	8	2.64
Electrabel	CMU-2wq8W	Combined Cycle Gas Turbine	Combined Cycle Gas Turbine	Additional - new build	15	528.71
Electrabel	CMU-2wsfO	Combined Cycle Gas Turbine	Combined Cycle Gas Turbine	Additional - new build	15	276.64
Luminus	CMU-31D4O	Combined Cycle Gas Turbine	Combined Cycle Gas Turbine	Additional - new build	15	533.74
Luminus	CMU-31Dt2	Combined Cycle Gas Turbine	Combined Cycle Gas Turbine	Additional - new build	15	271.56
Nala Renewables Belgium BV	CMU-36LFD	SLA 4h	Small scale storage	Additional - new build	15	8
Ruien Energy Storage	CMU-2xDYX	Energy-limited 4h	Large-scale batteries	Additional - new build	15	5.28
Storm 67	CMU-36KCI	Energy-limited 4h	Large-scale batteries	Additional - new build	15	25.2

The table below shows the capacities selected during this year's Auction (October 2022) for the delivery period 2026-2027.

As no capacities have been selected in this Y-4 Auction, the table below is empty.

Prequalified CRM Candidate	CMU ID	Derating factor	Technology of delivery point	Status of the CMU	Capacity Contract Duration (in years)	Contracted Capacity (in MW)
/	/	/	/	/	/	/