

30 OCTOBER 2023

# CRM AUCTION REPORT

Y-4 Auction for the 2027-2028 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.

### 1.2 No warranties & liability

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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 <sup>1</sup> (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.

### 1.4 Intellectual property rights

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<sup>1</sup> 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 2023 latest, the results of the Y-4 Auction for the 2027 – 2028 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 2027-2028 Delivery Period

The following table presents the most important price and volume results of the Y-4 Auction for the 2027-2028 Delivery Period organized in October 2023. The Bid volume weighted average Bid Price of the retained Bids is equal to **36.372,88 €**/MW/year. The highest Bid Price of the retained Bids, as referred in § 1026 of the Functioning Rules, is equal to **69.900,00 €**/MW/year.

Given the "pay-as-bid" clearing algorithm in the auction, each retained CMU will receive its own Bid Price as a Capacity Remuneration.

The total amount of capacity (in derated MW) selected in the Auction amounts to **1.576,29 MW**, spread over **22** selected Capacity Market Units.

<b>Auction and Delivery Period</b>	Y-4 Auction organized in October 2023, for 2027-2028 Delivery Period
<b>Weighted average Bid Price (in EUR/MW/year)</b>	36.372,88
<b>Highest Bid Price (in EUR/MW/year)</b>	69.900,00
<b>Total selected capacity (in MW)</b>	1576,29*
<b>Number of selected Capacity Market Units (CMUs)</b>	22

\*Note that this capacity, as well as all other 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

The table below, as referred in §§ 1022 and 1025 of the Functioning Rules, provides further insight into the submitted Bids, as well as the selected Bids. The Bid volume weighted average Bid Price for the submitted and selected Bids not subject to the Intermediate Price Cap amounts to **53.402,82** €/MW/year. For the submitted and selected Bids subject to the Intermediate Price Cap, the Bid volume weighted average Bid Price is **25.825,13** €/MW/year.

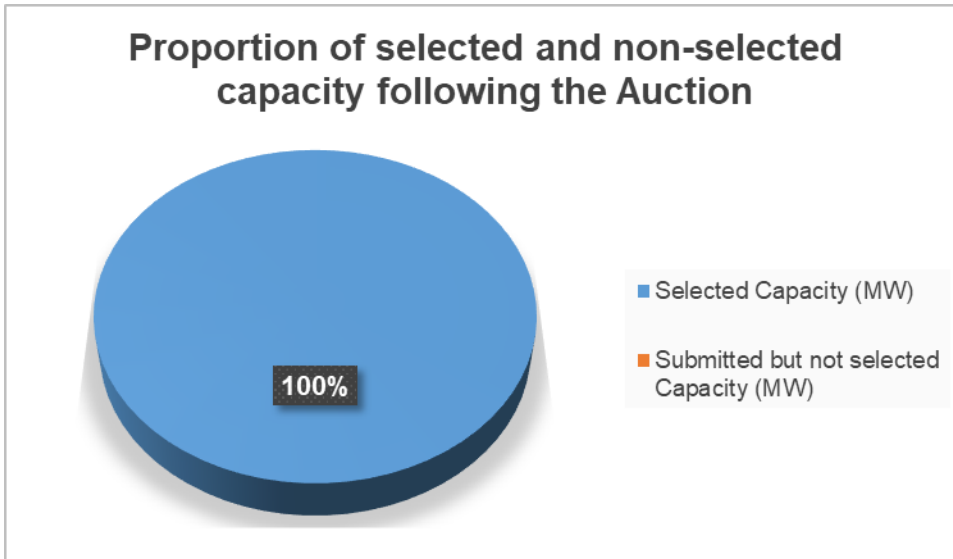
In total, **13** Prequalified CRM Candidates submitted at least one Bid for a total of **22** different CMUs. Of these, **22** CMUs were ultimately selected, representing **13** unique Prequalified CRM Candidates.

		Submitted Bids	Selected Bids
Bid volume weighted average Bid Price (EUR/MW/year)	Subject to Intermediate Price Cap	25.825,13	25.825,13
	Not subject to Intermediate Price Cap	53.402,82	53.402,82
Average capacity volume (MW)		60,63	60,63
Number of Bids	Total	26	26
	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		22	22
Total number of Unique Prequalified CRM Candidates		13	13



### 3.2 Volume statistics of the submitted and selected capacities

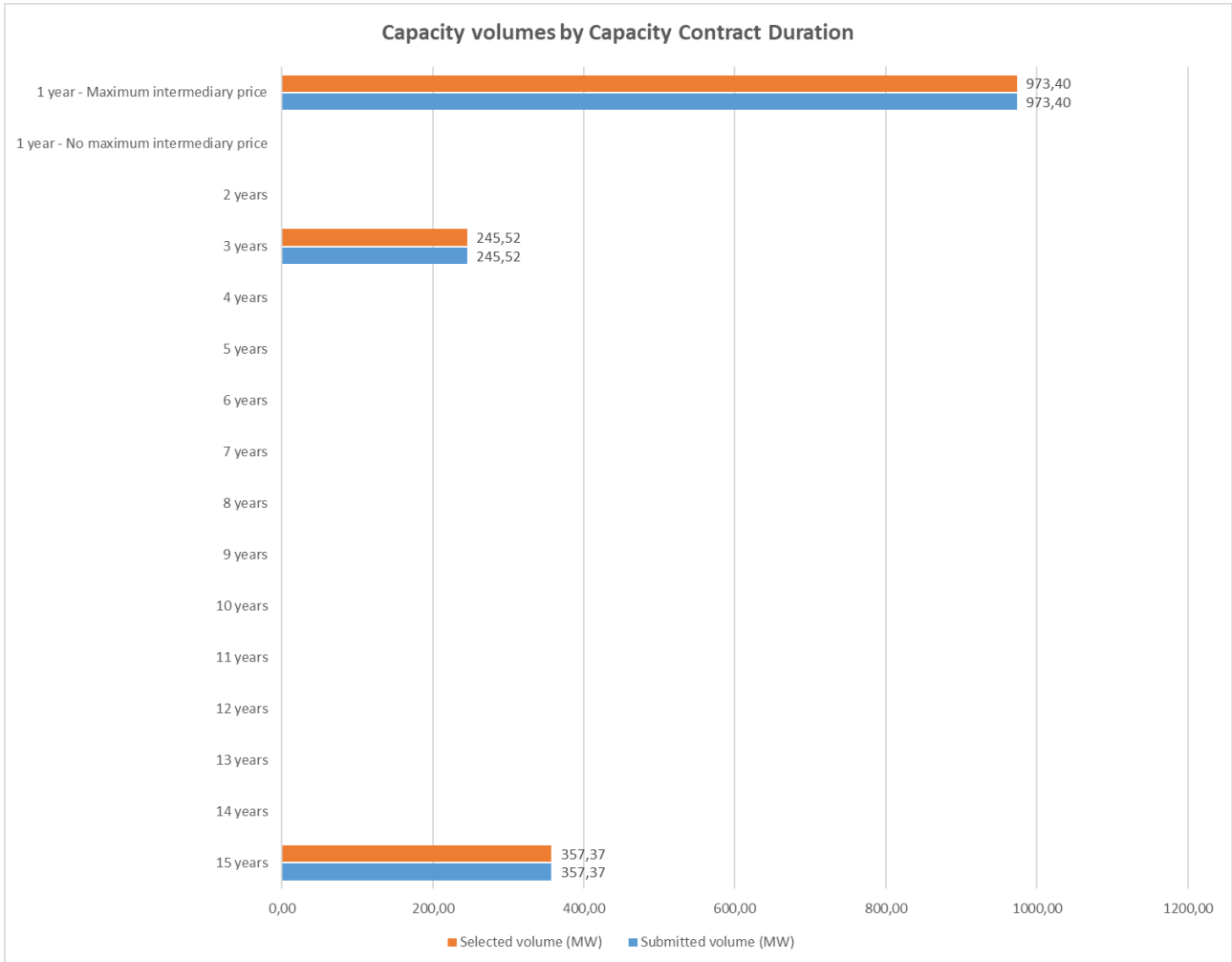
The graph below shows the ratio of selected to non-selected capacities (in MW).





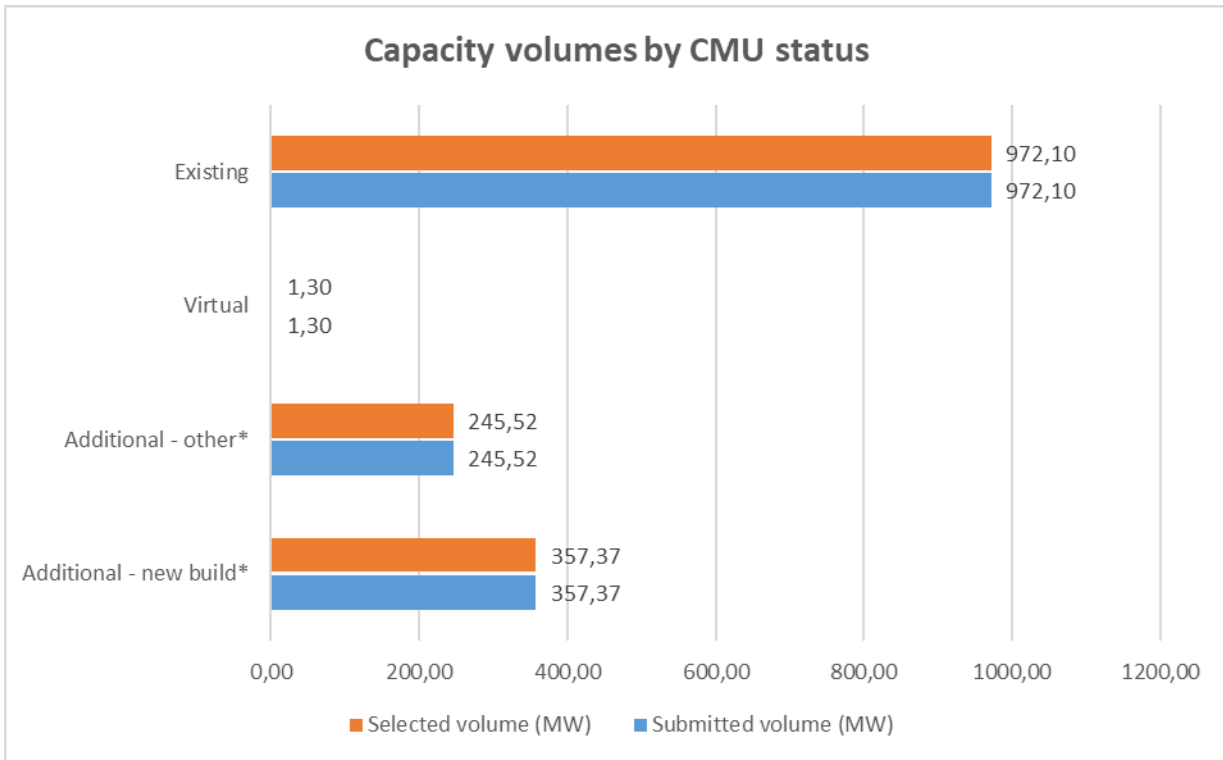
### 3.2.1 Capacity volumes by Capacity Contract Duration

The submitted and selected capacity volumes (in MW) are split below according to the Capacity Contract Duration, as envisaged in §§ 1023 and 1027 of the Functioning Rules. Capacities with a **15-year** Capacity Contract represented **22,67 %** of the capacities participating in the Auction. Capacities with a **3-year** Capacity Contract represented **15,58 %** of the capacities participating 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 §§ 1023 and 1027 of the Functioning Rules. **Additional - new build** capacities accounted for **22,67%** of the submitted volume.



\*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 §§ 1023 and 1027 of the Functioning Rules.

The graphs below show respectively:

- a breakdown based on the **Derating Factors laid down in the Ministerial Decree regarding the instruction for the organisation of the Auction**<sup>2</sup> 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**<sup>3</sup> 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.

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<sup>2</sup> Ministerial Decree of 31 March 2023 regarding the instruction to the system operator to organise the auction four years prior to the delivery period starting on 1 November 2027, 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.

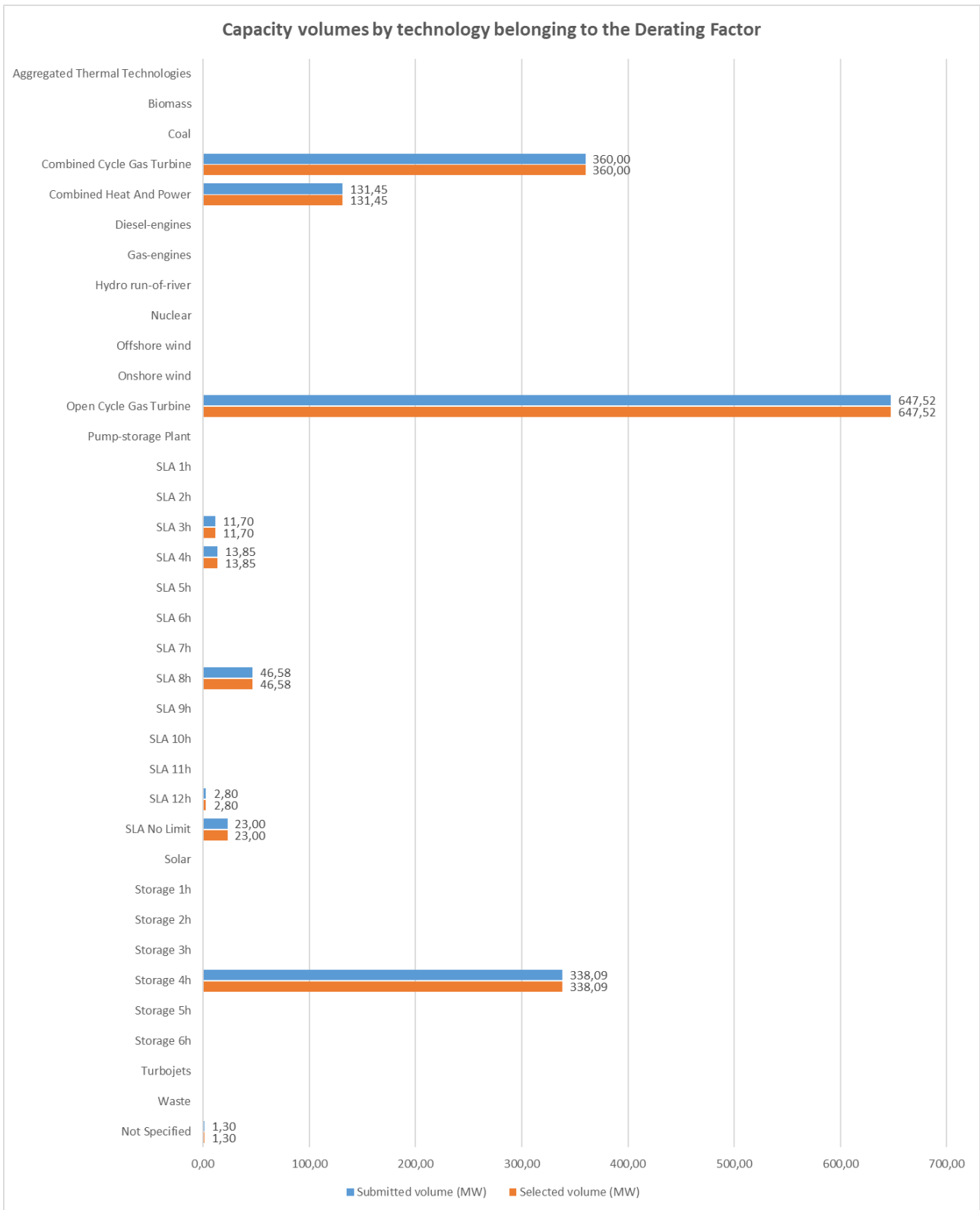
<sup>3</sup> Royal Decree of 28 April 2021 establishing the parameters used to determine the volume of capacity to be procured, including their calculation method, and the other parameters necessary for the organisation of the auctions, as well as the method and conditions for obtaining individual derogations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



### 3.2.3.1 Capacity volumes by technology – Derating Factor

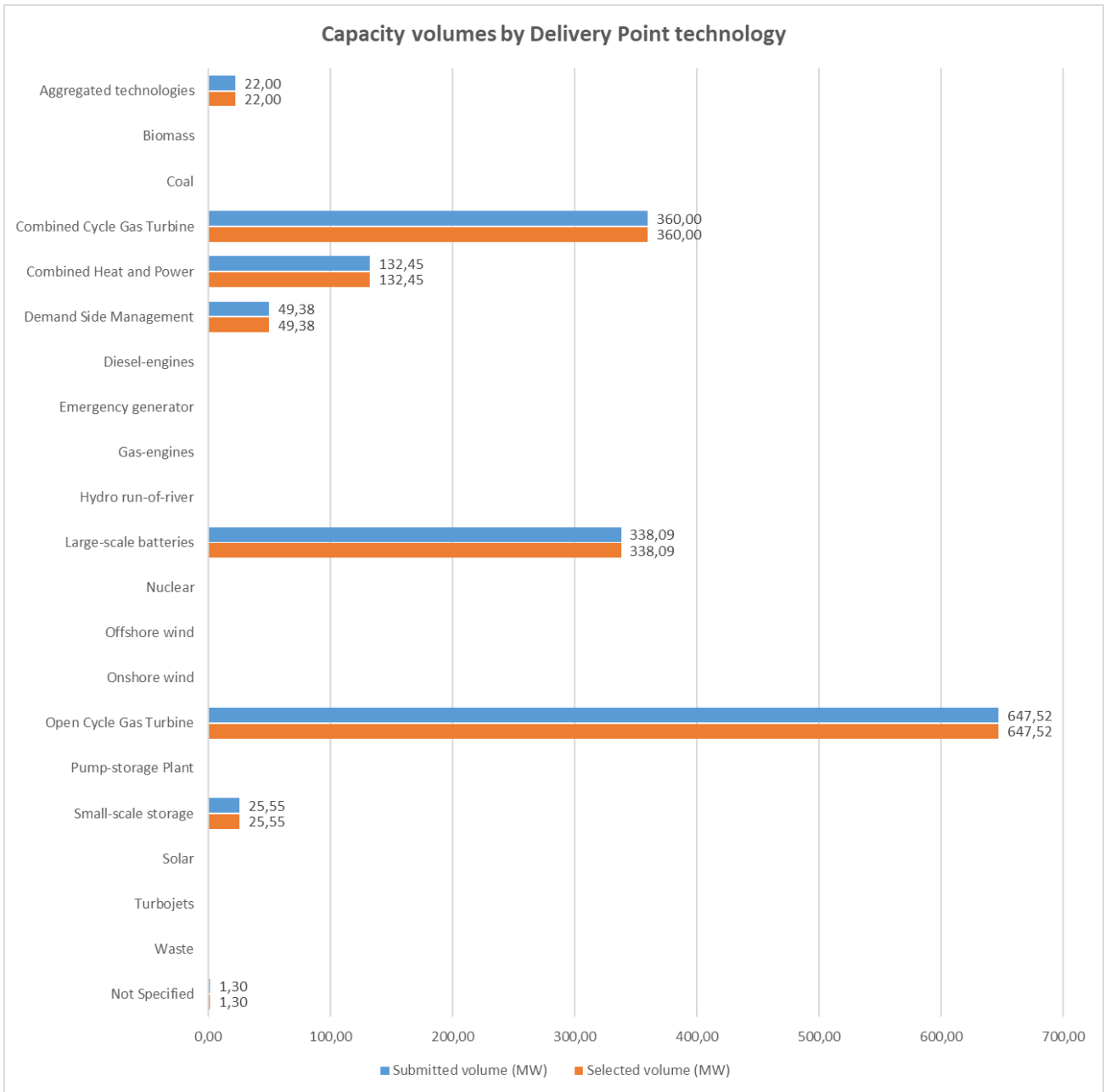
Capacities of different technologies, belonging to various Derating Factors, have participated in the Auction: Open Cycle Gas Turbine (**41,08%**), Combined Cycle Gas Turbine (**22,84%**), Storage 4h (**21,45%**), Combined Heat and Power (**8,34%**), SLA 8h (**2,96%**), SLA No Limits (**1,46%**), SLA 4h (**0,88%**), SLA 3h (**0,74%**), SLA 12h (**0,18%**) and Not Specified (**0,08%**).





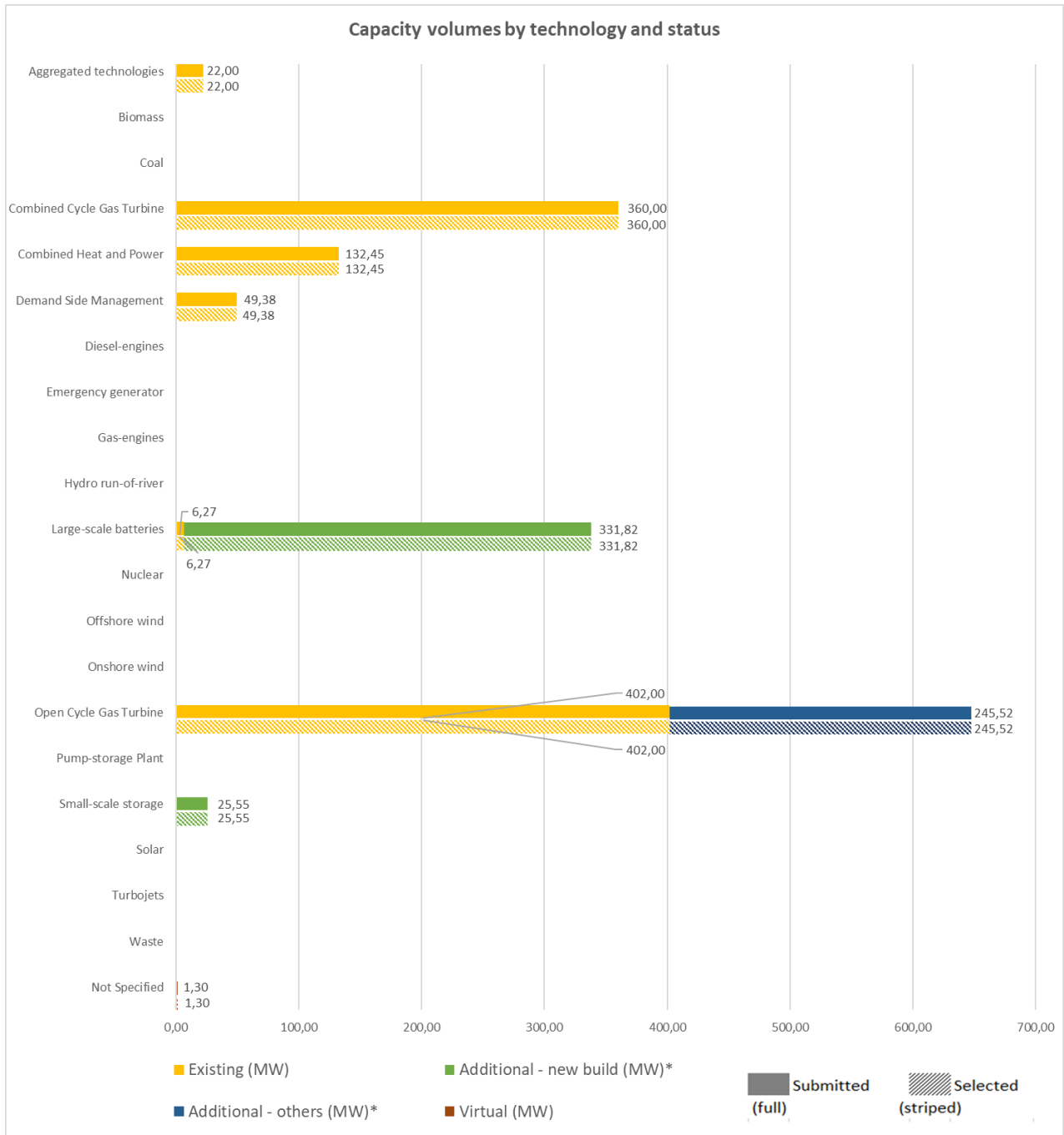
### 3.2.3.2 Capacity volumes by Delivery Point technology

Capacities of various technologies have participated in the Auction: Open Cycle Gas Turbine (**41,08%**), Combined Cycle Gas Turbine (**22,84%**), Large-scale batteries (**21,45%**), Combined Heat and Power (**8,40%**), Demand Side Management (**3,13%**), Small-scale storage (**1,62%**), Aggregated technologies (**1,40%**), and Not Specified (**0,08%**).



### 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 § 93 of the Functioning Rules.

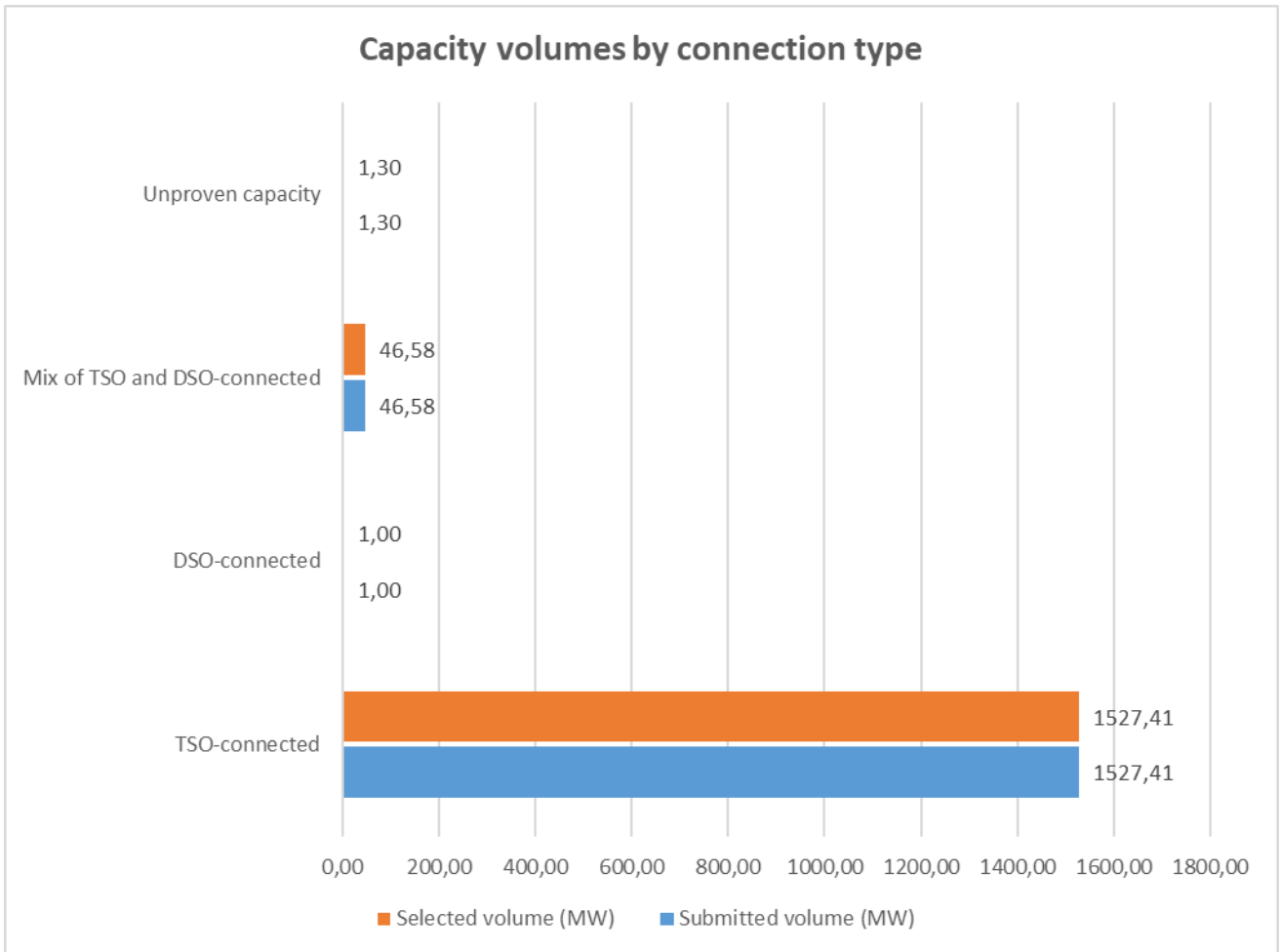
The category "Additional - other" contains, for example, capacities for which adjustments to the metering installation are necessary or to which a (limited) expansion of the capacity applies, but without affecting the connection capacity.





### 3.2.5 Capacity volumes by connection type

The submitted and selected capacity volumes (in MW) are split below by connection type, as referred in §§ 1023 and 1027 of the Functioning Rules.



### 3.3 Opt-out volume summary

The total notified Opt-out volume for the Y-4 Auction for the 2027 - 2028 Delivery Period is, as referred in § 1017 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"). **69,94 %** and **30,06 %** 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. The total derated Opt-out Volume for nuclear units in Belgium amounts to **1518,02 MW** and is considered as "OUT". The nuclear plants for which the lifetime was extended are included in the non-eligible volume and amount to **1661,60 MW**.

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	Demand-Side Management that submitted an opt-out notification	Conditional opt-out**
<b>Opt-out volumes (MW)</b>	5507,50	528,08	1601,10	0	237,67	0
<b>% of total opt-out volume</b>	69,94%	6,71%	20,33%	0%	3,02%	0%

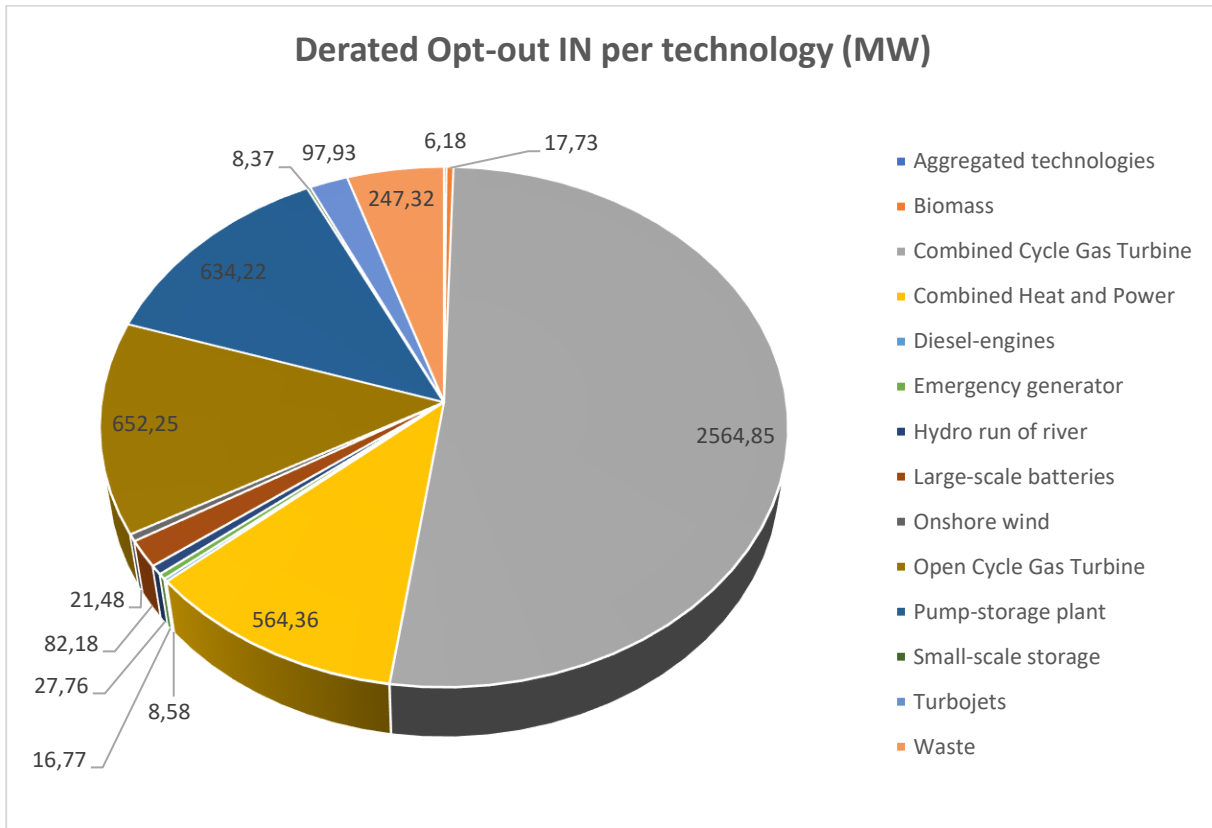
\*This category also includes full Opt-outs related to *new build* (cf. category "Additional - new build" as described above) capacities.

\*\* 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.



### 3.3.1 Opt-out IN volume per technology

The submitted Opt-out notifications (standard and fast-track) are split below by technology as referred in §§ 1017 of the Functioning Rules. Capacities of various technologies have submitted an Opt-out notification: Combined Cycle Gas Turbine (**2564,85 MW**), Open Cycle Gas Turbine (**652,25 MW**), Pump-storage plant (**634,22 MW**), Combined Heat and Power (**564,36 MW**), Waste (**247,32 MW**), Turbojets (**97,93 MW**), Large-scale batteries (**82,18 MW**), Hydro run of river (**27,76 MW**), Onshore wind (**21,48 MW**), Biomass (**17,73 MW**), Emergency generator (**16,77 MW**), Diesel-engines (**8,58 MW**), Small-scale storage (**8,37 MW**) and Aggregated technologies (**6,18 MW**).



### 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 corrections to the Demand Curve that correct the volume to be purchased in the Auction.

The corrections to the Demand Curve are determined prior to the clearing of the Auction, based on information gathered during the Prequalification Process, as referred in § 1019 of the Functioning Rules:

- The **downward volume correction** referred to in § 292 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, equal to the Opt-out volume "IN" as shown in section 3.3 above, amounts to **5.494,32 MW**.
  - o This volume consists of Fast-track volumes (**2.372,05 MW**), of Opt-out IN volumes of CMU's that followed the Standard process (**2.564,75 MW**), of eligible volumes that didn't participate (**95,58 MW**), of a correction for improved Derating Factors of already contracted CMU's that are energy constraint (**27,15 MW**), a correction for rejected and archived CMU's (**429,95 MW**), and a correction for existing capacities that have not submitted a Prequalification file (**4,84 MW**).
- The total volume of **conditional volume correction** referred to in § 299 of the Functioning Rules, which depending on the *clearing* of the auction is deemed to contribute to security of supply or not, amounts to **13,18 MW**.
- The **upward volume correction** referred to in § 293 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 **621,72 MW**.
  - o This volume consists on the one hand, of **381,11 MW** coming from a total of **17** CHP, Biomass and Waste CMUs 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 **240,61 MW** coming from successfully prequalified CHP, Biomass, Waste and Onshore 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 **432,37 MW** CHP, **54,93 MW** Biomass, **112,94 MW** Waste and **21,48 MW** Onshore wind capacity.

There was no adjustment done during the *clearing* of the auction because the non-selection of successfully prequalified capacities that were considered non-eligible during the calibration of the Demand Curve totaled less than **20,00 MW** (cf. § 297 of the Functioning Rules).



### 3.5 Individual information on the selected Capacity Market Units

As referred in §1020 of the Functioning Rules, the auction report should include information on the individual selected Bids in the Auction.

The table below shows the capacities already contracted - on a multi-year basis - in previous Auctions for the Delivery Period 2027-2028.

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	6,00
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	8,00
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	25.20

The table below shows the capacities selected during this year's Auction (October 2023) for the Delivery Period 2027-2028.

Note: batteries with multi-year contracts can submit a degradation factor, meaning that their contracted volume decreases over the years.

Prequalified CRM Candidate	CMU ID	Derating factor	Technology of delivery point	Status of the CMU	Link with other Bids ("Linked Bids")	Capacity Contract Duration (in years)	Maximum volume submitted for CMU in the Auction (in MW)	Selected volume of the Bid (in MW)
Aspiravi	CMU-7FJJ0	SLA 4h	Small-scale storage	Additional - new build		15	13,85	13,85
Centrica Business Solutions Belgium	CMU-7DbIG	SLA 8h	Demand Side Management	Existing		1	46,58	46,58
Electrabel	CMU-7DZws	Open Cycle Gas Turbine	Open Cycle Gas Turbine	Additional - other		3	245,52	245,52

Electrabel	CMU-7DZmJ	Storage 4h	Large-scale batteries	Additional - new build		15	55,51	55,51
Electrabel	CMU-7DZoD	Storage 4h	Large-scale batteries	Additional - new build		15	55,51	55,51
Flexcity Belgium	CMU-7NITn	SLA 12h	Demand Side Management	Existing		1	2,80	2,80
Flexcity Belgium	CMU-2znKH	SLA No Limit	Combined Heat And Power & Demand Side Management	Existing		1	22,00	22,00
Flexcity Belgium	CMU-5CtNc	SLA No Limit	Combined Heat And Power	Existing		1	1,00	1,00
INEOS Oxide Utilities	CMU-34XPB	Combined Heat And Power	Combined Heat And Power	Existing	1	1	45,87	45,87
INEOS Oxide Utilities	CMU-34aIW	Combined Heat And Power	Combined Heat And Power	Existing	1	1	42,73	42,73
INEOS Oxide Utilities	CMU-34alb	Combined Heat And Power	Combined Heat And Power	Existing	1	1	42,85	42,85
Innotech	CMU-7MDUd	Storage 4h	Large-scale batteries	Additional - new build		15	40,80	40,80
Luminus	CMU-30fMX	Open Cycle Gas Turbine	Open Cycle Gas Turbine	Existing		1	145,00	145,00
Luminus	CMU-30fXY	Open Cycle Gas Turbine	Open Cycle Gas Turbine	Existing		1	145,00	145,00
Luminus	CMU-30e03	Open Cycle Gas Turbine	Open Cycle Gas Turbine	Existing		1	59,00	59,00
Luminus	CMU-30eSQ	Open Cycle Gas Turbine	Open Cycle Gas Turbine	Existing		1	53,00	53,00
Ruien Energy Storage	CMU-2xDYX	Storage 4h	Large-scale batteries	Existing		1	6,27	6,27
Storm 90	CMU-5EGKD	Storage 4h	Large-scale batteries	Additional - new build		15	60,00	60,00
Storm 91	CMU-5EHX1	Storage 4h	Large-scale batteries	Additional - new build		15	120,00	120,00
Total Renewables SASU	CMU-7K9ly	SLA 3h	Small-scale storage	Additional - new build		15	3,00	3,00
Total Renewables SASU	CMU-7K9ly	SLA 3h	Small-scale storage	Additional - new build		15	2,00	2,00
Total Renewables SASU	CMU-7K9ly	SLA 3h	Small-scale storage	Additional - new build		15	3,70	3,70
Total Renewables SASU	CMU-7K9ly	SLA 3h	Small-scale storage	Additional - new build		15	1,00	1,00
Total Renewables SASU	CMU-7K9ly	SLA 3h	Small-scale storage	Additional - new build		15	2,00	2,00
Zandvliet Power	CMU-2zjll	Combined Cycle Gas Turbine	Combined Cycle Gas Turbine	Existing		1	360,00	360,00
Zenobe Farbrook	VCMU-7K920	Not Specified	Not Specified	Virtual		1	1,30	1,30