ELIA SYSTEM OPERATOR

PROCEDURE FOR THE CONSTITUTION OF STRATEGIC RESERVE

Applicable as of 15 February 2016 for the tendering of strategic reserve for the Winter Period 2016-2017

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

Contents

1 Definitions

Access Contract	The contract (or equivalent) concluded between ELIA (resp. DSO) and the ELIA Grid (resp. Distribution Grid) access holder (in accordance with the applicable Grid Code) which specifies the conditions governing the granting of access to the ELIA Grid (resp. Distribution Grid) for the Access Point.
Access Point	An Injection and/or Offtake Point to the ELIA or Distribution Grid as defined in the corresponding Access Contract[1].
Admission	An SDR and/or SGR Candidate must pass an Admission procedure in order to participate in the Call for Tender; they can only take part in the Admission procedure if they send an application file during the Call for Candidates. ELIA will check whether the application file satisfies certain conditions and will grant Admission if it does so. Only offers submitted by SDR and/or SGR Candidates that have passed the Admission procedure will be accepted in the Call for Tender.
ARP ('Access Responsible Party')	Any natural person or legal entity listed in the register of Access Responsible Parties in accordance with the Grid Code for transmission and as defined in the Access Contract[1]. Sometimes also referred to in the Grid Codes for distribution, local and regional transmission with the term 'balance responsible party'.
ARP Contract	The contract concluded between ELIA and an ARP in accordance with Articles 150 and 151 et seq. of the Grid Code for transmission.
Black Start	The service as defined in Art. 261 of the Grid Code for transmission.
Candidate SGR Power Plant	A combination of (or a single) Production Unit(s), that include(s) one or more generators for generating electricity, able to generate electricity independently of other existing Production Units or Power Plants in the market, and offered in the SGR Candidate's final offer for providing the SGR Service.
Call for Tender	Period during which all SDR and SGR Candidates that have passed the Admission procedure can submit offers, taking into account the results of the Certification of SGR Power Plants and the Certification of SDR Reference Power, the SGR and/or SDR Contract and bidding instructions.
Call for Candidates	First phase of the strategic reserve tendering procedure, during which all interested parties, can declare their interest in participating in the Call for Tender by submitting an application file.
CDS Access Point	The Access Point to a Closed Distribution System User's Closed Distribution System as defined in the Access Contract.
CDS (Closed Distribution System)	Closed Distribution System (or the closed industrial system or closed professional system) as defined in the Access Contract.
CDS Operator	A natural or legal person appointed by the relevant authority as the operator of the Closed Distribution System as defined in the Access Contract.
Certification of SDR Reference Power	Process of defining a maximum SDR Reference Power for a submitted (combination of) Delivery Point(s).
Certification of SGR Power Plant	Process whereby the Candidate SGR Power Plants that comply with one of the criteria set out in Art. 7 quinquies §2 (2°, 3° and 4°) of the Electricity Law, are certified to deliver SGR.

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

Checklist of Submeter Technical Information	Template document compiled by ELIA which SDR Suppliers must complete with technical information about their Submetering facility/facilities. This document is also used to demonstrate that the minimum technical requirements established by ELIA for the Submetering facility/facilities are fulfilled.
CIPU Contract	Contract for the Coordination of the Injection of the Production Units, as defined in the Grid Code for transmission.
Contract Notice	A notice published on the Tenders Electronic Daily website (http://ted.europa.eu/) inviting all parties to declare their interest in participating in the Call for Tender.
Control Area	The area for which ELIA has been designated transmission system operator in accordance with the Electricity Law of 29 April 1999.
Configuration	The composition used by a (Candidate) SGR Power Plant, consisting of one or more Production Units in a certain relationship, to generate power.
CREG	The federal regulating body of gas and electricity markets in Belgium.
Data Logger	A device that collects/records the meter's pulse output so that it can be acquired by a metering data management system.
Delivery Point	Point on the electricity grid from which the SDR Service is delivered as defined in Section 4 "Delivery Points".
Demand Side Service of Primary Control ('R1_Load')	The reserve power made available to ELIA, consisting of an automated and local response to frequency deviations by temporarily altering the Offtake.
Delivery Test	Test activation **during** the run of the SDR or SGR Contract that tests the well-functioning of the SDR or SGR Service under the conditions as stipulated in the SDR or SGR Contract. Delivery Tests at the request of ELIA are remunerated. Delivery Tests at the request of the SDR or SGR Supplier are **not** remunerated.
Distribution Grid	The electricity distribution system for which the Distribution System Operator has proprietary rights or at least user or operating rights and for which it is the designated Distribution System Operator as licensed by the regional regulator or the competent regional authorities.
Distribution System Operator (DSO)	A natural personal or legal entity appointed by the designated regional regulator or regional authority. The DSO is responsible for operating, maintaining and, if necessary, developing the Distribution Grid in a certain zone and, where applicable, for its interconnectors with other systems. The DSO is also responsible for guaranteeing the Distribution Grid's ability to meet reasonable demands for electricity distribution in the long term.
Electricity Law	The law of 29 April 1999 regarding the organisation of the electricity market; the law is amended from time to time.
ELIA	ELIA System Operator, the operator of the ELIA Grid;
ELIA Grid	The electricity transport system for which ELIA has proprietary rights or at least user or operating rights including the local transmission grid in Flanders and the Walloon region and the local transmission grid in Brussels, for which ELIA is the designated grid operator.
Functioning Rules	A document that determines the Functioning Rules for strategic reserve in line with Article 7septies (1) and (2) of the Electricity Law.
General Terms & Conditions	The General Terms & Conditions governing strategic reserve when the SDR and/or SGR Contract is concluded.

Grid Code	Technical regulations for operating an electricity grid (transmission grid, local and regional transmission grid, Distribution Grid) and access thereto;
Headmetering	Quarter-hourly measurement of electrical energy associated with the Access Point as determined by ELIA or the DSO (for the Distribution Grid) by means of one or more meters installed by ELIA for the ELIA Grid and the DSO for the Distribution Gird (hereinafter referred to as "Headmeter(s)")
Interruptibility Service ('ICH')	A tertiary reserve power made available to ELIA by one or several grid users; ELIA can use this to temporarily reduce the Offtake.
Local Production	As defined in the CIPU Contract
Law of 26 March 2014	The law of 26 March 2014 amending the Electricity Law of 29 April 1999 concerning the organisation of the electricity market.
Minimum Total Offtake R1_Load	Term relating to the contract of Demand Side Service of Primary Control delivered by load, indicating the minimum amount of electricity Offtake under which the R1_Load supplier cannot guaranty the delivery of the service, as defined in the R1_Load contract.
Ministerial Decree	Decree issued by the federal minister responsible for Energy.
Offtake	Usage of active power [MW] at a physical location at a certain voltage level.
Production Unit	The alternator of a physical unit that generates or absorbs electricity (in case of pumping capabilities).
Procedure for the Constitution of Strategic Reserve	The present document, established by ELIA after consulting the grid users, Distribution System Operators, CREG and the Federal Public Service Energy in accordance with Article 7quinquies (1) of the Electricity Law.
Reservation Price	Reservation Price per MW and per hour requested by the Candidate to provide either the SGR Service with a given Power Plant in a given Configuration, or the SDR Service for a given offered combination of Delivery Points . The Reservation Price is only paid during the Winter Period. This reservation price may not contain any anticipated cost for activation, nor the reservation cost for any potential Black Start service.
SDR Candidate	A person, company or organisation that is interested in participating in the Call for Tender and submitting a final offer to supply strategic reserve by means of demand according to Article 7quinques (2) (1) of the Electricity Law.
SDR Contract	Contract between ELIA and the SDR Supplier for the supply of strategic reserve by means of demand as stipulated in Article 7quinquies (2) (1) of the Electricity Law.
SDR DROP-BY	SDR Service whereby, in the event of activation, the SDR Supplier pledges to reduce their Offtake by the contractually fixed amount of SDR Reference Power.
SDR DROP-TO	SDR Service whereby, in the event of activation, the SDR Supplier pledges to reduce their Offtake to the contractually fixed Total Shedding Limit SDR.
SDR Supplier	A person, company or organisation that has been awarded an SDR Contract in this tendering procedure.
SDR Service	Supply of strategic reserve by means of demand as foreseen in Article 7quinquies (2) (1) of the Electricity Law.
SDR Reference Power (Rref)	Reference value for the capacity (expressed in MW) made available to ELIA by the SDR Supplier on the total Offtake of their SDR Unit (pool of Delivery Point(s)).

SDR Unit	A set (aggregation) of electricity facilities comprising loads at Delivery Points able to reduce the Unit's total offtake (electricity consumption) by changing, stopping or slowing down an energy-consuming process of the loads at these Delivery Points without increasing generation of electrical energy.
SGR Candidate	A person, company or organisation that is interested in participating in the Call for Tender and submitting a final offer to supply strategic reserve with a given Candidate SGR Power Plant(s) according to Article 7 quinquies (2) (2, 3 and 4) of the Electricity Law.
SGR Contract	Contract between ELIA and the SGR Supplier for the supply of strategic reserve by means of SGR Power Plants as foreseen in Article 7 quinquies (2) (2, 3 and 4) of the Electricity Law.
SGR Power Plant	A combination of (or a single) Production Unit(s) that include(s) one or more generators for generating electricity, able to generate electricity independently of other existing Production Units or power plants in the market, and subject of an SGR Contract concluded between ELIA and the SGR Supplier.
SGR Supplier	A person, company or organisation that has been awarded an SGR Contract in this tendering procedure.
SGR Service	Supply of strategic reserve by means of SGR Power Plants as foreseen in Article 7 quinquies (2) (2, 3 and 4) of the Electricity Law.
Specifications	All of the documents comprising the contract, namely the Functioning Rules, the Procedure for Constitution, the SGR, SDR DROP-TO and SDR DROP-BY Contracts and the General Terms & Conditions.
Shedding Limit ('SL')	Level of power (expressed in MW) to which the Supplier of reserve has to go by lowering the net active power Offtake at his Delivery Point(s) (or Access Point(s) for ICH) in case of activation, if applicable. This comprises: * SL_{ICH}, valid for ICH Contracts; ** SL_{SDR}, valid for SDR Contracts in case of SDR DROP-TO.
Simulation Test	Test activation **before** the start of the SDR or SGR Contract where the SDR or SGR Supplier must demonstrate at a previously agreed time and date that they are able to fulfil the technical requirements stipulated in the SDR or SGR Contract. This test is **not** remunerated by ELIA. ELIA reserves the right to ask for a Simulation Test to be carried out if it deems it necessary to check the correct delivery of the service.
Submetering	Measurement of the electricity consumed by equipment or processes within an industrial site by means of one or more meters (hereinafter referred to as "Submeter(s)") situated downstream of the Headmeter(s)
Unsheddable Margin ('UM')	Minimum value of net active power Offtake that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point(s) concerned (or the SDR Unit to which it belongs). It is defined in case of SDR DROP-BY.
Winter Period	Period from 1 November to 31 March, as defined in Article (2) (51) of the Electricity Law.
Working Day	Any calendar day except for Saturday, Sunday and Belgian public holidays.

2 Background

2.1 Amended Electricity Law of 29 April 1999

The Law of 26 March 2014 amended the federal Electricity Law of 29 April 1999 concerning the organisation of the electricity market ('Electricity Law') by introducing a mechanism called 'strategic reserve' to ensure a sufficient level of security of supply during Winter Periods. The standard procedure and timeframes required to allow for the constitution of a strategic reserve are as follows:

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

Please note: The above paragraphs are only meant to provide an indicative overview of the deadlines for the Procedure for the Constitution of Strategic Reserve as set out in the Law of 26 March 2014.

2.2 Scope

The scope of this document is limited to strategic reserve and describes the tendering of strategic reserve organised in 2016 and prior to the Winter Period 2016-2017.

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

3 Strategic Reserve

3.1 Tendering schedule for 2016

The important dates for the tendering are listed below:

When	What	Who
15/01/2016	The Minister **instructs** ELIA to launch the constitution of the strategic reserve for a determined volume and duration.	Minister
<= 15/02/2016	ELIA informs the market of the upcoming Call for Tender via a **Contract Notice.**	ELIA ⇒ Market
< =9/03/2016	Deadline for the submission of application files for the Admission procedure.	Potential SGR and SDR Candidates => ELIA
<= 15/03/2016	ELIA initiates the **Call for Tender** for strategic reserve.	ELIA => all SGR and SDR Candidates who passed the Admission procedure
<21/03/2016	Submission of the **request for Certification of SDR Reference Power.**	SDR Candidates => ELIA
<8/04/2016	**Certification** issuing	ELIA => SDR Candidates
<=15/04/2016	**Deadline for the submission of final offers** for strategic reserve.	SGR and SDR Candidates => ELIA
< 20/05/2016 **< at the latest 30 Working Days after submission of offers**	Report with all offers, justifications, prices and volumes, offered for strategic reserve, plus a **technico-economic proposal** based on the award criteria for the combination of offers.	ELIA => CREG + Minister
< 01/07/2016 **< at the latest 30 Working Days after submission of report by ELIA**	An explicit and motivated **opinion** indicating whether the prices of the combination of offers proposed by ELIA is clearly (un)reasonable or not.	CREG => ELIA + Minister

< 01/11/2016	**ELIA contracts** these offers for the duration stipulated in the Minister's decision.	ELIA => Awarded SDR and SGR Suppliers

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

3.2 Consulting stakeholders

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

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

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

The documents approved at the end of the consultation can be found here: http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents

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

3.3 Entry into force and duration

The present Procedure for the Constitution of Strategic Reserve will be valid as of 15 February 2016 and applies to the tender procedure organised over the course of 2016.

Please note: The Procedure for the Constitution of Strategic Reserve will enter into force on this date if and only if the Minister's decision relates to the constitution of an additional Strategic Reserve for the Winter Periods 2016/2017, 2017/2018 and 2018/2019.

3.4 Hierarchy of documents

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

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

1. To prevent any doubt, the relevant laws and regulations will always prevail over the both this Procedure for the Constitution Of Strategic Reserves and the SGR/SDR Contract(s).
2. Functioning Rules[2].
3. This Procedure for the Constitution of Strategic Reserve.
4. The SGR/SDR Contract(s) signed by ELIA and the SDR/SGR Supplier(s).
5. The General Terms & Conditions (i.e. for strategic reserve).
6. The CIPU Contract signed by ELIA and the CIPU contract holder.
7. Any other valid ancillary services contract signed by ELIA and the SDR and/or SGR Supplier(s).

3.5 Ministerial Decree on the determination of volumes

In accordance with Article 7quater of the Electricity Law, the Minister may instruct the transmission system operator, no later than 15 January 2016, to constitute a strategic reserve for a period of one to three years starting on the first day of the following Winter Period and sets the level of this reserve in MW.

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

The conclusion of an SDR or SGR Contract with ELIA does not prevent CREG from modifying the Functioning Rules which ELIA must submit to CREG.

4 Delivery Points

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

It may be:

a. an Access Point connected to the ELIA Grid;

b. an Access Point connected to the DSO Grid;

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

d. a point in a CDS connected to the ELIA Grid;

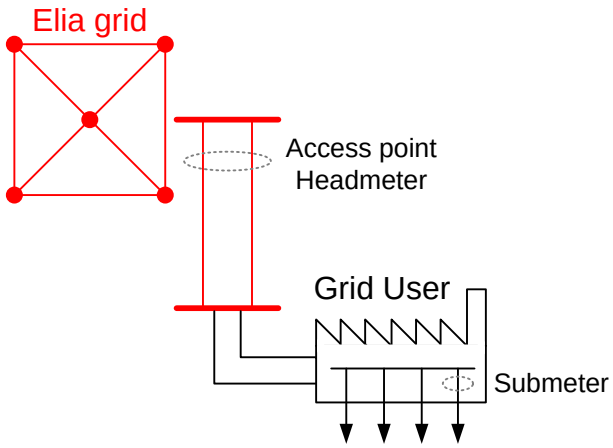
e. a point within the electrical facilities of a grid user downstream of an Access Point connected to the DSO Grid (hereafter referred to as 'DSO Submetering Delivery Point').

Every Delivery Point must be associated with one or more meter(s) allowing ELIA to control and measure the delivery of the SDR Service. In cases a or b, the

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

metering associated with the Delivery Point is given by Headmeters. Specific requirements related to cases c, d and e are described in 4.1, 4.2 and 4.3 below.

4.1 Requirements for TSO Submetering Delivery Points



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

4.1.1 Technical requirements for TSO Submetering Delivery Points

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

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

4.1.2 Providing ELIA with Submetering data for TSO Submetering Delivery Points

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

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

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

To ensure that the Submetering facilities comply with all requirements mentioned in §4.1.1 and §4.1.2 and to gather all the technical information required for commissioning the Submeters and/or the communication with the ELIA metering data management system, SDR Suppliers are obliged to provide a range of

technical information about their Submetering facility prior to commissioning (see also §5.6.1). Based on the technical information provided by the SDR Candidate Supplier, ELIA will decide whether or not to validate the compliance of the Submetering facility.

The list of technical information to be supplied to ELIA ('Submetering_compliance_check-list' document) will be available on the ELIA website at the following link: http://www.elia.be/en/products-and-services/Strategic-Reserve/Documents. This document must be completed and returned to ELIA by 27 May 2016 at the latest (see table below).

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

Communication with the ELIA metering data management system must be effective by 17 October 2016. It shall be commissioned by ELIA. In order for ELIA to guarantee compliance with deadlines, SDR Suppliers must submit an offer request for one of the permitted options (see 4.1.2) by 27 May 2016. Failure to comply with the commissioning deadline will result in an administrative penalty as laid down in the contract.

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

- **<21/3** : Submission (with the certification request) of the single-line diagram and, where relevant, the metering equation.
- **<15/4** : Deadline for submission of SDR offers.
- **<27/5** : Deadline for submission of an offer request (i.e. choice of option for for communication of metering data to ELIA) to ELIA. After this date, ELIA will no longer be able to guarantee commissioning by 17/10.
- **<01/08** : Deadline for actually ordering a Submetering option (see 4.1.2).
- **<17/10** : Deadline for Submeter commissioning. After this date, an administrative penalty will be applied to the SDR Supplier.

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

Metering data used for certification	**Technical information to be supplied to ELIA**				
	Single-line diagram [(1)]	**Metering equation**[(2)]	**Technical information** [(3)]	**Site plan**	**Accuracy check or calibration report**[(4)]
No past Submetering data *or* past data < 6 weeks (Winter Period) **=> A Submetering solution must be ordered (4.1.2)**	with the certification request	with the certification request	< 27/5	< 27/5	< 27/5
Submetering data exists but no communication with the ELIA system **=> A Submetering solution must be ordered (4.1.2)**	with the certification request	with the certification request	< 27/5	< 27/5	< 27/5
Submetering data exists and communication with the ELIA system is operational**=> A Submetering solution does not need to be ordered (4.1.2)**	ELIA will check whether the information it has is complete.				

(1) with location of meter(s)
(2) where relevant
(3) see list of required technical information
(4) at least the planned date of the check must be communicated (before commissioning of communication with ELIA)

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

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

- The **metering facilities** associated with Delivery Points within a Closed Distribution System must (already) be used by the CDS Operator in relation to their invoicing obligations regarding their CDS Access Points. These metering facilities must enable 1/4-hourly measurement of active energy and fulfil at least the technical requirements specified in the applicable Grid Code; the technical information contained in the table below must also be provided to ELIA.
- **Data exchange**: As the CDS Operator already uses the metering data of the metering facilities within the CDS for invoicing purposes, they will send the metering data directly to ELIA using the data exchange formats as specified in their cooperation agreement with ELIA (see next section). A description of the permitted data exchange formats is available on the ELIA website.
- A **cooperation agreement between ELIA and the CDS Operator**: this agreement typically lays down the details of the metering data exchange between ELIA and the CDS Operator. It must be signed and executed by both parties before the start of the SDR Contract[3].

The SDR Candidate must enclose with their certification request – **before** 21 March 2016 – a **CDS Operator declaration**[4] in which the CDS Operator agrees that the CDS grid user can participate in the SDR Service and the CDS Operator commits to signing the cooperation agreement with ELIA under the condition that the SDR Candidate is awarded an SDR Contract.

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

Technical information to be supplied to ELIA			
Single-line diagram(1)	**Metering equation(2)**	**Technical information(3)**	**Accuracy check or calibration report**
with the certification request	with the certification request	< 1/11/2016	not mandatory
If the Delivery Points have already been selected following an earlier Call for Tender, ELIA will check whether the information it has is complete.			

(1) with location of meter(s)
(2) where relevant
(3) see list of required technical information

[3] A template agreement can be obtained by sending an e-mail to Contracting_SR@elia.be
[4] Owing to short deadlines, e-mail confirmation sent by CDS Operator and SDR Candidate to Contracting_SR@elia.be shall suffice in this tendering procedure.

4.3 Requirements for DSO Submetering Delivery Points

4.3.1 Technical requirements for DSO Submetering Delivery Points

The Submeters of sites connected to the Distribution Grid must comply with the minimum technical requirements formulated by the DSOs and described in the relevant document (to be) published by Synergrid.

4.3.2 Providing ELIA with Submetering data for DSO Submetering Delivery Points

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

4.3.3 Compliance of Submetering facilities at sites connected to the DSO grid

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

The commissioning of the Submetering facilities/facilities must be effective before 17/10/2016. Failure to comply with this deadline will result in an administrative penalty as laid down in the contract.

5 Stages of the tendering procedure

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

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

It should be noted that CREG could:

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

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

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

5.1 Call for Candidates

5.1.1 Contract Notice and Admission process

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

- The Call for Candidates will be announced by means of a **Contract Notice** sent for publication around 15 February 2016 on the Tenders Electronic Daily website (http://ted.europa.eu/).
- In order to be valid, an application file must be sent via registered letter or carrier to following address:

  - ELIA Asset - Aimilios Orfanos
    20 Boulevard de l'Empereur
    B - 1000 Brussels
  - Each application file must consist of an original paper version and an electronic copy and must be sent to aimilios.orfanos@elia.be and contracting_SR@ELIA.be.
  - If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.
  - The SGR or SDR Candidate shall state clearly which information is confidential and/or relates to technical and commercial secrets.
- Every application file must comprise all information required to demonstrate that the conditions listed in 5.1.2. are fulfilled.
- The application file must be written in English, French or Dutch.
- The application file must be complete and received by ELIA before 6 p.m. Central European Time (CET) on 9 March 2016.
- ELIA reserves the right to verify the information provided in the application files.

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

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

5.1.2 Application file for SGR and SDR Candidates

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

1. The SGR/SDR Candidate must provide a description of their intended participation in the Call for Tender. This description includes, where appropriate, the legal structure, the list of partners involved, their role and the nature of their relationship with the candidate.
2. The SGR/SDR Candidate must comply with their social security, VAT and tax obligations. Candidates must submit either a sworn statement[5] or a recent certificate provided by the competent authority as proof that they are complying with these obligations.
3. The SGR/SDR Candidate must declare in the same sworn statement that they are neither bankrupt, nor the subject of bankruptcy or liquidation proceedings, nor do they find themselves in a similar situation.
4. The SGR/SDR Candidate must declare in the same sworn statement that they have not been convicted of an offence concerning their professional integrity or been subject to a judgment res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the financial interests of Belgium and other European Union Member States.
5. The SGR/SDR Candidate must provide proof of their economic and financial capacity. To this end, the SGR/SDR Candidate must submit the following documents to ELIA:

[5] In case the sworn statement was provided to ELIA for another tender/qualification, a copy of this sworn statement is sufficient, as long as the signature dates less than 2 years ago going back as of 12 March 2015.

a. Graydon's score: have a score above 1, or a multiscore above 20 (for companies based in Belgium). If the score is 1 or less or the multiscore is less than 20, the candidate will not be rejected as such but ELIA may ask for extra information and/or guarantees.
b. ELIA can order this report and send it to the SGR/SDR Candidate if explicitly requested to do so by the SGR/SDR Candidate.

Conditions for **SGR Candidates only**:

1. The SGR Candidate must provide the list of (Candidate) SGR Power Plant(s) that are eligible to participate, taking into account the fact that the proposed (candidate) SGR Power Plant(s) must comply with the Certification of SGR Power Plant(s) criteria as listed in section 5.2.1.

2. The SGR Candidate must provide technical specifications for each (Candidate) SGR Power Plant as specified in the Contract Notice. These technical specifications will be based on elements of the Annex 1 of the CIPU Contract and elements related to the SGR Contract.

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

4. All of the requested information must be included in the SGR Candidate's application file, which must be submitted no later than the deadline for the Call for Candidates on 9/3/2016.

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

Conditions for **SDR Candidates only**:

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

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

5.2 Certification

5.2.1 Certification of SGR Power Plant(s)

Only offers submitted by SGR Candidates that have successfully passed the Admission procedure **and** are based on certified Candidate SGR Power Plants will be accepted during the Call for Tender. Candidate SGR Power Plants can receive an SGR certification until 9 March 2016 as long as they fall into one of the following categories:

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

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

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

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

In addition, candidates are asked to offer the volume that can be developed at 15°C and injected into the grid at the SGR Power Plant's Access Point (in other words at that facility's technical Pmax). To do this, the candidate SGR Supplier must be able to justify, no later than the start date of the Call for Tender, the Maximum Power that the SGR Power Plant can deliver at that plant's grid Access Point[6] at 15°C based on selected past data from the past two years. In practice, the candidate SGR Supplier shall indicate the dates on which the technical Pmax was achieved, where necessary corrected[7] and standardised at a temperature of 15°C. To this end, the candidate Supplier must supply the curve or the function indicating the relationship between the maximum Technical Power and the outside temperature[8].

The Maximum Power offered by the SGR Power Plant is firm and binding and must be attainable at any time during a Simulation Test, otherwise a penalty will be imposed for the missing Power.

5.2.2 Certification of SDR Reference Power

Only offers submitted by SDR Candidates that have been granted Admission **and** respect the "certified maximum SDR Reference Power" (described later in this

[6] As determined by the meter at the Access Point in question.
[7] Based on curves showing the variation of Power as a function of temperature.
[8] If it is not possible to supply representative metering data (e.g. because investments are needed before 1/11 and have not been finalised at the time the certification request is submitted), a sufficiently justified adjustment of the metering data may also be accepted.

section), while maintaining SL or UM values for each Delivery Point which are less than or equal to the values for which the Delivery Points have been certified, will be accepted during the Call for Tender for a given (combination of) Delivery Point(s). Requests for Certification of a maximum SDR Reference Power must satisfy the practicalities and criteria below.

Metering data for Certification of SDR Reference Power

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

- Validated Headmetering of the ELIA Headmeter(s)[9] for Delivery Points connected to the ELIA Grid;
- Validated Headmetering of the DSO Headmeter(s) or Submeter[10] for Delivery Points connected to the Distribution Grid or DSO Submetering Delivery Points;
- Validated Submetering of the **existing** Submeter(s)[11] for TSO Submeter Delivery Points under the following condition:
    - Checklist of Submeter Technical Information before 21 March 2016 (see also 4.1.4);
- Validated metering of the **existing** metering facilities for Delivery Points within a CDS under the following conditions:
    - Checklist of Submeter Technical Information before 21 March 2016;
    - CDS Operator declaration before 21 March 2016 (see 4.2).

A profile will be applied in all other cases[12]:

- The Submeter is installed after 20 March 2016;
- The Submeter's past metering data is available for less than one Winter Period;
- There is no valid proof of Submeter compliance before 20 March 2016.

This profile is established on the basis of

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

In case there is no relevant past data or "on/off" values, the profile will be established by multiplying the Headmetering at the corresponding Access Point by a pro rata ratio (= declared average Offtake of the Delivery Point over three

[9] ELIA already possesses Headmetering of its own Grid. SDR Candidates can request this information through the grid user or from ELIA after a signed grid user declaration that grants access to meter data.
[10] The concerned DSO will provide ELIA with the Headmetering of the Delivery Point(s). SDR Candidates must consult the DSO Concerned for process to obtain the Headmetering.
[11] All metering data available during the Winter Periods will be used, but the metering data of at least one Winter Period are necessary in order to be able to use the Submeter's metering data.
[12] Nevertheless, if the available past metering data cover less than one Winter Period but more than six weeks within the Winter Period, SDR Candidates are invited to provide those metering data as well. ELIA will be fair when deciding whether the data will be taken into account for the certification.

Winter Periods divided by the average Offtake over three Winter Periods at the corresponding Access Point). All conditions such as the installation of the Submeter and provision of the Checklist of Submeter Technical Information must be fulfilled prior to "Commissioning" (see 5.6). Otherwise rules and administrative penalties as stipulated in the SDR Contract shall apply.

In addition, for Delivery Points with Submetering, as described in section 4.1.5, ELIA requires certain technical information to be supplied to it with the certification request. If this information is not provided, the Delivery Points with Submetering will not be included in the certification.

Certification Request practicalities

A valid request for Certification of SDR Reference Power must be sent by 21 March 2016 6 p.m. CET to Contracting SR@elia.be and must contain the following for each combination of Delivery points (SDR Unit) submitted for Certification:

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

main facilities downstream of the Access Point and the connection of the flexible process to the site's other facilities.

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

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

For Delivery Points that are Access Points connected to the Distribution Grid or DSO Submetering Delivery Points, SDR Candidates must have obtained a DSO approval[13] specifying the conditions under which the respective Access Point(s) can participate in the SDR Service. The DSO will provide ELIA with the maximum power values for the Delivery Point(s) subject to the certification.

ELIA will send the Certification of maximum SDR Reference Power for each combination of Delivery Points by 8 April 2016 to the e-mail address specified by the SDR Candidate.

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

- **Exclusivity criteria governing the combination of Delivery Points participating in SDR DROP-TO, SDR DROP-BY and/or other ancillary services**

Combination Possible?	R3 DP with Headmeter	ICH with Headmeter	R1 Load with Headmeter
SDR DROP-TO with Headmeter	**No**	**Yes, if TSO AP***	**Yes, if TSO AP***
SDR DROP-BY with Headmeter	**No**	**No**	**Yes, if TSO AP***
SDR DROP-TO with Submeter	**No**	**No**	**No**
SDR DROP-BY with Submeter	**No**	**No**	**No**
SDR DROP-TO within a CDS	**No**	**Yes, subject to conditions**	**No**
SDR DROP-BY within a CDS	**No**	**Yes, subject to conditions**	**No**

* Under conditions as described below

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

a. The following conditions apply to Delivery Points that are Access Points connected to the ELIA Grid or the Distribution Grid (associated with (a) Headmeter(s)):

    a. Any Access Point that participates in SDR DROP-TO cannot participate in SDR DROP-BY and vice versa.

    b. Any Access Point connected to the ELIA Grid that participates in ICH can participate in SDR DROP-TO and vice versa under the following conditions:

        i. The Shedding Limit for ICH (SL_{ICH}) must be higher than the sum of the SDR Reference Power and the Shedding Limit SDR;

        ii. The SDR Supplier must be able to prove, if requested by ELIA, that the delivery of the SDR Service respects the conditions of the SDR Contract even when the Offtake is reduced to the SL_{ICH}[14].

    c. Any Access Point connected to the ELIA Grid that participates in R1_Load can participate in SDR DROP-TO or SDR DROP-BY and vice versa under the following conditions:

        i. The Shedding Limit SDR (for SDR DROP-TO) or Unsheddable Margin (for SDR DROP-BY) must be higher than the sum of the R1_Load contracted power and the Minimum Total Offtake R1_Load as defined in the R1_Load contract;

        ii. The SDR Supplier must be able to prove, if requested by ELIA, that the delivery of the R1_Load contracted power respects the conditions of the R1_Load contract even when the Offtake is reduced to the Shedding Limit SDR or Unsheddable Margin[15].

    d. For points situated within a CDS connected to the ELIA Grid, the following combinations are possible under the following conditions:

        i. There is no ancillary services contract in 2016 (R1_Load, R3 DP, ICH) for the Access Point to the ELIA Grid upstream of the Delivery Point concerned.

        ii. Any Delivery Point situated within a CDS which participates in ICH[16] can participate in SDR DROP-TO under the following conditions:

            a. The Shedding Limit for ICH (SL_{ICH}) is higher than the value of the sum of the Reference Power Rref and the $SL_{SDR.}$

b. The candidate supplier of these services must be able to prove that the SDR supply meets the specifications of the SDR Contract even when consumption is reduced to the level of the SL_{ICH} (e.g. during an ICH activation). The following conditions apply to Delivery Points with Submetering downstream of an Access Point connected to the ELIA Grid or the Distribution Grid:

    i. Delivery Points with Submetering that participate in SDR DROP-TO cannot participate in SDR DROP-BY and vice versa.

[14] In a Simulation Test that combines the two services.
[15] In a Simulation Test that combines the two services.
[16] Provided that it meets the necessary conditions for the supply of ICH within a CDS as set out in the Access Contract.

ii. There is no Ancillary Services contract in 2016[17] (R1_Load, R3DP, ICH if ELIA Grid, R3DP if Distribution Grid) for the Access Point upstream of the Delivery Point with Submetering.

Determination of the maximum Reference Power

In an initial stage, the metering data for each of the last three Winter Periods (2013-2014/2014-2015, first four months of the Winter Period 2015-2016)[18] and the profiles as described in the paragraph "Metering data for Certification of SDR Reference Power" for each Delivery Point are adjusted taking into account metering data that are not representative of a normal Winter Period if this is sufficiently justified by the SDR Candidate (owing to non-recurring maintenance for instance).

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

- Availability Rate of Rref during the hours 7 a.m. to 1 p.m. and 5 to 9 p.m. on Working Days[19] in the months of December, January and February of the three Winter Periods ≥ 85%;
- Availability Rate of Rref during the hours 1 to 5 p.m. and 9 p.m. to 12 a.m. on Working Days[20] in the months of December, January and February of the three Winter Periods ≥ 75%;
- Availability Rate of Rref during the hours 7 a.m. to 1 p.m. and 5 to 9 p.m. on Working Days[21] in the months of November and March of the three Winter Periods ≥ 65%;
- Availability Rate of Rref during the hours 1 to 5 p.m. and 9 p.m. to 12 a.m. on Working Days[22] in the months of November and March of the three Winter Periods ≥ 50%;
- Availability Rate of Rref during the hours 12 to 7 a.m. on Working Days [23] and during all hours of non-Working Days and the Christmas holidays in Belgium in the three Winter Periods ≥ 40%;

The Availability Rate of Rref for a specified period[24], $AvRate_{period}(R_{ref})$, is defined as:

$$AvRate_{period}(R_{ref}) = AvVol_{period}(R_{ref})/\sum_{hperiod} Rref$$

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

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

[17] Introducing an SDR Contract on a Delivery Point downstream of an Access Point connected to the ELIA Grid that is also covered in an Ancillary Services contract would lead to a part of the same volume being contracted for two different services.
[18] For compliant Submeters on the ELIA Grid, metering data from the last Winter Period are accepted to determine the maximum SDR Reference Power.
[19] Except for school Christmas holidays in Belgium.
[20] Except for school Christmas holidays in Belgium.
[21] Except for school Christmas holidays in Belgium.
[22] Except for school Christmas holidays in Belgium.
[23] Except for school Christmas holidays in Belgium.
[24] As described below (5 periods).

$AvPow_{TOT}(h)$ = *the average hourly power available in the portfolio for a certain hour h. It is equal to the sum of the average hourly powers available for hour h of each of the Delivery Points i in the portfolio* $\mathrm{AvPow}_i(\mathrm{h})$. $\mathrm{AvPow}_i(\mathrm{h})$ is defined as the hourly average of the differences (if positive) between the past Offtake of the Delivery Point i[25] used to control the service and its Shedding Limit SDR or the Unsheddable Margin SDR for a certain hour.

The average hourly power available in the portfolio for a certain hour h is calculated as follows:

- $AvPowi(h) = avg\ (max(0,\ offtakei(qh) - \max(SL_{SDRi(qh)}; 0)))$ for SDR DROP-TO
- $AvPowi(h) = avg\ (max(0,\ offtakei(qh) - \max(UM_{SDRi(qh)}; 0)))$ for SDR DROP-BY

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

To do this, for all hours (between 1/11/2013 and 29/2/2016) during which a Belpex DAM clearing price greater than or equal to €150/MWh was recorded, ELIA will compare the measured consumption of all Delivery Points with a reference consumption determined according to the Baseline principle described in section 6.3.1 of the Functioning Rules and will adjust the user's maximum permitted SDR Reference Power if the relative reaction exceeds a threshold value of 20%.

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

To calculate a reduction in consumption that could have taken place during a period D[26], during which the Belpex DAM price was greater than or equal to €150/MWh for a day J_i[27] , the $\mathrm{Baseline}_i$ is constructed as follows for each Delivery Point:

1. Identify "standard days": This phase involves looking for X days in the past on which the quarter-hourly meterings for the Delivery Point's Offtake will be used to calculate the $\mathrm{Baseline}_i$. These X days are chosen from the last Y representative days[28] of the same category as day A (i.e. either category 1: Working Day, or category 2: weekend or public holiday, or category 3: Monday or first Working Day following a public holiday[29]). They correspond to the X days (of the aforementioned Y days) on which the average of the active power consumption during the same quarter-hours as period D is the highest.
2. Calculate the $\mathrm{Baseline}_i$ profile. This phase involves calculating the Baseline value for each quarter-hour of period D: this value corresponds to the average of the X values of the Offtake of Delivery Point i measured during the same quarter-hour in the course of the X representative days.

[25] The total past Offtake is the global Offtake of the pool provided for certification after adjustments as specified above.
[26] A period D contains all the hours with a Belpex DAM price ≥ €150/MWh for the same day J_i
[27] A day J_i is identified as a day within the period 1/11/2013-29/02/2016 during which a Belpex DAM price ≥ €150/MWh was recorded for at least one hour.
28 A non-representative day is a day during which the Offtake of the SDR Unit was affected by an unexpected and/or unusual event (provided this is sufficiently justified by the SDR Candidate).
29 Category 3 is optional; by default, i.e. unless the SDR Supplier explicitly opts for category 3, day A will be treated exclusively as a category 1 or category 2 day.

3. Adjust the Baseline level. This final phase involves adjusting the quarter-hourly profile obtained in point 2 above according to the Offtake of Delivery Point i during the 3 hours preceding the first quarter-hour during which the Belpex DAM price was greater than €150/MWh in day J_i. The adjustment is performed by adding a (positive or negative) "correction value" to each calculated quarter-hourly value. This is obtained by working out the difference between the average value of the Offtake at Delivery Point i during the 3 hours preceding the first quarter-hour during which the Belpex DAM price was greater than €150/MWh in day J_i and the average value of the Offtake at Delivery Point i during the corresponding hours of the X standard days.

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

In case of DROP-TO:

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

In case of DROP-BY:

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

Where:

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

5.3 Call for Tender

5.3.1 Launch of Call for Tender

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

ELIA will send the **Call for Tender** documents around 15 March 2016 to the e-mail addresses specified by the SGR and SDR Candidates in the application file.

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

- SGR/SDR Contract and General Terms & Conditions;
- bidding instructions;
- bidding sheets;
- contractual data form;
- Functioning Rules including award criteria;
- a sample ELIA Offer for the Submeters of sites connected to the ELIA Grid;

- a document setting out ELIA's General Technical Specifications for Submeters of sites connected to the ELIA Grid;
- a Technical Addendum for Submeters of sites connected to the ELIA Grid.

5.3.2 SGR/SDR Contract

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

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

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

Relationship between the SGR Contract and other contracts

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

- be located within the Belgian Control Area;
- The ARP responsible for this Access Point must have signed a CIPU Contract with ELIA before 1 November 2016, if not already signed.
- In case of Local Production, a new Access Point I/O (Injection/Offtake) must be created:
  - The SGR Power Plant is independent in terms of access from the grid user for which it used to generate energy known as a Local Production.
  - This new Access Point of the SGR Power Plant must be referenced in Appendix 2 of a valid Access Contract to allow the SGR Supplier to appoint an access holder as a second grid user.
  - The SGR Power Plant will be sharing the physical connection of the industrial grid user for which it used to be a Local Production;
  - The access holder signing Annex 3 of the Access Contract must designate a responsible ARP.

Subject of the SGR Contract

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

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

In accordance with Article 7quater (1), the Minister may instruct the system operator to constitute a strategic reserve for a period of one to three years

starting from the first day of the following Winter Period and sets the level of this reserve in MW.

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

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

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

Relationship between the SDR Contract and other contracts

SDR Candidates selected on the basis of the Admission procedure and certification criteria must be aware of the mutual relationships that will exist between the SDR Contract, the ARP Contract, the Access Contract, and ancillary services contracts.

Subject of the SDR Contract & Functioning Rules

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

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

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

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

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

5.3.3 Structure of offers (bidding sheets & bidding instructions)

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

Bidding principles for SGR Candidates:

As stipulated in the law, SGR Candidates are obliged to submit a number of offers, covering the total capacity of their power plant, equal to the number of Winter Periods for which a strategic reserve volume must be constituted from SGR less the number of Winter Periods (of those to which the instruction relates) for which the SGR Power Plant is already the subject of a contract.

The duration of these offers must vary by increments of 1 year from the 1st year for which the power plant must[30] be offered and for which it is not covered by an existing SGR Contract.

[30] According to the legal criteria concerning the obligation to make an offer such as those included in section 5.3.3 of this document.

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

- SGR Candidates whose power plants are not already covered by an SGR Contract for one of these Winter Periods must make 3 offers concerning the maximum capacity of a generating facility relating successively to: the 1st year, the 1st and 2nd year, and the 1st, 2nd and 3rd year;
- if a Candidate SGR Power Plant X is already covered by a contract for the 1st Winter Period, it must be included in only (3-1 =) 2 strategic reserve offers covering its total capacity; one relating to the 2nd Winter Period, the other to the 2nd and 3rd.

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

The bidding sheets will provide a reference for the fuel prices (e.g. gas, fuel oil, CO_2 , or other) for calculating the total cost. This parameter is determined based on the specific consumption of the type of SGR Power Plant concerned and the published price expected on the market of the fuel used by this SGR Power Plant (SFprice) according to the method described in the CIPU Contract.

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

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

Bidding principles for SDR Candidates:

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

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

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

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

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

Bidding sheets

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

- an offer number serving as a reference [Offer no.]
- product [SGR /SDR4_DROP_BY/SDR4_DROP_TO/SDR12_DROP_BY/SDR12_DROP_TO]

- offered volume [MW] – minimum bid size = 1MW
- Reservation Price [€/MW/h]
- fixed activation cost (cold) [€/Notification]
- For SGR only per offer line:
    - contractual period
    - Configuration type
    - activation energy (cold) [GJ/Act]
    - fixed activation cost (hot) [€/Notification]
    - activation energy (hot) [GJ/Act]
    - average and variation range of external costs (excluding CO_2 cost) [€/MWh]
    - start fuel type [Fuel type]
    - operational fuel type [Fuel type]
    - prolongation fuel [Fuel type]
    - various components that determine the variable activation price [€/MWh]
- For SDR only:
    - variable activation price [€/MWh]
    - prolongation cost [€/hour]
- Shedding Limit SDR DROP-TO or Unsheddable Margin SDR DROP-BY for each Delivery Point may not be combined with [Other Offer no.]
- divisible [Y/N].

5.3.4 Contractual Data form

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

5.4 Final Offer

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

- ELIA Asset - Aimilios Orfanos
  20 Boulevard de l'Empereur
  B - 1000 Brussels
- Each offer must consist of an original paper version and an electronic copy and must be sent to aimilios.orfanos@elia.beand contracting_SR@ELIA.be
- If there is a discrepancy between the electronic version and the printed version, the original paper copy shall prevail.

The offers must be complete and received by ELIA before 6 p.m. CET on 15 April 2016.

The SGR/SDR Candidate shall state clearly which information is confidential and/or related to technical and commercial secrets.

The offers have to be written in French, Dutch or English.

Data & additional documents to be added to the offer

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

For both SGR as well as SDR Candidates:

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

For SGR Candidates only:

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

Validity of the offers

SGR and SDR Candidates are bound by their offer until 31 October 2016.

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

SDR and SGR Candidates must be aware that submitting a final offer means that if the SDR/SGR Candidate is awarded an SGR/SDR Contract, but the SDR/SGR Service cannot be started on 1/11/2015, because of non-fulfilment of one of the conditions mentioned in 5.6, the SDR/SGR Candidate will be liable for the damages as a consequence of the non-fulfilment of these conditions. As a result, ELIA can recover the unavailability of that part of the strategic reserve and all costs and other damages related to it up to a maximum amount as specified in the General Terms and Conditions of strategic reserve. Besides that, depending on the conditions not being met, penalties will be applicable as defined in the SDR or SGR Contract.

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

5.5 Awarding

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

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

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

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

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

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

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

5.6 Contracting

5.6.1 Contract conclusion process

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

Conditions for starting the SDR or SGR Service

- If ELIA has requested this, the SGR and/or SDR Supplier must pass a Simulation Test as described in the SGR/SDR Contract.
- Delivery Points that are Access Points connected to the Distribution Grid or DSO Submetering Delivery Points must be covered by a DSO-SDR Supplier contract[31].
- TSO Submetering Delivery Points that will use a Data Logger or a GSM modem must successfully pass a communication test with the ELIA metering data management system (performed by ELIA) that is called "Commissioning".
- TSO Submetering Delivery Points must provide a valid proof of Submeter compliance prior to "Commissioning".
- Delivery Points with TSO or DSO Submetering via a new Submeter (installed after 20 March 2016) must have the new meter installed and a valid proof of Submeter compliance;
- For Delivery Points within a CDS:
    - a cooperation agreement between ELIA and the CDS Operator must be signed;
    - valid proof of Submeter compliance must be provided.

5.6.2 Contract award notice

Once the Contracts have been signed, ELIA will publish a contract award notice with the results of the tender procedure on the website http://ted.europa.eu/

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

6 Rules regarding disputes

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

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

7 Cancelling the Call for Tender

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

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

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

8 Questions

Questions relating to this Procedure for the Constitution of Strategic Reserve should be addressed to: Mr Aimilios Orfanos (aimilios.orfanos@elia.be), Contracting_SR (contracting_SR@elia.be) with Mr Manuel Aparicio (manuel.aparicio@elia.be) in CC.