

## Febeliec answer to the Elia CRM Design Note on availability obligations and penalties

Febeliec wants to strongly indicate that the answer on this consultation is at best partial as it has currently **no** view on **all** the different pieces of the puzzle concerning the introduction of a Capacity Remuneration Mechanism in Belgium based on reliability options as described in the Electricity Law. Febeliec reserves the right to come back on any of the comments made in this answer, as it has at this point no complete overview and as such can under no circumstance be asked to provide a thorough and complete position.

Febeliec urges Elia but also CREG and the Federal Public Service Economy as well as the Cabinet of the Minister of Energy to provide as soon as possible and in any case before the introduction of the final design for a CRM in Belgium a complete overview of all the intertwined components of the CRM design, including the legal texts such as Royal Decrees and modifications of the Electricity Law to bring it in line with amongst others European legislation, in order to be able to get an overall view on the implications and modalities of the introduction of the CRM to Belgian consumers and the overall energy markets.

With respect to the current proposed design note on only the topic of availability obligations and penalties, Febeliec wants to provide these first preliminary remarks, within the scope described above:

- Febeliec is pleased to see that Elia stresses that *‘the overall objective of the CRM for Belgium is to ensure a level of Security of Supply at the lowest cost possible. Both “Adequacy” and “Cost-Efficiency” are therefore considered the first two primary objectives for the Capacity Product. A third primary objective of the Belgian CRM is “No Market Interference”’*. These objectives are for Febeliec the only relevant criteria for the evaluation of the proposal by Elia of the Belgian CRM, as they follow from either Belgian or European Law. Any other objective of the CRM should at least adhere to these three objectives and in any case not go against them.
- Febeliec appreciates that Elia will, under the objective of cost-efficiency *“use data collected through other market mechanisms as much as possible and limit the amount of additional data requirements imposed the capacity remuneration mechanism”* in the scope of availability obligations. Febeliec is a proponent of ensuring that a service that is paid for is also delivered, but insists on an intelligent design that allows to reuse as much as possible available data and information and in any case limits as much as possible any scheme that involves additional costs, as they go against system efficiency, insofar of course the primary objective of availability is guaranteed.
- On design proposal #1, Febeliec wants to stress that the proposal states that Elia “can” perform Availability monitoring, but is not obliged insofar other intelligent and potentially less onerous alternatives can be found.
- On design proposal #2 and concerning the use of an availability monitoring trigger based on the electricity market price, Febeliec has several comments. First, Febeliec can agree with such a trigger based on a publicly available market price such as the day-ahead price as this information is freely available to all market actors and does not require any calculations. However, Febeliec can only agree with such a price-based trigger in the context of availability monitoring and only because of the previously described transparency. In case any better or

alternative trigger would become available that gives a clear view on the physical adequacy of the Belgian system (expressed in MW) with a similar transparency, such trigger would from a security of supply position be superior as the correlation between increasingly higher prices and real shortages in the Belgian system is only correct in situations with prices getting closer to the price cap on the day-ahead market, at which price level the first sign of real shortage in the system is given. Price levels that are high but much below this price cap give some indication, but do not indicate the flexibility left in the system at higher prices (e.g. through market response).

- Febeliec takes note that design proposal #3 is missing and wonders whether Elia has made a mistake in numbering or whether an essential design proposal has been removed (unintentionally) from the document.
- On design proposal #4 on the decoupling of a power exchange due to situations as IT problems, as observed this year, Febeliec agrees that this should not lead to an activation of the trigger.
- On design proposal #5 and as described above, Febeliec can agree with the use of the day-ahead price, because of transparency, but wonders whether **every** hour with a price above a predefined level should be monitored, especially in case of consecutive hours. This becomes even more important when taking into account technologies with high activation prices, which at such moments might not yet be activated as the reference price level for the AMT would still be below their individual trigger price level for generation and/or non-consumption. Febeliec hopes that for these situations a smart system will be developed for monitoring, in order to avoid very costly tests at each instance, which will not be remunerated and will thus have to be incorporated in the offer of these actors for the CRM auction, which will either push them out of the merit order or would in case of selection just increase the total cost of the CRM, against the least possible cost criterion described in the Electricity Law.
- On the calibration of the AMT price, Febeliec has questions about the use of anticipated price-duration curves, because this will be very difficult, especially for contracts with a long duration<sup>1</sup>, and risks to result in over- or undershooting, which will generate risks for either the party offering capacity (if underestimated) or society (if overestimated, as adequacy will not be guaranteed) and thus costs if either the offering party or Elia (over)compensate in the other direction. Febeliec strongly urges that the design of the CRM should be modified towards a product where availability and monitoring should be conducted over only the period of the winter (e.g. the five winter months as currently applied in the mechanism of the Strategic Reserve) instead of a product that needs to be available throughout the entire year.
- Febeliec also opposes the proposal by Elia to use a value of 100 hours to determine the AMT price level, leading to the cut-off price for the most expensive 100 hours of a given year, as the data proposed by Elia for the years 2015-2018 shows that this leads to AMT price levels of merely 82,53 €/MWh (2015) to 120,10 €/MWh (2018), price levels that are very far from any indication of scarcity (meaning reaching the price cap of 3000 €/MWh<sup>2</sup> in the day ahead market). For Febeliec, using those price levels for AMT moments, even though the AMT methodology might have some merits, clearly indicates that this is not in line with an

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<sup>1</sup> Elia proposes a yearly calibration as a mitigating element. It is however at this point unclear how such calibration would be conducted nor what the impact and implications would be. In any case, Febeliec strongly opposes any mechanism that would allow gaming opportunities to arise that could increase the cost of the CRM to the detriment of consumers.

<sup>2</sup> While this price cap level is not absolute anymore but will increase in case any country in the interconnected zone reaches price levels coming close (60%) of this price cap and will continue to do so, only in upward position.

assessment of availability in situation of scarcity. Febeliec refers to its previous comments on the potentially major impact for all those participants with activation prices above these (very low) AMT price levels, for which a cost would be involved in testing. Febeliec can thus not agree with design proposal #6 as it creates clearly an unbalanced situation, leading to additional costs. Moreover, the proposal also includes an additional flaw as once the number of verified AMT moments (defined as T+) is reached, availability monitoring would no longer lead to penalization, leaving potential for gaming and risks of non-availability in case such number of hours is reached very early in the delivery year. Concerning art 3.2.1 and 3.2.2, Febeliec also believes that the reference to Eligible Volumes is incorrect and should rather be Obligated Capacity, as this is the only volume that should at least be made available. In design proposal #6, Febeliec presumes that the value of T- should be 20, in order to be in line with the description of the methodology of Elia?

- On design proposal #7, Febeliec refers to its previous comments, and does not agree with the proposal as it is on the one hand overshooting and on the other hand underperforming. A better design should be proposed. Febeliec strongly reiterates its position that the design of the CRM should be modified towards a product where availability and monitoring should be conducted over only the period of the winter (e.g. the five winter months as currently applied in the mechanism of the Strategic Reserve) instead of a product that needs to be available throughout the entire year. By shifting to only the winter period, a wide range of issues would either be resolved or less problematic (e.g. less important role for the secondary market as all planned unavailability such as maintenance can be scheduled during the other seven months), especially as the CRM can, as described in the Clean Energy Package, only be used as a last resort measure to solve system adequacy concerns, which in Belgium (according to any analysis by Elia on adequacy in the past) only could occur during the winter period.
- On design proposal #9, it remains unclear to Febeliec how AMT will be performed for energy constrained CMUs in case AMT hours are scattered throughout the day (so not in consecutive blocks), as this could lead to on the one hand high required availability (beyond the SLA, if looked at on a daily basis) while this might also lead to many tests and thus costs, decreasing the cost-efficiency of the system (and leading to unnecessary yet costly loss of for example industrial production in case of demand response activation). On the proposed approach by Elia, Febeliec has some questions, which partly have been voiced during the task force meetings but are not yet answered. As the EOM will remain the basis of the electricity markets in the connected zone, energy constrained CMUs will be optimized in the framework of this EOM, and might thus only be delivering energy during hours 2 and 3 of example of Elia. It remains unclear how this will be treated by Elia and whether this would lead to the application of penalties, which could lead to undermining the efficiency of the EOM market, and would as such go against the basis of the market. Moreover, Febeliec is concerned that the proposal by Elia for energy constrained CMUs could lead to situations where the required SLA is delivered in hours 1 and 2 of the example of Elia, but where this asset (e.g. battery) sharply would recharge during hour 3, in order to participate to the secondary market in hour 4 (and following), which could create unwanted effects for the adequacy situation in hour 3. Febeliec thus invites Elia to have a better look at the proposed approach, as it is not sure that this will lead to the desired verification while not creating unwanted perverse effects.
- On design proposals #10 to 13, Febeliec appreciates that Elia has tried to alleviate the burden for example for demand side response and aggregation (but wonders how this relates to other market response sources), yet it remains unclear how this (self-declared?) price level above which they will not consume should be taken into account nor how this relates to the

intermediate price caps or the reference price/strike price discussion. Moreover, it remains very unclear how these decision proposals could be applied within the scope of a CDS.

- Design proposal #14 on the declared market price remains rather vague, even though the system as such could be promising (notwithstanding the impossibility to relate this to the discussions on the intermediate price cap and strike price). Moreover, as Elia argues against a too high declared market price (whatever “too high” would mean in this context), this approach will undermine the level-playing field between for example market response and generation, as the former would often be deemed to have a “too high” declared market price and thus prone to testing, with the cost of testing not remunerated, meaning this cost would have to be incorporated in the auctions bids, thus making them more expensive and less competitive vis-à-vis generation. Moreover, this would increase the total cost of the CRM. The same reasoning can be applied to design proposal #15 and 16, even though Febeliec appreciates that Elia tries to find solutions for some of the issues that have been identified.
- On table 5 presented by Elia, Febeliec does not understand the table, as there seems to be no difference at all between a situation with a AS activation and No AS activation.
- On the rules for availability testing, Febeliec takes note of the proposal by Elia on three successful test during winter period and one during summer period, but refers to the previous comments on this point and the disadvantage for market response with high declared market prices while also wondering what is the real value for the adequacy of the Belgian system of testing (with involved costs, and thus increasing the cost of the CRM) during summer periods where no adequacy issues have been identified. Febeliec thus opposes the proposed design proposal #19 (which is actually inverted in order with proposal #18). Febeliec also strongly refers to its proposal to reduce the availability period to only the winter period, for example in analogy with the existing Strategic Reserve.
- On design proposal #18, Febeliec takes note that Elia proposes during the winter period to apply a penalty that is double of what is earned during those hours, which creates a strong incentive to be available. However, Febeliec also reads that “*the total yearly charge amount for the proportional penalty shall not exceed the yearly contract value for the concerned CMU*”, which leaves the question open which incentive Elia still has to make sure that the capacity provider still offers his capacity once his penalties have exceeded the total yearly contract value, as this could lead to situations where the Belgian adequacy is no longer guaranteed, without any further penalization, other than those of design proposal #20 and 21, which would in themselves not solve the adequacy concern described above and might not lead to sufficient incentives for the capacity provider. In general, Febeliec is concerned by the very unclear formulation of section 4.1, which creates uncertainty and a very large margin for interpretation. On table 6, Febeliec thinks that the last column should read “01/11/20xx-1” instead of “01/11/20xx”.

On the documents with the **definitions**, Febeliec believes that following modifications are required:

Term	Definition
<b>Aggregation*</b>	<i>According to Directive (EU) 2019/944, article 2, 18°: a function performed by a natural or legal person who combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market.</i>
<b>AMT Hour</b>	An hour for which the DAM Price equals or exceeds the AMT Price and during which Availability Monitoring can occur.
<b>AMT Moment</b>	A series of consecutive AMT Hours.
<b>AMT Price or p<sub>AMT</sub></b>	The ex-ante defined price level of the DAM Price for a Delivery Period equal to or above which the AMT Hours are determined.
<b>Auction*</b>	<i>According to the Electricity Law, article 2, 73°, the competitive process in which Capacity Holders are offering a price for making capacity available.</i>
<b>Available Capacity</b>	The CMU's capacity that is deemed available during an AMT Hour as a result of the Availability Monitoring Process or the Availability Testing. Available Capacity can consist of both Proven Availability and Unproven Availability.
<b>Availability Monitoring Mechanism</b>	The mechanism that monitors whether the CMU's Available Capacity equals at least its Obligated Capacity during AMT Hours as referred to in article 7undecies § 7 of the Electricity Law.
<b>Availability Monitoring Trigger (AMT)</b>	A pre-defined trigger price, expressed in €/MWh, in a predefined market segment, equal or above which it is monitored whether the Available Capacity of a CMU at least equals the Obligated Capacity of that CMU.
<b>Availability Obligations</b>	The obligation of a CMU to have an Available Capacity that equals at least its Obligated Capacity during AMT Hours.
<b>Availability Testing</b>	The mechanism based on which CMUs have to demonstrate their availability by actually delivering energy upon request of the Transmission System Operator. During Availability Testing it is monitored whether the CMU's delivered energy equals at least its Obligated Capacity.
<b>Bid</b>	Offer made by a CRM Candidate (in EUR/kW/year) in an Auction, relating to a single CMU.
<b>Bid Cap</b>	A maximum Bid Price (in EUR/kW/year) that can be made for a Bid in an Auction.

**Commented [A1]:** Availability monitoring will also occur if the DAM price is lower than the AMT Price but equals or exceeds the Declared Market Price

**Commented [A2]:** See previous comment with respect to the definition of AMT Hours

**Commented [A3]:** Is there a need to define AMT, besides the definition of AMT Price? The current definition of AMT seems to be rather a definition of the AMT Price?

**Commented [A4]:** Bid = volume and price, but by adding the reference to EUR/kW/year (like in the Bid Price) the impression is given that a bid only contains a price and not a volume.

<b>Bid Price</b>	The price expressed in EUR /kW/year at which CRM Candidates are offering a Bid in an Auction.
<b>Capacity Category*</b>	<i>According to the Electricity Law, article 2, 84°, the category including capacities that are distinguished by the eligible total Investment Thresholds to which different Capacity Contract Durations are linked, during which the Capacity Provider is entitled to a Capacity Remuneration. The different categories that are foreseen in the CRM design are 1-year, 3-years, 8-years and 15-years as referred to in article 7undecies § 7 of the Electricity Law .</i>
<b>Capacity Contract</b>	A contract signed between a Capacity Provider and the contracting counterparty that determines the rights and obligations for both parties as referred to in article 7undecies § 7 of the Electricity Law.
<b>Capacity Contract Duration</b>	The number of Delivery Periods during which the Capacity Provider can receive a Capacity Remuneration. The Capacity Contract Duration cannot exceed the maximum duration assigned to their Capacity Category as determined during the Prequalification Process and is approved by the regulator for each CMU requesting a multi-year contract.
<b>Capacity Holder*</b>	<i>According to the Electricity Law, article 2, 74°, every natural person or legal entity that can offer a certain level of capacity, either on an individual or aggregated basis.</i>
<b>Capacity Market Unit (CMU)</b>	One Delivery Point or a combination of Delivery Points, built in order to participate in the CRM. It is the outcome of a positive Prequalification Process and corresponds to the level where the Service is effectively delivered and monitored.
<b>Capacity Provider*</b>	<i>According to the Electricity Law, article 2, 75°, every Capacity Holder selected after closing of the Auction and that will keep available a capacity during the Delivery Period in return for a Capacity Remuneration.</i>
<b>Capacity Remuneration*</b>	<i>According to the Electricity Law, article 2, 76°, the periodically assigned payment to the Capacity Provider in return for keeping available their capacity.</i>
<b>Capacity Remuneration Mechanism* (CRM)</b>	<i>According to the Electricity Law, article 2, 71°, the market mechanism based on a system of Reliability Options to ensure the achievement of the country's required level of security of supply to guarantee that the evolution of the different forms of capacities meets the development of the electricity demand, taking into account the import possibilities.</i>
<b>CRM Candidate</b>	Capacity Holder willing to participate to an Auction and submit per successfully prequalified CMU a Bid for the Service delivery with such CMU(s).

**Commented [A5]:** Correct definition of Delivery Point is crucial (also in a CDS context). What is meant with "built" in relation to a (existing) Delivery Point?

<b>CRM Law</b>	The law of 04/04/2019 modifying the Electricity Act: « <i>Wet tot wijziging van de wet van 29 april 1999 betreffende de organisatie van de elektriciteitsmarkt, teneinde een capaciteitsvergoedingsmechanisme in de stellen</i> », published in the Belgian National Gazette on 22 April 2019.
<b>Day-Ahead Market Price (DAM Price)</b>	Day-Ahead Market refers to the single day-ahead coupling, being the auctioning process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the Day-Ahead Market.
<b><i>Delivery Period*</i></b>	<i>According to the Electricity Law, article 2, 77°, the period starting from the 1st of November and ending on (but including) the 31<sup>st</sup> of October of the next year, during which the Capacity Providers are remunerated for making available their capacity.</i>
<b>Delivery Point</b>	A point on the electrical grid or within electrical installations of a grid user where the Service is delivered. This point is associated to one or several metering device(s) conform to the technical requirements set by the Transmission System Operator;
<b>Declared Market Price (DMP)</b>	The Day-Ahead Market price equal to or above which a CMU has declared it would deliver energy in the energy market.
<b><i>Demand Curve*</i></b>	<i>According to the Electricity Law, article 2, 78°, a curve that reflects the variation of the procured capacity volume, in function of the price of the capacity.</i>
<b><i>Demand Side Response* (DSR)</i></b>	<i>According to the Electricity Law, article 2, 66°, the capacity of end users to change their electricity demand upwards or downwards on a voluntary basis, reacting upon an external signal.</i>
<b>Demand Side Unit (DSU)</b>	An end user asset that can deliver DSR.
<b><i>Derating Factor*</i></b>	<i>According to the Electricity Law, article 2, 83°, a factor that is applied to a certain capacity, determining its contribution to the security of supply and used to calculate the total Eligible Volume that is qualified to participate in the Auction.</i>
<b>Electricity Law</b>	Federal Electricity Law of 29 April 1999 on the organization of the Belgian electricity market, as amended from time to time.
<b>Eligibility Criteria</b>	The criteria to determine which investment costs are eligible to calculate the Investment Threshold as referred to in article 7undecies § 5 of the Electricity Law and to be further specified in a royal decree.

**Commented [A6]:** DAM is being defined by using "DAM" in the definition... Rather than DAM, one should define DAM Price.

**Commented [A7]:** Not only physical point, should be made clear that this can also be a virtual point.

**Commented [A8]:** Elia grid?

**Commented [A9]:** Grid User in the context of a CDS?

**Commented [A10]:** Definition (also in the context of a CDS)?

**Commented [A11]:** Not defined

**Commented [A12]:** Definition is confusing, since the scope of the term "Eligibility criteria" as used within the CRM Taskforce is far more wide and certainly not limited to investment costs / Investment Threshold. Even in the context of eligibility of costs to take into account for the investment file to request a multiyear contract, this definition doesn't hold. Costs are not used to calculate Investment Thresholds, but are used to check whether an investment file gets to a certain threshold. The thresholds themselves are calculated in a different way defined by the CREG.

<b>Eligible Volume</b>	The Reference Power of each CMU multiplied by the Derating Factor as determined during the Prequalification Process.
<b>Energy Constrained Assets</b>	An asset or a portfolio of assets that have limited availability because they can only provide capacity availability for a limited number of consecutive hours.
<b>Energy Not Served* (ENS)</b>	Amount of energy that cannot be supplied, expressed in GWh per year.
<b>Expected Energy Not Served* (EENS)</b>	Expected amount of energy that cannot be supplied, expressed in GWh per year.
<b>Direct Cross-Border Participation*</b>	<i>According to the Electricity Law, article 2, 86°, capacity outside the Belgian territory, but connected through a specific cable to only the Belgian control zone, after entry into force of the CRM Law, subject to the same rights and obligations as similar capacity inside the Belgian territory.</i>
<b>Existing Capacity</b>	Capacity already connected to the electricity grid, equipped with metering device enabling the determination of the Reference Power at the moment of the prequalification.
<b>Indirect Cross-Border Participation*</b>	<i>According to the Electricity Law, article 2, 85°, capacity outside the Belgian control zone that is contributing to the security of supply of Belgium via interconnectors.</i>
<b>Investment Threshold</b>	The level of capex investments that meet the Eligibility Criteria, required for a CMU to be entitled to a Capacity Contract with a multi- year duration as referred to in article 7undecies § 5 of the Electricity Law.
<b>Loss of Load Expectation* (LOLE)</b>	<i>According to the Electricity Law, article 2, 52°, the statistical calculation based on which the anticipated number of hours during which it will not be possible for all the Generation resources available to the Belgian electricity grid to cover the load, taking into account also Market Response and the capacity from interconnectors, for a statistically normal year.</i>
<b>Market Response</b>	A reduction of electricity consumption behind the meter, independent from the technology, including both Demand Side Response as well as decentralized production and storage facilities.
<b>Market Rules</b>	The set of rules that provide for the functioning of the CRM, including a.o. the prequalification requirements, the auction's clearing algorithm, opt-out treatment, the Availability Monitoring Mechanism and Penalties as referred to in article 7undecies § 8 of the Electricity Law.

**Commented [A13]:** Why an asterisk, since not in red and no reference to any existing definition in other regulation?

**Commented [A14]:** Why an asterisk, since not in red and no reference to any existing definition in other regulation?

**Commented [A15]:** Not correct in alphabetical order of definitions

**Commented [A16]:** Can we conclude that if the only investment needed to participate to an Auction is a metering device, the capacity is looked at as 'new'? For ex. demand response.

**Commented [A17]:** Unclear

**Commented [A18]:** Not defined



<b>Missing Capacity</b>	The positive difference during the Delivery Period between the Obligated Capacity and the Available Capacity.
<b>New Capacity</b>	Capacity that is not yet connected to the electricity grid at moment of prequalification and for which at that time no Reference Power can be calculated based on 15 minutes measurements.
<b>Non-Eligible Capacity</b>	Capacity that is not allowed to take part in the CRM including at least capacities not meeting the emission standards as defined in RIME.
<b>Non-Energy Constrained Assets</b>	An asset or a portfolio of assets for which their availability is not limited in terms of the number of consecutive hours during which energy could be provided by the assets.
<b>Obligated Capacity</b>	The capacity for a CMU that is required to be available during an AMT Hour.
<b>Opt-Out Volume</b>	(Part of) the Eligible Volume of the CMU for which the CRM Candidate formally indicates it is not willing to offer it in an Auction, by the end of the Prequalification Process at the latest as referred to in article 7undecies § 6 of the Electricity Law.
<b>Penalty</b>	The amount to which the Capacity Provider is exposed in case of Missing Capacity not covered on the Secondary Market.
<b>Prequalification Process*</b>	<i>According to the Electricity Law, article 2, 82°, the procedure that enable the Capacity Holders to determine to participate in the Auction.</i>
<b>Price Cap</b>	The maximum Capacity Remuneration that can be received for a Bid.
<b>Price Limit*</b>	<i>The maximum price of bids permitted in the Auctions and/or the maximum Capacity Remuneration received by Capacity Providers after auction closure.</i>
<b>Proven Availability</b>	Proven Availability is exhibited when (i) a CMU without full scheduling obligation has Available Capacity during AMT Hours where the Day-Ahead Market price exceeds the Declared Market Price, that is consistent with the Obligated Capacity or (ii) a CMU with scheduling obligation is available in the energy market or (iii) a CMU reserving its Obligated Capacity in ancillary services made up only of Delivery Points associated to the CMU or (iv) a CMU physically delivering its Obligated Capacity output as a result of Ancillary Services activations.

**Commented [A19]:** After reading the design note on availability obligations and penalties, it seems to make more sense to define Missing Capacity without referring to the Secondary Market. Missing Capacity which is not covered on the Secondary Market could lead to the payment of penalties. The language used in the design note should take this into account.

**Commented [A20]:** Art. 7, undecies §4, 1° does not by definition exclude capacities which have or still receive support from other support mechanisms from participating in the CRM. This is still to be decided.

**Commented [A21]:** Aligned with the definition of Energy Constrained Assets

**Commented [A22]:** Is this sufficiently precise? Alternative: "that at least equals the Obligated Capacity"?

<b>Reference Power</b>	Maximal capacity (expressed in kW) that could deliver the Service and resulting from the Prequalification Process before application of relevant Derating Factors. This value is associated to a Capacity Market Unit (CMU).
<b>Reference Price*</b>	<i>According to the Electricity Law, article 2, 81°, the price that is presumed to be received by the Capacity Providers in the energy market.</i>
<b>Reliability Options*</b>	<i>According to the Electricity Law, article 2, 72°, the CRM based on which Capacity Providers will repay the positive difference between the Reference Price and the Strike Price.</i>
<b>Reliability Standard</b>	The Reliability Standard, as described in Article 25 of RIME, is used to define the level of security of supply of a country. In the absence of a European Reliability Standard, the national Reliability Standard for Belgium is determined in function of a two-fold LOLE criterion: The LOLE for a statistically normal year is not to exceed 3 hours. The LOLE for a statistical abnormal year (LOLE95) is not to exceed 20 hours as referred to in article 7undecies §3 3° of the Electricity Law.
<b>RIME (Regulation EU n° 2019/943 )</b>	Regulation (EU) n° 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.
<b>Secondary Market</b>	The market where Capacity Providers can procure spare capacity from other Capacity Holders to cover their obligations under the Capacity Contract.
<b>Service</b>	Compliance by a CMU with the Availability Obligations under its Capacity Contract AMT Hours.
<b>Service Level Agreement (SLA)</b>	The level of service which the CRM Candidate selects for its Energy-Constrained Assets during the Prequalification Process in function of their duration constraints per calendar day.
<b>Storage*</b>	<i>According to the Electricity Law, article 2, 63°, every process whereby the same installation takes electricity off the grid, to inject the electricity in the grid at a later stage, except for the electrical losses.</i>
<b>Strike Price*</b>	<i>According to the Electricity Law, article 2, 80°, a pre-defined price that determines the threshold above which the Capacity Provider has to pay-back difference with the Reference Price.</i>
<b>Unproven Availability</b>	Unproven Availability arises when a CMU without scheduling obligation is assumed to be available during AMT Hours where the Day-Ahead Market price is below the Declared Market Price, without actual proof of delivery of energy.

**Commented [A23]:** Or is there a real difference between "Service" and "Availability Obligations"?

**Unsheddable Margin**

Minimal amount of net active power offtake (in kW/MW) that cannot be curtailed (inflexible or unsheddable power) at the Delivery Point(s) concerned



