

Proposition of Procurement process for Restoration Services

10 March 2023

Version for public consultation

Contract period 2024-2026

This procurement procedure has been put forward to the CREG for approval pursuant Article 8, §1/1, sixth paragraph, in accordance with the Belgian law of 29 April 1999 concerning the organization of the electricity market

This procurement will proceed according to Article 30 of the law of 23 October 2022 amending the Belgian law of 29 April 1999 concerning the organization of the electricity market transposing Directive (EUs) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU

Date of submission to CREG: dd/mm/yyyy



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1 General information

1.1 Definitions

The definitions contained in the contract type for the restoration service provider (T&C RSP) approved by the CREG and published on Elia's website (<u>Becoming a Restoration Service Provider (elia.be)</u>), apply to these Procurement Procedures.

1.2 Goal

The goal of this document is to inform candidates, interested in delivering the Black Start Service (RSP candidates), of the tendering process and awarding rules, to:

- Select qualified providers who can make one or more BS restoration facility proposals;
- Select BS restoration facility proposals feasible of performing Black Start Service in line with the Restoration Plan;
- Award BS restoration facility proposals of the RSP candidates through signature of the RSP Contract;

ELIA awards the Black Start Service to 1 (one) BS Restoration Facility per Black Start Service Zone, pursuant to 1.5 Black Start Service zones.

1.3 Contractual period

The period for which Elia is looking for black-start service is from 01/01/2024 until 31/12/2026.

1.4 Open qualification procedure

The RSP candidate shall comply with the conditions set forth in the Open Qualification Procedure. The tendering process ELIA applies, for awarding the Black Start Service, is the negotiated procedure with prior call for candidates as defined in Art. 120 of the law on public tendering of June 17th 2016.



1.5 Black Start Service zones

The 5 (five) Black Start Service zones are constituted as follows:

- 1 (one): the 380 kV part of the ELIA Grid. Any BS restoration facility (proposal) who is connected directly to the 380kV part of the ELIA Grid is considered connected to the 380kV Black Start Service Zone.
- 4 (four) regional zones defined for the Black Start Service correspond to the aggregation of Electrical Zones (situation of 01/09/2022)¹ as described below:
 - North-West = Langerbrugge East, Langerbrugge West and Ruien;
 - North-East = Merksem and Stalen;
 - South-West = Hainaut East, Hainaut West and Schaerbeek/Brussels;
 - South-East = Liège;

Any BS restoration facility (proposals), not connected to the 380 kV part of the ELIA Grid, is considered to be connected to that Black Start Service Zone in which the connection point of its Technical Unit is located.

 $^{^1}$ The electrical zones are subject to change according to the rules defined in the Rules for Coordination and Congestion Management. The situation of 01/09/2022 is taken as a reference and will be used for the duration of the Black Start Service contractual period. Changes to the electrical zones do not impact the Black Start contract.

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Selection of qualified providers

Prior to submitting BS restoration facility proposals an RSP candidate should apply to become a qualified provider. The conditions to become a qualified provider are listed hereunder:

- Provision of the application form;
- Provision of a declaration (referred to as "sworn statement") in which the RSP candidate declares the fulfilment of the obligations related to payment of social security contributions in accordance with the legal provisions, fulfilment of the obligations related to payment of taxes in accordance with the legal provisions, and situation of non-bankruptcy;
- Proof of a sound financial and economic situation of the RSP candidate;

The application form and template for the sworn statement can be downloaded on ELIA website (<u>Becoming a Restoration Service Provider (elia.be)</u>) or requested by e-mail, pursuant to 6 Communication.

An RSP candidate can apply before the deadline mentioned in 7 Timings.

ELIA will assess the applications and inform the qualified providers and nonqualified providers, before the deadline mentioned in 7 Timings, by email, of their (non-)qualification. In case of non-qualification, ELIA will add the justification for the non-qualification.



3

Submission of BS restoration facility proposals

Qualified providers can submit a BS restoration facility proposal by providing ELIA following information:

- 1. A letter in which the qualified provider:
 - a) Agrees with the provisions of the T&C RSP;
 - b) Indicates the validity of the offer until the day before the start date of the Black Start Service contractual period, as mentioned in 1.3 Contractual period;
- 2. In accordance with Art. 227 § 1 of the Code of Conduct, the RSP is the Grid User of Technical Units providing the Service or a third party appointed by the Elia Grid User as RSP. In case of the designation by the Elia Grid User of a third party, the RSP must provide Elia with a copy of the Elia Grid User Declaration as figuring in Annex 6 of the T&C RSP signed by the Elia Grid User and the RSP;
- 3. The technical characteristics of each BS restoration facility proposal by completing the data collection questionnaire referred to in annex 4 of the T&C RSP;
- 4. For all BS Restoration Facility proposals, the period(s) during which each proposal can provide Black Start Service being either:
 - a) From the start of the Black Start Service contractual period till the end of Black Start Service contractual period, as mentioned in 1.3 Contractual period, or;
 - b) Any period(s) between the start of the Black Start Service contractual period till end of the Black Start Service contractual period, as mentioned in 1.3 Contractual period;
- 5. The offered prices for each BS Restoration Facility, by completing the concerned template(s) in annex 1 of the T&C RSP. The offered price should be composed out of following distinct elements, if applicable, accompanied by an explanation on the drivers of the price:
 - a) The capital cost for investing in the BS restoration facility proposal's technical capability to comply with the T&C RSP and the Restoration Plan. This is a fixed cost, expressed in euro;
 - b) The operational cost for maintenance of the BS restoration facility proposal's technical capability to comply with the T&C RSP and the Restoration Plan including:
 - i. Cost for training of personnel;
 - ii. Cost for 24/7 availability of personnel;
 - iii. Cost for Black Start Service procedures;

The operational cost depends on the availability of the BS restoration facility, pursuant to the T&C RSP and is expressed in euro/day;

c) The opportunity cost representing opportunity losses due to the contractual obligations pursuant Art. III.4.7 of the T&C RSP in case a minimum energy content needs to be reserved to provide the Black Start service. The opportunity cost depends on the availability of the BS Restoration Facility, pursuant to the T&C RSP, and is expressed as a fixed amount in euro/day or a formula. In case of a formula, the resulting price(s) are expressed in euro/day and updated on a yearly basis before the end of the previous calendar year;



d) The costs associated with the execution of a Black Start capability test "4" as foreseen in the Test Plan on the ELIA website (<u>Becoming a Restoration Service Provider (elia.be)</u>). This cost is expressed in euro/test;

All BS Restoration Facility proposals including the required documents need to be submitted by e-mail, pursuant to 6 Communication, before the deadline mentioned in 7 Timings.

Qualified providers that cannot comply with the minimal technical requirements as stated in the specific conditions of the T&C RSP, can submit an alternative offer.

Alternative offers

A selected candidate RSP who cannot meet all technical requirements specified in the Contract Type for Restoration Services is still allowed to offer to Elia the Restoration Services by an alternative offer.

An alternative offer must nonetheless at least respect the following, derogated requirements:

• Capable of absorbing at least 20 Mvar at the connection point and able to handle the connection of elements of the grid that generate up to 20 Mvar under steady state operating conditions;

However, the selected candidate RSP is not allowed to derogate any of the other criteria defined in the specific conditions of the T&C RSP.

The selected candidate RSP has to point out the following elements in the technical form for alternative offer (Annex 4 of the T&C RSP):

- the technical requirement(s) which are not respected;
- the best performance reachable for each technical requirement that cannot be satisfied for the concerned offered BS restoration facility;
- the reason(s) why the specified technical criteria requested by Elia cannot be met.

Elia will evaluate the technical feasibility of the alternative offer based on the information provided as defined above. Elia reserves the right to reject the offer based on the conclusion of its analysis.



4

Consideration of BS restoration facility Proposals

In order to consider or reject a submitted BS restoration facility proposal as a candidate for awarding, ELIA assesses its feasibility to provide the Black Start service in accordance with the Restoration plan.

Technical specifications assessed by ELIA:

ELIA assesses the minimum technical requirements as stated in the specific conditions of the T&C RSP.

Possible outcome of the assessment of minimum technical requirements:

The outcome of the assessment, for each BS restoration facility proposal, can be one of following possibilities concluding in either a feasible or unfeasible proposal

- The BS restoration facility proposal is deemed **feasible** to execute the Restoration Plan. In which case the proposal is considered for awarding in accordance with 5 Awarding of Black Start Service;
- The BS restoration facility proposal is deemed **unfeasible** to execute the Restoration Plan. In such case:
 - The proposal is rejected.
 - ELIA will justify its assessment to the qualified provider.

ELIA will inform the qualified providers of the consideration or rejection of their BS restoration facility proposal(s) before the deadline mentioned in 7 Timings.

5 Awarding of Black Start Service

ELIA awards the Black Start Service to the RSP candidate using following criteria and process.

5.1 Awarding criteria

| n° | Criteria | Weight |
|----|--|--------|
| 1 | Lowest total cost (capital, operational, opportunity and test costs) [€], the capital and test costs will be made variable using 365 operational days during the year, for the offered contractual period. In case a formula is offered for the opportunity costs, the result for the first year will be used in the awarding process; | 50% |
| 2 | Highest additional active power that can be injected [MW] | 15% |
| 3 | Highest additional reactive power that can be absorbed [MVAr] | 10% |
| 4 | Highest moment of inertia [T*m ²]; | 5% |
| 5 | Highest instantaneous load acceptance [MW]; | 10% |
| 6 | Lowest time to start providing Black Start Service while in operation (injecting power at the moment of the Black-Out) [min]; | 5% |



Lowest time to start providing Black Start Service when shut-down (not injecting power at the moment

5.2 Awarding process

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- 1) The Black Start Restoration Facility proposals will be considered in the following order:
 - Black Start Restoration Facility proposals complying with the minimal technical requirements, not participating to the Strategic Reserve
 - Black Start Restoration Facility proposals complying with the minimal technical requirements, participating to the Strategic Reserve
 - Alternative offers

of the Black-Out) [min];

- 2) ELIA gives each considered BS restoration facility proposal a score for each of the awarding criteria;
- 3) The BS Restoration Facilities eligible to provide the Black-Start Service that participate to the Strategic Reserve will be considered for selection after BS Restoration Facilities that are in the market;
- 4) ELIA calculates the weighted awarding criteria score of each BS Restoration Facility proposal (see example underneath) by attributing the maximum score for a given criterion to the best BS restoration facility proposal and attributing pro-rata scores, compared to the best offer, to the other BS restoration facility proposals;
- 5) ELIA ranks the considered BS restoration facility proposals per Black Start Service zone;
- 6) The BS restoration facility proposal with the highest weighted score per Black Start Service zone is awarded the Black Start Service;
- 7) In case the awarded BS Restoration Facility proposal does not cover the complete contractual period, an additional RSP Contract can be awarded for the non-covered period to the BS restoration facility proposal with the highest weighted score for that period in that Black Start Service Zone;

Black Start Service Zone without feasible BS restoration facility:

In case no BS restoration facility proposal connected to a certain Black Start Service Zone can be awarded the RSP Contract , ELIA will award an additional BS restoration facility connected to another Black Start Service zone while respecting following rules:

- ELIA can award an additional BS restoration facility proposal connected to the 380 kV or any Black Start Service zone adjacent to the concerned Black Start Service Zone without feasible BS restoration facility;
- ELIA can contract a maximum of two BS restoration facilities per Black Start Service Zone;
- ELIA awards the additional BS Restoration Facility proposal the RSP candidate pursuant to 5 Awarding of Black Start Service after the awarding procedure of the Black Start Service Zones with a feasible BS restoration facility proposal(s).



- If no additional RSP contract can be awarded, alternative offers can be considered for the concerned Black Start Service Zone(s).
- If no RSP contract can be awarded to an alternative offer, a new tendering process will be initiated for the concerned Black Start Service Zone(s).



5.3 Example of the comparison score of BS Restoration Facility proposals:

There are two proposals considered here for a certain Black Start service zone. The characteristics of the first proposal can be found in the third column and the characteristics of the second proposal can be found in the fourth column. The second column shows the different criteria on which the proposals will be judged. These weights are for illustration purposes only. In column five, the weights for the different criteria are translated into the absolute maximum score on a scale of hundred. In the final two columns the weighted score for each of the proposal is explicated. The BS restoration facility proposal with the most favorable value for the criterion is given 100% of the maximum score. The other BS restoration facility proposals are given the maximum score in proportion of their value divided by the value of the best scoring BS restoration facility for the concerned criterion.

| n° | Criteria | Proposal 1 | Proposal 2 | Max score per criterion | Proposal 1 weighted score | Proposal 2 weighted score |
|----|--|---|--|----------------------------|---------------------------------|---------------------------------|
| 1 | Capital costs, operational costs, opportunity and test costs[€] (capital cost + test cost)/contract duration + (operational + opportunity costs); | 4.183 = (95.000 + 5000) / (365*0.67) + 4000 | 5.009 = (5000 + 5000) / (365*2) + 5000 | 50 | 50 | 41,75 |
| 2 | The additional active power [MW]; | 200 | 300 | 15 | 10 | 15 |
| 3 | The additional reactive power [MVAr]; | 60 | 110 | 10 | 5,45 | 10 |
| 4 | Moment of inertia [T*m ²]; | 15 | 18 | 5 | 4,17 | 5 |
| 5 | Instantaneous load acceptance [MW]; | 15 | 20 | 10 | 7,5 | 10 |
| 6 | Time to start providing Black Start Service while in operation [min]; | 5 | 20 | 5 | 5 | 1,25 |
| 7 | Time to start providing Black Start Service when shut-down [min]; | 110 | 120 | 5 | 5 | 4,58 |
| | | | SUM | 100 | 87,12 | 87,58 |



6 Communication

For the goal of this tender and questions related to this tender, ELIA can be contacted through:

• Email: XX

And, if applicable, the Key Account manager.

7 Timings

Following deadlines apply to this tendering process.

| Who | What | Deadline |
|---------------|---|----------|
| Candidate RSP | Application qualified provider | |
| ELIA | Informing qualified and non-qualified providers | |
| Candidate RSP | Submission BS restoration facility proposal(s) | |
| FLIA | Communicate conclusion of BS restoration facility | |
| ELIA | assessment; | |
| ELIA | Submission of tender report to the CREG; | |
| CREG | Assessment of the reasonability of the proposals; | |
| ELIA | Awarding of RSP contracts; | |