

EXPLANATORY NOTE

Rules for suspension and restoration of market activities and rules for settlement in case of suspension of market activities

Elia

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1. Practical information

This note serves as an explanation for the current consultation on the **rules for suspension and restoration of market activities and the rules for settlement in case of suspension of market activities** (hereafter referred to as “Market Suspension Rules”). The purpose of this consultation is to obtain comments from the market parties. At the end of the public consultation, Elia will provide a consultation report that will be available to all market parties. All responses to this public consultation will be made public on Elia’s website, except those responses for which market parties ask to treat their contribution as confidential. However, all responses to this public consultation will be submitted to the relevant regulatory authorities in the context of the official approval procedure.

Elia invites all stakeholders to submit any comment and suggestion they may have on the documents submitted for consultation. The consultation period runs from 07/04/2023 to 08/05/2023. All responses must be submitted via the online form on the Elia website. The draft proposal for the Market Suspension Rules is available for consultation on the Elia website.

Questions regarding these documents can be sent to the following email address: BMMconsult@elia.be.



2. Introduction

In 2018, Elia submitted a proposal for the Market Suspension Rules to the CREG, as required by Regulation EU 2017/2196 establishing a network code on electricity emergency and restoration (NC E&R). In September 2019, CREG decided, in its decision (B)1941, not to approve Elia's proposal. It also required Elia to submit an adapted proposal taking into account the remarks that CREG formulated in its decision. If Elia considers that some of these remarks cannot be taken into consideration in its new proposal, it is invited by the CREG to justify it in this explanatory note.

Elia has therefore adapted its proposal for the Market Suspension Rules based on CREG's feedback. For a few remarks, ELIA however considered that it could not respond to CREG's request. When it is the case, the deviation is explicitly justified in this explanatory note. Besides, Elia took the opportunity of this new revision to clarify and adapt a few additional elements of the Market Suspension Rules:

1. The scope of the Market Suspension Rules was clarified: Market Suspension Rules are national rules and were consequently drafted to address cases of emergency, restoration and blackout states that only concern Belgium. When several TSOs are concerned by an issue, an inter-TSO coordination is necessary to efficiently manage the situation. In this case, the injunctions resulting from this inter-TSO coordination prevail on the national Market Suspension Rules.
2. As a result, the number of market activities that Elia is allowed to suspend was reduced from 11 (in the proposal submitted by Elia in 2018) to 7 (in the new proposal for consultation). Elia indeed removed from the list of the market activities that it can suspend all the activities that are related to European processes (e.g. the organization of the single day-ahead or intraday coupling) because it believes that the decision to stop these activities cannot be taken by Elia alone, and that the procedure to suspend these market activities does therefore not belong to these national Market Suspension Rules.
3. Modifications were proposed in the construction and application of the restoration tariff
 - The Belgian reference day-ahead price¹ is used in the formula instead of the day-ahead EPEX spot price (to accommodate the Multiple NEMO arrangement)
 - The restoration tariff applies for all physical injections/offtakes in the portfolio of BRPs except for the imports resulting from a top-down restoration strategy to which a financial compensation described in bilateral agreements between TSOs should apply

¹ <https://www.elia.be/en/grid-data/transmission/day-ahead-reference-price>



- The formula as such will be proposed in the 2024-2027 tariff proposal² and will be invoiced to the BRPs instead of the Imbalance tariffs during periods of “TSO controlled dispatch³”.-

Beside to these adaptations addressing CREG’s comments in its decision (B)1941, this proposal of Market Suspension Rules takes also into account feedbacks that were provided by the market participants after the two presentations done during the Working Group European Market Design and System Operation (WG EMD&SO) of 14th October 2022 and the Working Group Balancing of 22nd March 2023. Several feedbacks received from the CREG during alignment meetings organized during the drafting process of this amended proposal were also considered and implemented into this adapted proposal.

An overview of the most important changes to the proposal for Market Suspension Rules is discussed in the sections below. The detailed adaptations that were performed by Elia to address all the remarks received by the CREG can be consulted in a version with track-changes of the proposal for Market Suspension Rules.

² For which a public consultation has been held on the [“Key elements of foreseen evolutions included in the tariff proposal 2024-2027 \(elia.be\)”](#)

³ “TSO-controlled dispatch” is defined in the proposal. It means the mode of operation of the transmission system referred to in the Elia Restoration Plan, during which certain market segments (such as the publication of Imbalance prices and the activation of balancing energy bids) are interrupted and during which the grid users execute the instructions given by the TSO in order to restore the system. As explained later in this note and in article 6 of the Market Suspension Rules, the BRP balance responsibility is suspended during the period of TSO-controlled dispatch. During such period, imbalances of BRPs are still calculated, but not invoiced, as there is no imbalance tariff but only a restoration tariff.



3. Main adaptations to the proposal for Market Suspension Rules

The main changes resulting from CREG’s feedback as well as additions coming from stakeholder’s recent comments are highlighted in this section. Besides, the reasons why Elia did not take into consideration some of CREG’s remarks are explained in the following paragraphs.

3.1. Definitions (art. 2)

In its decision, CREG required Elia to clarify the definition of a “TSO controlled dispatch” considering the numerous questions and remarks formulated by the CREG in several paragraphs of its decision. To avoid inconsistency with other official documents (e.g. Elia restoration plan), Elia did not adapt the definition of a “TSO controlled dispatch” in article 2 of its proposal for Market Suspension Rules. However, Elia clarified the meaning of “TSO controlled dispatch”, as well as the exact start/end and consequences of a “TSO controlled dispatch” period, in article 6 of its proposal for “Market Suspension Rules”.

Besides, Elia added in article 2 the definitions of several terms that are used in this new version of the Market Suspension Rules such as for instance the “Code of conduct”, “CDS”, “Elia grid”, ...

3.2. Scope and general approach (art. 3)

In its decision, CREG suggested to remove the article describing the scope of the Market Suspension Rules, or at least to translate this article into concrete rules. As every emergency, blackout or restoration state is unique and should be managed in a tailored way, it is important for Elia to clarify that some articles of the Market Suspension Rules should be considered as guidelines from which Elia could deviate in some circumstances, while other articles can be considered as binding rules. In its new proposal for Market Suspension Rules, Elia explicitly specified the articles that are to be considered as guidelines and not rules and provided as much information and illustrations as possible regarding the circumstances in which Elia could deviate from these guidelines.

An important precision that Elia added in this new revision regarding the scope of the Market Suspension Rules is that these rules have been thought to deal in the most efficient way with situations (as described in article 35(1) of NC E&R) that only affect Belgium. When such a situation affects several countries, an inter-TSO coordination is necessary to efficiently manage the situation and the decisions made by the inter-TSO coordination should hence take precedence over the local market suspension rules of each of the affected country. Elia could therefore deviate from the guidelines specified in the Market Suspension Rules in case a situation affecting several countries, including Belgium, occurs.



3.3. Coordination by the GRT (art. 4)

In its decision, CREG asked Elia to complete its proposal and to associate a time delay to be respected for each of the parameters that are assessed in real-time by ELIA prior to the start of the procedure for suspension of market activities. Elia considers that it does not make sense to associate fixed time delay to these parameters because the decision to suspend market activities and the most appropriate moment to start suspending these market activities will depend on when the situation occurs (as described in article 35(1) of NC E&R), on how long this situation is expected to last, and on the next run of the considered market activity.

In general, the activities that are running continuously (e.g. the publication of the Imbalance price, the purchase of balancing energy bids, etc.) are stopped quickly after a situation as described in article 35(1) of NC E&R (i.e. black-out state, emergency state, restoration process to the normal or alert state and IT tools or communication issues) is detected. However, for market activities that are organized on a daily basis (e.g.. the purchase of balancing capacity, ...), Elia could observe a much longer delay before deciding to stop or maintain the market activity, and wait until we get closer from the next run of the market activity, in order to take the decision with the best possible information on the situation (as described in article 35(1) of NC E&R) that occurred and on how long this situation is expected to last.

Let's illustrate this with the following example: Let's suppose that a black-out occurs at 7PM. At that moment, Elia observes the absence of voltage during more than 3 minutes in its control area, leading to the activation of the restoration plan. If a fixed time delay was associated to each parameter, Elia would have to stop all the market activities that might need to be stopped in such a situation after, for instance, 15 minutes, it would mean that it would already take the decision at 7:15PM to cancel the mFRR capacity auction that takes place at 10AM the next day. By doing so, Elia already significantly decreases the chance to restore the markets in the next 48 hours, since it would mean that no mFRR capacity would be reserved for two days later, hence preventing Elia to go back to a normal market situation on that day. On the contrary, if Elia can adjust the delay it observes before stopping a market activity, then Elia would wait until a reasonable time before the organization of the mFRR capacity auction (let's say until 8AM) before deciding. At that moment, it has been more than 12 hours since the beginning of the black-out and Elia has a good view on the situation and on how fast grid restoration is progressing. If at 8AM, Elia believes that the chance is high that the grid will be restored by the end of the day, then it will not cancel the mFRR auction for the next day. In this example, it is very beneficial for the market that Elia took additional time before stopping the market activity. It indeed allows to go back to a normal situation as soon as the grid is stable, because the necessary reserve availability is ensured.

3.4. Market activity (art. 5)

As explained above, Elia took the opportunity of this revision to reduce the number of market activities that Elia is allowed to suspend.

Article 35(2) of NC E&R lists 5 market activities that the TSO can suspend. Besides, it allows the TSO to suspend any other relevant market activity when its suspension is deemed necessary to preserve and/or restore the system.



Article 35(2)a allows Elia to suspend the provision of cross zonal capacity for capacity allocation on the corresponding bidding zone borders for each market time unit (MTU) where it is expected that the transmission system shall not be restored to the normal or alert state. Elia foresees that it will never take the decision to stop the activity to provide the needed input feeding the regional capacity calculation process on its own. This activity is indeed necessary to feed European processes (e.g. Core DA and ID Capacity Calculations, Single Day-ahead Coupling, Single Intraday Coupling, ...) of which the suspension cannot be decided by a TSO alone. Even if a situation, as described in article 35(1) of NC E&R, occurs in Belgium, Elia will hence continue providing the needed inputs to these European processes, even though these inputs could be adapted (for instance reduced or set even to zero) to best reflect the local situation. Without providing these inputs to the TSO regional central systems, Elia would prevent other regional TSOs to calculate the capacity for their zone, even if they are not affected. It is only in case a situation affects several countries and the inter-TSO coordination in charge of the management of the situation requires the TSO to stop providing cross zonal capacity that Elia will effectively suspend this market activity. In case of such a situation, Elia should be allowed to deviate from its local Market Suspension Rules.

Article 35(2)b allows Elia to suspend the submission by a balancing service provider of balancing capacity and balancing energy bids. Elia included this possibility in its national Market Suspension Rules. For instance, when the communication means and the tools allowing the Balancing Service Providers to submit their bid to Elia, as well as their back-up, are no longer available, Elia should be allowed to suspend these market activities.

Article 35(2)c allows Elia to suspend the provision by a balance responsible party of a (partially) balanced position at the end of the day-ahead timeframe if required by the terms and conditions related to balancing. Elia included this possibility in its national Market Suspension Rules. For instance, when the communication means and the tools allowing the Balancing Responsible Parties to provide a (partially) balanced position to Elia at the end of the day-ahead timeframe, as well as their back-up, are no longer available, Elia should be allowed to suspend this market activity.

Article 35(2)d allows Elia to suspend the provision of modifications of the position of balance responsible parties. Elia included this possibility in its national Market Suspension Rules. For instance, when the communication means and the tools allowing the Balancing Responsible Parties to provide a modification of its position, as well as their back-up, are no longer available, Elia should be allowed to suspend this market activity.

Article 35(2)e allows Elia to suspend the provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485. Elia included this possibility in its national Market Suspension Rules. For instance, when the communication means and the tools allowing the Balancing Responsible Parties (BRP) to provide the internal or external commercial trades, or the Scheduling Agents (SA) to provide the physical schedules, as well as their back-up, are no longer available, Elia should be allowed to suspend this market activity.

On top of that, Elia identified three other market activities that it might suspend in case a situation (as described in article 35(1) of NC E&R) affecting only Belgium occurs.



First of all, Elia might suspend the purchase of balancing energy, as described in the articles 29 to 31 of the EBGL. This market activity will for instance be stopped during the TSO controlled dispatch period that follows a blackout. At that moment, the TSO indeed directly sends instructions to the grid users that ensure that the grid is balanced and it hence no longer needs to activate balancing energy.

Then, Elia might also stop contracting balancing capacity, as described in the articles 32 to 34 of the EBGL. In case the grid is not expected to be fully restored for the next day following a blackout in Belgium, Elia might decide to stop purchasing balancing capacity since it knows that it will still be sending direct instructions to the grid users during the next day and hence does not need to guarantee reserves availability.

Finally, Elia should be allowed to stop publishing the imbalance price on its website. In case of some specific emergency situations, such as for instance a system split occurring within the Belgian control area, or in case of a TSO controlled dispatch period following a black-out, the publication of the imbalance price could indeed provide dangerous incentives to the BRPs:

- When a system split occurs within Belgium, Belgium is cut into two different zones. One of these zones could possibly be long while the other is short. Besides, the portfolio of each BRP is most likely split over these two zones. If the imbalance price reflecting the marginal price of the energy bids activated by Elia in the whole zone is published on Elia website, it could be used by the BRPs in a dangerous way. If the imbalance tariff is very high, they would be incentivized to increase production in their portfolio, but by doing so, they could actually increase the production in the sub-zone which is already too long, which is dangerous. The imbalance tariff cannot efficiently drive the implicit reactions of BRPs in those moments, so it's safer and more efficient to stop publishing the imbalance price and hence incentivize the BRPs to stick to their schedules, on which Elia has a clear view.
- During a TSO controlled dispatch period that follows a blackout, the imbalance tariff can no longer be calculated since the calculation of the imbalance price is based on the price of energy balancing that the TSO no longer activates at that moment. Elia directly sends its instructions to the grid users during such a period so it wouldn't make sense to incentivize BRPs to keep control of their portfolio balance during this period. This is explained in detail in section 3.7

In total, Elia identified 7 market activities that it might need to suspend in case a situation affecting only Belgium occurs.

Note that, in comparison with the previous proposal for the Market Suspension Rules submitted to the CREG in 2018, Elia decided to remove from the list of market activities that can be suspended four additional activities that Elia had suggested in compliance with article 35(2)f of the NC E&R. Those four activities are the following ones:

- The allocation of long-term transmission rights: considering the time horizon targeted by this market activities, it should never be impacted by a situation as described in article 35(1) of the NC E&R (at least under the assumptions taken for the elaboration of these Market Suspension Rules, as clarified in article 3 of the



Market Suspension Rules). It does therefore not make sense to foresee the possibility to interrupt this market activity.

- The organization of the Single Day-ahead Coupling (SDAC): as explained before, Elia believes that the decision to suspend this EU market activity can, by no means, be taken by a TSO alone – this decision should instead be the result of a coordination at European level.
- The organization of the Single Intraday Coupling (SIDC): as explained before, Elia believes that the decision to suspend this EU market activity can, by no means, be taken by a TSO alone – this decision should instead be the result of a coordination at European level.
- The local intraday transactions on a NEMO platform: here also, Elia believes it is not its role to suspend these transactions – the role of Elia is rather to transparently inform the NEMO of the situation and of its expected evolution, so the NEMO can take the decision to suspend these transactions if deemed appropriate.

3.5. Procedure for the suspension of market activities (art. 6 and 7)

In order to address CREG's request to transfer the description of the rules in the body of the text compared to the previous proposal for the Market Suspension Rules (where it was mainly described in a synoptic table in annex), Elia described in article 6 of its new proposal the market activities that are likely to be suspended for each situation (as described in article 35(1) of the NC E&R), as well as the sequence that should be followed for the suspension of these market activities, when relevant.

Besides, CREG required Elia to clarify the principles and assumptions that should be followed by the market parties when they provide information to Elia during a TSO controlled dispatch period.

As explained previously, the description of the process of suspension of market activities listed in article 6 should be considered as guidelines except for the 2 activities listed in the first paragraph of article 6(3) which should be considered as rules.

As explained in article 7.4 of the Market Suspension Rules, in such a TSO controlled dispatch period, Elia will continue requiring the market parties to provide it with the *best possible* information they have at disposal regarding the following data:

- The provision of schedules (by the SA) and commercial trades (by the BRP)
- The submission of balancing capacity and energy bids (by the BSP)
- The provision of a (partially) balanced position at the end of the Day-ahead timeframe (by the BRP)
- The provision of the modifications in the position of the BRP (by the BRP)



First of all, Elia repeats that this information should be provided by the market parties based on a best effort philosophy. Elia is indeed aware that the possibility to exchange this information and the quality of this information may evolve throughout the TSO controlled dispatch period. For instance, in the beginning of this period, all the communication means and tools allowing this exchange of information might be unavailable and the market parties could be (partially) blind with respect to the status of their portfolio. On the contrary, when the TSO controlled dispatch period is getting closer to its end, and especially when the TSO is in the process of progressively restoring the market activities, the tools and communication means allowing the exchange of information should be available again and the information that the market parties have at their disposal is extremely relevant for the TSO. In other words, Elia is aware that the required information will not always be available or of perfect quality but insists that the more information it gets, the more efficient the grid and market restoration can be.

As regards the specific principles and assumptions that should be followed by the market parties when they provide information :

- When the data exchanged concern a time unit which is supposed to fall outside the TSO controlled dispatch period (for instance, when the SA provides the schedules or when a BRP provides the nominations for the hours that follow the announced market full restoration by Elia), then market parties don't need to take any specific assumption and the data exchanged should reflect the expected market situation. These data will be used by Elia to organize a smooth transition from the TSO controlled dispatch to the situation where the dispatch is provided by the market.
- When the data exchanged concern a time unit for which the TSO will still be sending direct instructions to the grid users, the market parties can assume that the instructions provided by Elia to the grid users that are active at the access points of their portfolio will be executed and calculate the required information accordingly. At first sight, this information might seem redundant and hence not useful for Elia. However, it allows Elia getting a quick overview of the grid situation. For instance, in the beginning of the restoration process, after the black-start units are started, it is very interesting for Elia to receive the schedules and available energy bids of the other production units of the grid, since it provides a quick view on the availability of each unit (that may have incurred damages due to the blackout) and of the maximum power at which they can run (which can be limited due to these damages).

3.6. Restoration of market activities (art. 8)

In its decision, CREG requested Elia to establish, in the body of the document (and not in the annex) a clear definition of the restoration rules for the market activities that might be suspended by Elia, and this in a symmetrical way compared to what is done for the suspension rules.

As explained above, Elia can only describe guidelines for the restoration of market activities, and not strict rules, since it should be allowed to deviate from these guidelines in specific situations (e.g. when the situation affects sev-



eral EU countries). To address CREG’s request, Elia therefore described in the Market Suspension Rules the guidelines that are to be used by Elia to decide on when and according to which sequence to restore the market activities that have been suspended.

In its decision, CREG also requested Elia to explain why the delay between the communication towards the market parties informing them that the suspended market activities can be restored, and the effective restoration of these market activities can be different in case of a TSO controlled dispatch and in case of any other situation where market activities are suspended. The reason is that the switch from a TSO controlled dispatch to a situation where the dispatch is defined by the market requires an important preparation, from both the market parties and the TSO. More concretely, once Elia has enough confidence in the grid stability and in the ability of the market to take back the control of the dispatch, it will inform the market parties that the TSO controlled dispatch period will end after a certain (reasonable) time delay. As from that moment, the market parties know that they should start following their usual processes to prepare the period following the announced end of the TSO controlled dispatch period. BRPs will anticipate that they will take back their balance responsibility and will for instance start trading again on the ID market, or adapt the dispatch of the production units of their portfolio, etc. Once this information is communicated to the TSO, Elia will make sure to organize the smoothest possible transition from the TSO controlled dispatch period to the market-driven dispatch, by re-dispatching the units to bring their close to their first “market-driven” schedules. This whole preparation is usually much more time-consuming than the time required to properly restore a market activity which would have been suspended outside a TSO controlled dispatch period (for instance, because the tools/communication means allowing to ensure the market activity have been temporarily unavailable). This is the reason why Elia expects a longer time delay between the communication towards the market and the effective market restoration in case of a TSO controlled dispatch.

3.7. Rules for imbalance settlement in case of suspension of market activities (art. 10 and 11)

In case one or several market activities listed in article 5(2) of the Market Suspension Rules are suspended, the imbalance⁴ settlement (based on the imbalance prices) usually occurs according to the rules described in the T&C BRP.

This comes with one exception: in case of a TSO controlled dispatch period, the TSO takes over the control of the grid in order to restore it. During those periods the TSO suspends all commercial energy trades between BRPs⁵ (including imports/exports) and sends direct instructions to the grid users that are executed to re-energize the grid in conformity with the Restoration plan.

⁴ which continues to be calculated and which correspond to the netto sum of all physical injections/withdrawals of energy to/from the grid from the portfolio of a BRP since the commercial trades are put at zero by Elia.

⁵ in practice internal and external commercial trade nominations are put at zero by Elia



During those TSO-controlled dispatch periods the BRPs no longer have the control of the balance of their portfolio and their balance obligation is suspended. Indeed, it wouldn't seem logic to "penalize or incentivize" them with an imbalance price (besides, the imbalance price is mainly based on the price of the activated balancing energy while there is no balancing energy activated during a TSO controlled dispatch period).

Instead, a specific Restoration tariff will be applied and invoiced for all offtakes and injections⁶ made during the periods of TSO-controlled dispatch. Purpose of this Restoration tariff is to ensure:

- transparency: formula used for the invoicing should be well known by market parties that will be exposed to it and its result should be published on Elia's website in case of TSO- controlled dispatch.
- financial neutrality: costs of energy injected to the grid are covered by the incomes of the energy withdrawn from the grid (with the exception of the cost of the imports in case of a top-down restoration⁷ strategy);
- cost reflectiveness: formula should strive to the costs of the production units mobilized during the TSO control dispatch period by Elia to restore the grid in a bottom-up situation.

In the initial proposal of Market Suspension Rules that had been submitted to the CREG in 2018 Elia had proposed a formula for Restoration Tariff which was similar to the formula of the "default transfer price" applicable in case of transfer or Energy conform to CREG's Decision (B)1677) of 15 March 2018.

During discussions on 14th October 2022 in the WG EMD & SO, market parties raised concerns regarding the representativeness of this formula in case of restoration of the grid that takes place during a period of high prices. More specifically, Febeliec pointed out the fact that this ToE formula (based mainly on forward prices of Y-1 and Y-2) could be non-representative and non-cost-reflective if market suspension would occur during (or even after) periods of exceptionally high prices similar to the ones observed in the markets in August 2022. To address this issue Elia proposed a new formula that better represents the energy prices during TSO-controlled dispatch period and hence ensures a better coverage of the production costs for the units mobilized during the TSO-control dispatch period. Besides, as the formula is well known and published during those periods, consumers can adapt their level of consumption accordingly.

The proposed Formula for the Restoration tariff applicable for a given market time unit⁸ (MTU) during the TSO controlled dispatch period is based on the average of 5 best representative belgian day-ahead reference prices for this same MTU in the Belgian bidding zone. Those 5 best representative day-ahead reference prices are selected among the last 7 belgian day-ahead reference prices calculated for this same MTU in the Belgian bidding zone (for the 7 last

⁶ Which corresponds to the imbalance of a BRP as all commercial trade nominations are put at zero

⁷ The Restoration tariff is not applicable for the energy imported in case of a top-down restoration strategy because it wouldn't be possible to meet the transparency requirement otherwise. Indeed, in case of top-down restoration, the neighboring TSOs are remunerated for the energy exported to the Belgian bidding zone at a price covering their operational costs. As this price is computed only ex-post and as those volumes are supposed to be relatively limited, it has been decided not to take these (very limited costs) into account in the construction of the Restoration tariff.

⁸ Currently the market time unit of the Belgian day-ahead reference price is 60 minutes. The Restoration tariff for each imbalance settlement price (ISP – which is 15 minutes in Belgium) is then identical for each quarter of the same hour. In the future (estimated planning 2025), the MTU of the single day-ahead coupling (SDAC) for the Belgian bidding zone will be changed to 15 minutes. The Restoration tariff's formula will still be valid, but will be different for each ISP.



delivery days including the last day for which there was no TSO controlled dispatch period at 0:00), from which the minimum and the maximum have been withdrawn.

For example (considering that the day-ahead MTU of Belgium is still 60 minutes): supposing that the TSO controlled dispatch period started on Monday April 17th at 8:45 in the morning, the Restoration tariff for a 17th of April for the 4 quarter-hours 11:00 -12:00 am, are calculated as follows:

1. the 7 last DA-reference prices for the quarter-hours between 11:00-12:00 are those for the days 11th to 17th April included (as Belgian grid was not yet in TSO controlled dispatch state on 17th April at 00:00 and the price for 17th April was calculated on the 16th).
2. From those 7 values, the outliers (min and max values) are withdrawn, the others 5 are selected for the calculation of the Restoration tariff (→ “5 out of 7”)
3. The average of the 5 remaining values corresponds to the Restoration tariff for the 4 quarter-hours of the period 11:00-12:00.
4. The Restoration tariff for all MTU of the 17th will be published on Elia’s website. If the TSO controlled dispatch period is prolonged after the 17th, the same Restoration tariff (calculated with Belgian day-ahead reference prices of Belgium of the days 11 to 17th April) will continue to be used until the restoration to the normal or alert state is finished.

The detailed formula of this specific Restoration tariff will be defined in the Tariff Proposal that will be submitted to CREG for the tariff period 2024-2027. It has been described in details in the document “**Key elements of foreseen evolutions included in the tariff proposal 2024-2027**” that has been publicly consulted between Tuesday 14th of February to Monday 20th of March 2023 included. Examples of the Restoration tariffs calculated for the MTU of 5 August 2022 and 21 January 2023 are provided in section 4.1 of the Appendix.

This Restoration tariff will be invoiced to the BRPs for their injections and offtakes measured during the periods of TSO controlled dispatch. As the commercial trade nominations (external and internal) are put at zero during those periods, the sum of all physical injections/offtakes in the portfolios of each BRP corresponds to the BRP’s imbalance.

Although no particular question on this topic had been raised by market parties during the public consultation in 2018, for this new version of the Market Suspension Rules, Elia analyzed and examined also another option than invoicing (remunerating) the BRP for the energy injected/withdrawn from the grid during a TSO controlled dispatch period. This alternative invoicing option consists in settling the netto energy at each access point (and each DSO interface point) and invoicing it or remunerate it to the Access Holder or the DSO instead of the BRP.

In this case the Restoration tariff would be seen as a tariff for the system management expressed in €/MWh withdrawn/injected at each access point.

For the sake of transparency towards market parties and in order to allow the latter to provide their eventual comments on that part, Elia shares in sections 4.2 and 4.3 of Appendix of this Explanatory Note the comparison that has been performed and the reasons why Elia opted for/proposes a settlement of the Restoration tariff to the BRP (as it was already the case in 2018).



3.8. Entry into force (art. 12)

Conform Article 18 point 2 of the Electricity Balancing Guideline, once approved the Market Suspension Rules shall be included and annexed to the T&C's BRP and BSP. BRPs and BSPs will be notified accordingly.

Elia identified the following actions to be implemented before the full entry into force of these rules:

- IT developments to allow the notifications towards the market parties, as described in chapter 5
- IT developments allowing to support the imbalance settlement process during a TSO controlled dispatch
- The entry into force of a new version of the Tariff Proposal in which the Restoration tariff is described

Elia would therefore like to suggest an entry into force 30 business days after CREG approval of the Market Suspension Rules and on January 1st 2024 at the earliest, in line with the entry into force of the Restoration tariff.

Some IT means (described in Article 9(2) to 9(7) of the Market Suspension Rules) will be implemented at the latest 6 months after the entry into force of the Market Suspension Rules. Before their implementation, backup communication, in conformity with NC E&R, will be used.

Elia invites the market parties to provide their feedback regarding this implementation plan (especially if Elia missed an important change in the processes and tools of the market parties) and the foreseen date for the entry into force.



4. Appendix

4.1. Examples of the calculation of the Restoration tariff

Example TSO-controlled dispatch Friday 5/8/2022 from 8:00 to 16:00 (high prices)

Hours	Date: 05-08-2022	Date: 04-08-2022	Date: 03-08-2022	Date: 02-08-2022	Date: 01-08-2022	Date: 31-07-2022	Date: 30-07-2022	Pris max	Pris Min	Pris restoration 05-08-2022
	BE	BE	BE	BE	BE	BE	BE			
00 -> 01	405,86	450,30	244,6	440,98	385,06	382,79	425	450,30	244,60	407,94
01 -> 02	358,18	414,26	297,93	390,1	344,06	339,88	404,3	414,26	297,93	367,30
02 -> 03	337,64	375,07	218,9	382,1	338,81	300,1	405	405,00	218,90	346,74
03 -> 04	339,17	348,49	326,3	359,89	320,86	293,05	395,85	395,85	293,05	338,94
04 -> 05	338,52	345,30	329,96	352,69	329,72	271,3	377,06	377,06	271,30	339,24
05 -> 06	390,05	375,07	339,1	393,03	380	271,3	383,98	393,03	271,30	373,64
06 -> 07	449,91	451,37	397,66	457,04	429,66	261,03	406,78	457,04	261,03	427,08
07 -> 08	468	480,10	397,46	479,9	467,91	264,8	423,02	480,10	264,80	447,26
08 -> 09	483,91	485,40	323,88	478,9	474,9	300,01	412,72	485,40	300,01	434,86
09 -> 10	418,7	427,10	314,8	363,5	461,66	286,37	384,27	461,66	286,37	381,67
10 -> 11	417,83	352,00	288	331,7	446,72	261,1	303,37	446,72	261,10	338,58
11 -> 12	356	287,50	272,4	250	433,25	255,76	303,97	433,25	250,00	295,13
12 -> 13	311,3	250,00	230,48	75,46	385,88	263,08	278,75	385,88	75,46	266,72
13 -> 14	302,81	233,90	237,35	92,29	344,81	219,08	205,61	344,81	92,29	239,75
14 -> 15	314,2	255,60	259	-37,56	310,97	208,74	230,37	314,20	-37,56	252,94
15 -> 16	269,2	386,36	285,6	-2,01	317,82	226,08	288,4	386,36	-2,01	277,42
16 -> 17	252,44	302,40	249,8	179	344,65	252,07	303,17	344,65	179,00	271,98
17 -> 18	291,18	420,30	291,4	179,13	397,27	316,01	361,74	420,30	179,13	331,52
18 -> 19	350	500,38	343,62	299,1	421,24	394,79	426,15	500,38	299,10	387,16
19 -> 20	411,01	491,69	441,19	367,31	434,33	449,55	454,14	491,69	367,31	438,04
20 -> 21	423,47	500,10	447,91	329,44	473,33	452,95	468,45	500,10	329,44	453,22
21 -> 22	437,3	476,18	444,8	379,22	469,99	462,5	466,69	476,18	379,22	456,26
22 -> 23	429,91	491,49	425,87	386,8	475,62	449,55	449,19	491,49	386,80	446,03
23 -> 24	386,55	380,33	382,32	387,2	408,11	398,5	432,86	432,86	380,33	392,54
Average 00 -> 24	372,63	395,03	324,6	304,8	399,86	315,85	374,62	428,69	243,70	363,00

Saturday 30/7,
Sunday 31/7 → no
real difference vs
week days



Example TSO-controlled dispatch Friday 21/01/2023 from 8:00 to 16:00 (lower prices)

	Date: 21-01-2023 Saturday	Date: 20-01-2023 Friday	Date: 19-01-2023 Thursday	Date: 18-01-2023 Wednesday	Date: 17-01-2023 Tuesday	Date: 16-01-2023 Monday	Date: 15-01-2023 Sunday	Priz max	Priz Min	Priz restoration 05-08-2022
Hours	BE	BE	BE	BE	BE	BE	BE			
00 -> 01	156,36	156,6	178,9	140,14	121,37	60,01	28,7	178,90	28,70	126,90
01 -> 02	151,67	156,72	149	139,44	125,8	60,01	16,62	156,72	16,62	125,18
02 -> 03	142,98	154,73	152,77	133,04	131,38	62,72	14,98	154,73	14,98	124,58
03 -> 04	136,56	151,81	150	125,64	133,7	56,1	4,46	151,81	4,46	120,40
04 -> 05	133,96	150,66	136,03	121,68	134,31	63,3	2,99	150,66	2,99	117,86
05 -> 06	136,36	158,14	146,24	130,13	135,07	87	4,09	158,14	4,09	126,96
06 -> 07	132,5	176,44	165,7	152,08	159,27	154,63	2,75	176,44	2,75	152,84
07 -> 08	141,69	208,07	181,07	171,69	236	175,11	2,91	236,00	2,91	175,53
08 -> 09	157,54	235,06	200,07	192,41	251,3	185,99	12,38	251,30	12,38	194,21
09 -> 10	173,33	226,8	208,15	186,45	260,83	170	23,46	260,83	23,46	192,95
10 -> 11	171,8	210,39	222,4	171,89	247,37	176,53	26,24	247,37	26,24	190,60
11 -> 12	162,74	202,6	241,19	161,89	232,5	158,79	38,46	241,19	38,46	183,70
12 -> 13	155,1	189,26	190,62	152,61	189,7	148,05	38,86	190,62	38,86	166,94
13 -> 14	148,19	181,63	174	120	195,9	142,92	28,63	195,90	28,63	153,35
14 -> 15	142,29	179,6	178,66	129,53	182	143,32	34,02	182,00	34,02	154,68
15 -> 16	135,9	192	184,08	145,83	189,73	145,69	36,99	192,00	36,99	160,25
16 -> 17	144,22	200	195,05	150,44	191,64	151,25	22,91	200,00	22,91	166,52
17 -> 18	173,92	208,22	210	168,42	197,7	166,79	59,84	210,00	59,84	183,01
18 -> 19	179,88	209,71	232,75	174,66	235,09	173,72	87,63	235,09	87,63	194,14
19 -> 20	179,34	203,11	247,52	172,06	210	181,43	94,05	247,52	94,05	189,19
20 -> 21	180	188,23	224,16	147,87	193,62	154,6	86,48	224,16	86,48	172,86
21 -> 22	162,33	166,37	179,75	147,56	165,6	137,14	77,7	179,75	77,70	155,80
22 -> 23	159,11	163,1	181,11	139,15	173,83	153,07	84,44	181,11	84,44	157,65
23 -> 24	152,75	152,95	162,36	125	135,38	162,85	75,61	162,85	75,61	145,69
Average 00 -> 24	154,61	184,26	187,15	149,98	184,55	136,29	37,72	198,55	37,72	159,66

Close to negative prices (sun, wind) on Sunday → removed



4.2. Description of the two options analyzed for invoicing the energy injected or withdrawn from the grid during a TSO controlled dispatch period

	BRP	ACH + DSOs
Role of the market party during a TSO controlled dispatch period	No active role to maintain the balance of its portfolio or to do reactive balancing, but a role of information exchange as Elia requests BRPs to provide the best information they have. The balance obligation during that period is suspended but the imbalance (the "position") of the portfolio of a BRP are still calculated and correspond to the netto sum of all physical injections/offtakes of the portfolio.	No operational role. ACH always has an administrative role consisting among others in paying the costs for the management of the grid to Elia. Here, for the first time, we would enter in a logic of service provided by the ACH to Elia as he could be remunerated for the energy injected to the grid. DSO has an active role during the restoration process in coordination with Elia to restore the grid.
Legal basis in Tarif Methodology	Tariff for maintaining and restoring the balance (Tarif methodology Annex 2 point 4.2, 2°)	Tariff for the management of the system (Tarif methodology annex 2; point 3.2, 1°)
way the tariff would be applied/invoiced	TSO--> BRP--> Supplier--> Grid User through same way as this is currently the case for the imbalance in €/MWh offtaken/injected for the netto injection or netto offtake of the portfolio of the BRP no implication of DSO	for TSO access points: TSO--> ACH --> Grid User in €/MWh withdrawn/injected per Access Point where the energy would be invoiced to the ACH in case of netto offtake and remunerated in case of netto injection for CDSO access points: TSO--> CDSO(=ACH) --> grid user for DSO interconnection points Elia--> DSOs --> Supplier (which is ACH in DSO grid) --> Grid User in €/MWh withdrawn/injected per Interconnection point where the energy would be invoiced to the DSO in case of netto offtake and remunerated in case of netto injection at the Interconnection Point



4.3. Comparison between the two options analyzed for invoicing the energy injected or withdrawn from the grid during a TSO controlled dispatch period

	BRP	ACH + DSO
<p>Implementation Impacts</p>	<p>NO or extremely limited implementation impacts as it is the same invoicing process as currently applied for the invoicing of the imbalance tariff from Elia to the BRPs (who at their turn invoice their imbalances to the grid users via the supplier). Only the result, the value invoiced per quarter-hour, is different.</p>	<p>for Access points in TSO grid:</p> <ul style="list-style-type: none"> - a "type" of Access tariff would have to be implemented - there exist today Access tariffs expressed in energy €/MWh off taken or injected to the grid, but the difference here would be that <ol style="list-style-type: none"> 1) this new tariff would remunerate in case of netto injection (and be invoiced in case of netto offtake) and 2) it should be dynamic and different from one (quarter)-hour to the other based on the Restoration tariff <p>for Access points in DSO grid and for Market Access points within a CDS:</p> <ul style="list-style-type: none"> - The (C)DSO would be remunerated/invoiced at the Restoration tariff for the netto energy injected/withdrawn from the grid. - The later would have to re-distribute this invoice/remuneration to his grid users conform their contractual relationships (ex. DSO access tariffs). <p>option 1) the most accurate (but most complex) would be to remunerate the injection points /invoice the offtake points based their gross injection/offtake for a given quarter-hour at the Restoration tariff for this quarter-hour.</p> <ul style="list-style-type: none"> ==> implies potentially new processes for the CDSO ==> implies a kind of allocation-system for the DSOs <p>the implementation timing and efforts for such an accurate system can be important.</p> <p>option 2) (C)DSOs could re-distribute their total invoice/remuneration for the period of TSO controlled dispatch as a static Grid Access cost (~easier and probably closer to current grid access tariffs in distribution)</p> <ul style="list-style-type: none"> ==> implies a non-level playing field for production units located in DSO grid or in a CDS. Which is particularly problematic for production units that are Black-Start units or SGU and which receive instructions by Elia during the restoration plan as they are not guaranteed to be remunerated for their production costs. ==> implies specific remuneration solution to be put in place in Black Start contracts (also implying corrections for perimeter BRP etc.). Here again the contractual implementation efforts are very important.

Level playing field	Production units in DSO grid, or CDSO grid or even behind an Access point of the Elia grid whose production unit owner/operator is not the same party as the grid user (and having a different BRP) will be remunerated for the energy injected during the TSO controlled dispatch period via their BRP/supplier.	Potential non- level playing field for production units in DSO grid, or CDSO grid or even behind an Access point to the Elia grid whose production unit owner/operator is not the same party as the grid user unless the (C)DSO or ACH implements +/- complex solutions.
Financial Neutrality	Yes, as the Restoration tariff formula aims at ensuring financial neutrality: all injections are remunerated & all offtakes are invoiced at the same tariff.	The Restoration tariff formula aims at ensuring financial neutrality all injections are remunerated & all offtakes are invoiced at the same price. But Batteries are exonerated for Access tariffs. The resulting delta would need to be reflected on the other tariffs (next tariff period).
Rapidity of Elia invoice	Elia invoicing process is dependent to allocation process of DSOs and can be longer.	Elia invoices this access tariff to ACH, CDSOs and DSOs based on measures at Access points or DSO interconnexion points.
Impact final client /supplier of final client	As part of the grid users have fixed price contracts with their supplier, it is unclear if/how the delta between the price of the commodity (Restoration tariff) and the fixed supplying price during the TSO controlled dispatch period will be transposed to the grid users. Either suppliers adapt their supply contract to 'pass-through' their commodity costs (restoration costs) to their grid users during those periods or the delta is considered as being part of part uncertainty born by the supplier who sells energy at a fixed price while buys it at market price.	Risk of double invoicing: If a grid user pays restoration costs to his ACH (supplier in DSO grid) under the form of an Access tariff during the TSO controlled dispatch period, suppliers should suspend the invoice of the commodity fee to their grid users for that same TSO controlled dispatch period, otherwise the grid user would be invoiced twice for the same 'energy'.

