Answer from BSTOR SA/NV to the public consultation on a proposal for amendment of the T&C BSP aFRR

BSTOR SA/NV ("BSTOR") welcomes the opportunity given by Elia to provide feedback and would like to thank Elia for their efforts to provide clarity and transparency on the proposal.

Please find below BSTOR contribution to the consultation. This answer can be considered as <u>non-confidential</u>.

1 BSTOR

BSTOR SA/NV is the battery storage assets origination, development, financing and operation vehicle from Ackermans & van Haaren, the SRIW-Environnement and Bruno Vanderschueren.

BSTOR owns 75% of ESTOR-LUX SA, the « *Special Purpose Vehicle* » owner of the ESTOR-LUX project in Bastogne (10MW / 20MWh), Belgium's first battery park connected to the high voltage grid.

BSTOR aims to develop a pipeline of at least 150 MW of storage battery capacity, established on several sites, with the objective of concluding the financial close by 2024 and ensuring its commissioning by 2025-2026.

2 Answer to the consultation

BSTOR understands the need for a cap on the TCO degradation and accepts the proposal as this was part of the consensus leading to the new auction principles.

However, as indicated during the working group, BSTOR requests Elia to monitor and report on market entry barriers created by the new auction rules.

The aim of those rules was to find a deviation to the "long term" and Electricity Regulation compliant system of full asymmetric merit order selection that would provide for the appropriate balance between increase of the cost and decrease of the market entry barriers compared to a "fully symmetric total cost optimum" (TCO) selection.

Elia is currently monitoring the first element, which is the degradation of the total cost versus a mere TCO and there will even be a cap on such degradation.

For performing an efficient monitoring of this balance, we therefore believe that Elia should also monitor the evolution of the market entry barriers. This can be done by looking to the price of 1st rejected bid in each merit order of each CCTU and each direction, and comparing, for every day, the average price of such rejected bids in each direction with the weighted average price of the selected (per-CCTU and all-CCTU) bids in that direction.

Frequent rejection of CCTU bids which, once aggregated with bids from other CCTUs in a virtual 24h 1MW bid are cheaper or close to the average service price would indicate significant unjustified market barriers which might require lifting up the TCO degradation cap.