



Secondary Market process

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Introduction

1. This document describes the Secondary Market which aims to transfer (part of) the Contracted Capacity of a Transaction of a CMU towards another CMU.
2. It explains in details the principles, conditions and the different processes that are followed by a Prequalified CRM Candidate or a Capacity Provider in order to participate to the Secondary Market
3. Section 1 provides the general principles which form the basis for more elaborated rules in the subsequent Sections.
4. Section 2 describes the conditions for the Prequalified CRM Candidate or Capacity Provider and his CMUs to notify a Secondary Market transaction to ELIA.
5. Section 3 describes the Secondary Market transaction content and the related requirements in order to reach an approved Secondary Market transaction, in addition to Section 2 conditions.
6. Section 4 describes the process of notification of a Secondary Market transaction to ELIA and its approval or rejection by ELIA.
7. Section 5 describes the process of contractual modification for the Contractual Counterparty resulting from an approved Secondary Market transaction
8. Section 6 describes the Capacity Contract's possible escalation of penalties in case of underperformance of CMUs having a Secondary Market Transaction.
9. Section 7 describes the start, accessibility and end of the Secondary Market
10. Finally, Section 8 describes the high-level IT requirements of a functioning and efficient Secondary Market participation

1 General principles

11. This Section describes the general principles applicable to every Capacity Market Unit (CMU) in the Secondary Market process, and to consider when reading (or going through) this Section.
12. The Secondary Market process is considered as part of the CRM, and is facultative.
13. The Prequalified CRM Candidate and the Capacity Provider are at all times responsible for the provision of correct, complete and up to date information to ELIA for the purpose of the Secondary Market. ELIA and the Contractual Counterparty are not liable for loss or loss of opportunity incurred by the Prequalified CRM Candidate or Capacity Provider as a result of incorrect, incomplete or out of date information.
14. The Secondary Market process, as developed by ELIA, is a title transfer facility being part of the CRM IT Interface - consisting in a solution of notification, process and approval or rejection of the notification of a Secondary Market transaction between a Seller of an Obligation and a Buyer of an Obligation and not in a solution for organizing, operating the bilateral or exchange agreement(s) exclusive of the title transfer facility.
15. For ELIA, the Secondary Market transaction is the mandatory set of information and it is to distinguish from the Transaction definition which is the end result of a successfully Secondary Market transaction approved by ELIA and validated by the Contractual Counterparty in the Capacity Contract.
16. The phases prior to the notification towards ELIA of a Secondary Market transaction are arranged between the Capacity Provider and a Prequalified CRM Candidate (or a Capacity Provider), or

- arranged with the support of an Exchange. No interventions of ELIA and of the Contractual Counterparty is foreseen on this matter.
17. The entire process to be followed in order to successfully notify a Secondary Market transaction is accomplished by:
 - Both Secondary Market transaction counterparties, the Buyer of an Obligation and the Seller of an Obligation, implying a notification of the Secondary Market transaction by each of them in the CRM IT Interface.

Or,

 - The Exchange mandated by the both mandatory counterparties, the Seller of an Obligation and the Buyer of an Obligation for the notification of the Secondary Market transaction to ELIA. He is a facilitator and arranges Secondary Market transactions.
 18. ELIA doesn't develop in the CRM any Exchange but facilitates the notification of its Secondary Market transaction.
 19. The notification has to be provided to ELIA in order to ensure that, once approved, registered and declined with the Contractual Counterparty under the form of a Capacity Contract, the necessary Financial Security, Pre-delivery control, Availability Obligations & Penalties, Payback Obligation, Settlements and Payments are correctly handled and settled.
 20. The Secondary Market transactions are processed by ELIA and the Contractual Counterparty. However, ELIA cannot be held responsible for any of the transaction content which has been strictly arranged between Secondary Market parties, namely Capacity Provider, Prequalified CRM Candidate or an Exchange.
 21. A Secondary Market transaction notification is solely considered between 2 different CMUs, the CMU of the Seller of an Obligation and the CMU of the Buyer of an Obligation.
 22. A Secondary Market transaction can be notified solely after the opening of the Secondary Market (cf. Section 7.1) and no Secondary Market transaction can be notified after the end of the Secondary Market (cf. Section 7.3).
 23. Any approved Secondary Market transaction implies a full transfer of the contractual rights (e.g. the payment of the capacity remuneration) and obligations (e.g. the Availability obligation) related to the part of the Contracted Capacity yielded, the Secondary Market Capacity on the Transaction Period releasing an obligation, as from the Transaction of the Seller of an Obligation Capacity Contract, towards a new Transaction on the CMU in the Capacity Contract of the Buyer of an Obligation in the Secondary Market transaction.
 24. The notification of a Secondary Market transaction by the Buyer of an Obligation and / or Seller of an Obligation in the Secondary Market transaction commits him/them on the contractual implications. The notification of a Secondary Market transaction by an Exchange duly recognized by Secondary Market Exchange Mandates (FORM XX) with the Buyer of an Obligation and the Seller of an Obligation in the Secondary Market transaction commits them on the contractual implications.
 25. All formulas described in the Sections 3 and 4 are related to parameters evolving in time and which incorporate all the CMU Capacity Contract parameters and Transactions modifications so that at any time, the approval or rejection of a Secondary Market transaction can be performed. References to other Functioning Rules Sections enhance a dynamic and holistic ecosystem of the CMU data.
 26. Evolution of the formula in time and its parameters are driven by the two time dimensions:

- The t_{notif} defining the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
 - The Transaction Period TP on which the Secondary Market transaction applies and impacts the contractual obligations of the Capacity Provider regarding his CMU
27. A granularity of 0,01 MW is applicable for MW data.
28. The rounding rule is rounding-up so that the result up or down to the nearest number (with a rounding-up if there is no nearest number) and applies to each formula.

2 Conditions for Secondary Market participation

29. This Section describes the conditions to comply with for Prequalified CRM Candidate or Capacity Provider and their Prequalified CMUs to participate in the Secondary Market once the title transfer facility developed by ELIA is available (cf. Section 7).
30. Only Capacity Providers are entitled to become Sellers of an Obligation. They are identified with an individual *Capacity Provider ID*, communicated in the Capacity Contract Annex A and also available on the CRM IT Interface.
31. The Buyer of an Obligation is either a Prequalified CRM Candidate or a Capacity Provider, respectively identified with a *Prequalified CRM Candidate ID*, available on the CRM IT Interface, or a *Capacity Provider ID*, communicated in the Capacity Contract Annex A and also available on the CRM IT Interface.
32. According to Section 6, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on his CMU, are applicable. Therefore, the Prequalified CRM Candidate or Capacity Provider has no access to the Secondary Market or only with a limited amount of CMUs.

2.1 Compliance checks

33. The Seller of an Obligation as Capacity Provider has endorsed the CRM conditions including the Capacity Contract and has signed a Capacity Contract for the Contracted Capacity of its CMU.
34. The Buyer of an Obligation acknowledged the CRM conditions including the Capacity Contract at the time of its CMU Prequalification Process.

2.2 Conditions for Exchange

35. To participate to the Secondary Market on the Transaction Period, an Exchange should be mandated by at least two Capacity Providers or at least a Capacity Provider and a Prequalified CRM Candidate. An Exchange is mandated by a Capacity Provider or Prequalified CRM Candidate when he signed a valid Secondary Market Exchange Mandate (FORM XX) with him, duly communicated to ELIA for registry (cf. Section 4.1.1.2).

2.3 Conditions for CMUs

36. With the exclusion of CMU(s) following the fast track Prequalification Process, the CMU(s) with the prequalified status are the only ones entitled to participate to the Secondary Market.

37. Such CMU(s) are respectively identified with a unique ID as displayed on CRM IT Interface, the *CMU ID*.
38. However, the condition of participation in the Secondary Market for a CMU may differ for a Prequalified CMU depending on whether it is held by a Seller of an Obligation or a Buyer of an Obligation, namely:
 - For the Seller of an Obligation, his related participating CMUs have one of the three possible status: Existing CMU, Virtual CMU or Additional CMU.
 - For the Buyer of an Obligation, only CMUs with the status of "Existing" (prequalified following the standard Prequalification Process Section 7.1) are authorized to participate to the Secondary Market.

2.3.1 Conditions on the Transaction of the Seller of an Obligation's CMU

39. According to Section 3.3.8 on the requirement for the Seller of an Obligation Transaction, prior to his connection on the CRM IT Interface, the Seller of an Obligation has a CMU with a Transaction having a positive (above zero) Contracted Capacity on the current or future Delivery Periods.

2.3.2 Conditions on the CMU Secondary Market Remaining Eligible Volume

40. According to Section 3.3.9, prior his connection on the CRM IT Interface, the Buyer of an Obligation has a CMU with a positive (above zero) Secondary Market Remaining Eligible Volume on the current or future Delivery Periods.

2.3.3 Compliance checks

41. A Secondary Market transaction notified with a CMU not respecting those conditions is rejected according to Section 4.5.

3 Secondary Market transaction requirements

42. This Section describes, for a Secondary Market transaction, all the requirements to comply with a successful filled-in notification and which apply prior to its submission.
43. This Section lists the data or documents relating to the Prequalified CMUs that are submitted with the notification (Section 4) by both the Seller of an Obligation and the Buyer of an Obligation (or their common Exchange) to obtain ELIA's approval of the Secondary Market transaction.
44. In case of inconsistency or non-compliance with at least one of the below requirements, the Secondary Market transaction is rejected (as a status) according to Section 4.5.

3.1 Requirement on the notification issuance

45. In case of a bilateral Secondary Market transaction notification, both the Seller of an Obligation and the Buyer of an Obligation communicate the same Secondary Market transaction content described in Section 3.3 in accordance with Section 4.1.
46. In case of an Exchange Secondary Market transaction notification, both the Seller of an Obligation

and the Buyer of an Obligation have signed a valid Secondary Market Exchange Mandate form (FORM XX) with the same Exchange prior to the notification in accordance with Section 4.1.

3.2 Requirement on the Transaction Date

47. The Transaction Date is determined and logged as the official acknowledgement of reception timestamp (date and time) by ELIA (cf. Section 4.2).
48. The ex-post or ex-ante status of a Secondary Market transaction is defined by the combination of the Transaction Date and its position in time compared to the Transaction Period start date as defined and settled in the Secondary Market transaction process, and according to Section 4.3:
 - An ex-ante Secondary Market transaction has a Transaction Date before the moment of AMT identification as specified in the Section 3.2 of Availability Obligations & Penalties of the Functioning Rules related to the start date and time of a Transaction Period.
 - An ex-post Secondary Market transaction has a Transaction Date equal or posterior to the moment of AMT identification as specified in the Section 3.2 of Availability Obligations & Penalties of the Functioning Rules related to the start date and time of a Transaction Period.
49. Ex-post Secondary Market transactions are authorized up to 10 Working Days after the start of the Transaction Period, considered as an AMT Hour, implying that the Transaction Date (date and time) should not exceed by more than 10 Working Days after the Transaction Period start date (date and time).
50. All Secondary Market transactions having a Transaction Period with a granularity of hours (cf. Section 3.3.7) and transferring an obligation to an Energy Constrained CMU on its SLA and/or non-SLA Hours are only notified in ex-post.

3.3 Requirement on the notification content

51. The content of information that is required in a Secondary Market transaction notification is the content of the notification and describes the elements required in the process and approval process of Section 4. Each of the following elements is described further in details in Section 3 hereto.
52. The Secondary Market transaction content is:

Information	Type	Unit	Information	Details
Secondary Market transaction external ID	Free field of 6 alphabet letters followed by 6 digits	NA	<i>The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)</i>	<i>Cf. Section 3.3.1</i>
Seller of an Obligation	Capacity Provider ID	NA	<i>Identification of the Capacity Provider of the CMU of the Seller of an Obligation and considered as the</i>	<i>Cf. Section 3.3.2</i>

			<i>Seller of an Obligation</i>	
CMU of the Seller of an Obligation	CMU ID	NA	<i>Identification of the CMU of the Seller of an Obligation</i>	<i>Cf. Section 3.3.3</i>
Transaction of the Seller of an Obligation's CMU	Transaction ID	NA	<i>Identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation</i>	<i>Cf. Section 3.3.4</i>
Buyer of an Obligation	Capacity Provider ID or Prequalified CRM Candidate ID	NA	<i>Identification of the Capacity Provider or Prequalified CRM Candidate of the CMU taking over the obligation and considered as the Buyer of an Obligation</i>	<i>Cf. Section 3.3.5</i>
CMU of the Buyer of an Obligation	CMU ID	NA	<i>Identification of the CMU taking over the obligation</i>	<i>Cf. Section 3.3.6</i>
Secondary Market Capacity	Floating	MW	<i>The volume of the Secondary Market Capacity that is transferred</i>	<i>Cf. Section 3.3.10</i>
Transaction Period	Date / Time to Date / Time	Time	<i>The Transaction Period indicating the start date/time until the end date/time (included)</i>	<i>Cf. Section 3.3.7</i>
Capacity Remuneration	Floating	€/MW/year	<i>The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation</i>	<i>Cf. Section 3.3.11</i>
Calibrated Strike Price of the Transaction	Floating	€/MWh	<i>The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation</i>	<i>Cf. Section 3.3.12</i>

Strike Price indexation Auction year	Integer or "NA"	Year	<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year</i>	<i>Cf. Section 3.3.12</i>
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1</i>	<i>Cf. Section 3.3.12</i>

3.3.1 Secondary Market transaction external ID

53. The Buyer of an Obligation and the Seller of an Obligation, or if applicable the Exchange, determine a *Secondary Market transaction external ID*. It is composed of 6 letters (of the latin alphabet of 26 letters) followed by 6 digits (each from 0 to 9).
54. For both the Buyer of an Obligation and the Seller of an Obligation, the *Secondary Market transaction external ID* is new and has never been used previously in a Secondary Market transaction notification content involving them, whether for a transaction status in process, rejected or approved.
55. Any Secondary Market transaction notified with a *Secondary Market transaction external ID* of a Secondary Market transaction already notified, involving the Prequalified CRM Candidates or Capacity Providers and with one of the three status (in process, approved, rejected) is automatically rejected. The parties are required to enter again the Secondary Market transaction process along with another *Secondary Market transaction external ID*.

3.3.2 Seller of an Obligation

56. The Seller of an Obligation is a Capacity Provider and is exclusively identified by its *Capacity Provider ID*, as specified in his Capacity Contract, Annex A.

3.3.3 CMU of the Seller of an Obligation

57. The CMU of the Seller of an Obligation is identified with its *CMU ID*, communicated in the Prequalification Process.
58. The CMU of the Seller of an Obligation is prequalified and is different than the CMU of the Buyer of an Obligation.

3.3.4 Transaction of the Seller of an Obligation's CMU

59. The Contracted Capacity of a Transaction incorporates all the previous successfully approved Secondary Market transactions that are modified accordingly by the Contractual Counterparty (cf. Section 5).
60. The formula as specified in Section 3.3.8 can be used at any time to measure the capabilities of the CMU of the Seller of an Obligation for new Secondary Market transactions.
61. The Seller of an Obligation (or his Exchange (cf. Section 3.1)) communicates to ELIA in the

notification content of 3.3 the Transaction of the Seller of an Obligation's CMU (its *Transaction ID*) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation. The Buyer of an Obligation (or his dedicated Exchange (cf. Section 3.1)) communicates in the notification content of 3.3, the same information. The *Transaction ID* communicated in 3.3 is related to the *CMU ID* of the CMU of the Seller of an Obligation and listed in his Contract Annex A.

3.3.5 Buyer of an Obligation ID

62. The Seller of an Obligation is a Capacity Provider or a Prequalified CRM Candidate and is therefore respectively identified by either:
 - A *Capacity Provider ID*, as specified in his Capacity Contract, Annex A, or
 - A *Prequalified CRM Candidate ID*, as specified in the CRM IT Interface during the Prequalification Process
63. According to Section 6, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on its CMU are applicable. The Prequalified CRM Candidate or Capacity Provider doesn't access the Secondary Market entirely or with an amount of limited CMUs to participate.

3.3.6 CMU of the Buyer of an Obligation

64. The CMU of the Buyer of an Obligation is identified with its *CMU ID*, communicated in the Prequalification Process.
65. The CMU of the Buyer of an Obligation is prequalified and is different than the CMU of the Seller of an Obligation.
66. The CMU of the Buyer of an Obligation is Existing. All transactions notified to ELIA containing for the CMU of the Buyer of an Obligation the status 'Unproven' or 'Additional' are rejected.
67. According to Section 6, in case of Secondary Market escalation of penalties process, contractual restrictions on the Prequalified CRM Candidate or Capacity Provider in the Secondary Market to participate as a Buyer of an Obligation to take over obligations on a specific CMU are applicable.

3.3.7 Transaction Period

3.3.7.1 Transaction Period features

68. The granularity in terms of period covered by the Secondary Market transaction is:
 - Either, one calendar day (measured from one midnight to the next) or multiple consecutive calendar days; or,
 - Either, one full hour or multiple consecutive full hours in a calendar day.
69. The time definition is the Belgian time (CET).
70. The Transaction Period of the Secondary Market transaction is a period in time covered by a Contracted Capacity in the CRM.
71. The Seller of an Obligation (or his Exchange) communicates in the notification content of 3.3 the

Transaction Period composed of a start date (date and time) and an end date (date and time).

72. The Buyer of an Obligation (or his Exchange) communicates in the notification content of 3.3, the same information.
73. According to Section 4.3, an ex-post Secondary Market transaction has a Transaction Period end date on the same calendar day as the Transaction Period start date.

3.3.7.2 Limitation to the Transaction Period of the Transaction of the Seller of an Obligation's CMU

74. The Seller of an Obligation (or his Exchange) communicates in the notification content of 3.3 the Transaction of the Seller of an Obligation's CMU (its *Transaction ID*) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.
75. The Buyer of an Obligation (or his Exchange) also communicates in the notification content of 3.3, the Transaction of the Seller of an Obligation's CMU and (its *Transaction ID*) representing the unique identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.
76. In all cases, at a certain moment t_{notif} , the Secondary Market Transaction Period is fully included in the Transaction Period of the Transaction of the Seller of an Obligation's CMU (cf. Section 3.3.4), identified by its *Transaction ID*.
77. This is represented by the following formula:

$$\begin{aligned} & \text{Secondary Market Transaction Period start date (CMU, TP, } t_{notif} \text{)} \\ & \geq \text{Transaction Period start date (CMU, Transaction Id, } t_{notif} \text{)} \end{aligned}$$

78. And,

$$\begin{aligned} & \text{Secondary Market Transaction Period end date (CMU, TP, } t_{notif} \text{)} \\ & \leq \text{Transaction Period end date (CMU, Transaction Id, } t_{notif} \text{)} \end{aligned}$$

79. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- *Transaction Id* refers to the unique identifier of a Transaction of the Seller of an Obligation's CMU (cf. Section 3.3.4) as specified in the Annex A of the CRM Capacity Contract or in the CRM IT Interface.

3.3.7.3 Compliance check

80. According to Sections 3.3.7.1 and 3.3.7.2, a Secondary Market transaction notified to ELIA with an incorrect Transaction Period is rejected (cf. Section 4.5).

3.3.8 Secondary Market Capacity of the Seller of an Obligation

81. In all cases, at a certain moment t_{notif} , the Secondary Market Capacity is positive and limited to the minimum of the Contracted Capacity of the Transaction of the Seller of an Obligation's CMU, identified by its *Transaction ID* over the Transaction Period TP .

82. This is represented by the following formula:

$$\text{Secondary Market Capacity}(CMU, TP, t_{notif}) \leq \text{Contracted Capacity}_{min}(CMU, Transaction Id, TP, t_{notif})$$

83. And,

$$\text{Secondary Market Capacity}(CMU, TP, t_{notif}) \geq 0$$

84. Where:

- *TP* is the Transaction Period of the Secondary Market transaction according to Section 3.3
- *t_{notif}* is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- *Transaction Id* refers to the unique identifier of a Transaction of the Seller of an Obligation's CMU (cf. Section 3.3.4) as specified in the Annex A of the Capacity Contract or in the CRM IT Interface.
- *Contracted Capacity_{min}(CMU, Transaction Id, TP, t_{notif})* is the minimum Contracted Capacity of the Transaction's CMU identified by its *Transaction Id* over the Transaction Period *TP* at the moment of the notification *t_{notif}*;

3.3.9 Secondary Market Capacity of the Buyer of an Obligation

85. According to the Functioning Rules on Availability Obligations and Penalties Section 3.3.1, the Obligated Capacity incorporates the successfully approved Secondary Market Transactions, through Total Contracted Capacity (as in the definition of the term) or otherwise specified, and is modified accordingly by the Contractual Counterparty so that the formula of Section 3.3.9 can be used at any time to measure the capabilities of the CMU of the Buyer of an Obligation for new Secondary Market transactions.

3.3.9.1 Authorized Secondary Market Capacity for Non-Energy Constrained CMUs

86. In a Secondary Market transaction performed at a certain moment *t_{notif}*, the Non-Energy Constrained CMU of a Buyer of an Obligation willing to take over new obligation(s) has a maximal authorized volume to acquire Contracted Capacities and related obligations which limits the Secondary Market Capacity on the Transaction Period *TP* to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').

87. This is represented by the following formula:

$$\text{Secondary Market Capacity}(CMU, TP, t_{notif}) \leq \text{SMREV}(CMU, TP, t_{notif})$$

88. A distinction of the Secondary Market Remaining Eligible Volume is made depending on the ex-ante or ex-post expected status of the Secondary Market transaction (cf. Sections 3.2; 3.3.7 and 4.3).

89. The Secondary Market Capacity of an ex-post Secondary Market transaction for a Non-Energy Constrained CMU is only based on Proven Availability.

90. For an ex-ante Secondary Market transaction, for a CMU over the Transaction Period *TP* and calculated at a certain moment in time *t_{notif}*, the Secondary Market Remaining Eligible Volume is

the positive result of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Total Contracted Capacity and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in the Auction over the Transaction Period multiplied by the Last Published Derating Factor.

91. This is represented by the following formula:

$$\begin{aligned}
 & SMREV(CMU, TP, t_{notif}) \\
 & = \text{Max}(0; \text{Remaining Maximum Capacity}_{min}(CMU, TP, t_{notif}) \\
 & \quad - \text{Total Contracted Capacity}_{max}(CMU, TP, t_{notif}) - [\text{OptOut Volume}_{max}(CMU, TP, t_{notif}) \\
 & \quad * \text{Last Published Derating Factor}(CMU, t_{notif})])
 \end{aligned}$$

92. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- $\text{Remaining Maximum Capacity}_{min}(CMU, TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity applicable according to the Chapter Availability Obligations and Penalties Section 2 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $\text{Total Contracted Capacity}_{max}(CMU, TP, t_{notif})$ is the maximum CMU Total Contracted Capacity over the Transaction Period TP at the moment of the notification t_{notif} ;
- t_{TCC} is defined by the time at which the maximum Total Contracted Capacity is identified over the Transaction Period TP ;
- $\text{OptOut Volume}_{max}(CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to Chapter Prequalification Processes Section 6.2.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to Chapter Auction Process Section 3.1 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $\text{Last Published Derating Factor}(CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

93. For an ex-post Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif} , the Secondary Market Remaining Eligible Volume is the positive result of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Obligated Capacity and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in the Auction over the Transaction Period multiplied by the Last Published Derating Factor.

94. This is represented by the following formula:

$$\begin{aligned}
 & SMREV(CMU, TP, t_{notif}) \\
 & = \text{Max}(0; \text{Remaining Maximum Capacity}_{min}(CMU, TP, t_{notif}) \\
 & \quad - \text{Obligated Capacity}_{max}(CMU, TP, t_{notif}) - [\text{OptOut Volume}_{max}(CMU, TP, t_{notif}) \\
 & \quad * \text{Last Published Derating Factor}(CMU, t_{notif})])
 \end{aligned}$$

95. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- $Remaining\ Maximum\ Capacity_{min}(CMU, TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity applicable according to the Chapter Availability Obligations and Penalties Section 2 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $Obligated\ Capacity_{max}(CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity Availability Obligations and Penalties Section 3.3 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $OptOut\ Volume_{max}(CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to Chapter Prequalification Processes Section 6.2.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to Chapter Auction Process Section 3.1 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $Last\ Published\ Derating\ Factor(CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

3.3.9.2 Authorized Secondary Market Capacity for Energy Constrained CMUs on their SLA Hours

96. In a Secondary Market transaction performed at a certain moment t_{notif} , the Energy Constrained CMU of a Buyer of an Obligation willing to take over new obligation(s) has a maximal authorized volume to acquire Contracted Capacities and related obligations which limits the Secondary Market Capacity on the Transaction Period TP to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').

97. This is represented by the following formula:

$$Secondary\ Market\ Capacity(CMU, TP, t_{notif}) \leq SMREV(CMU, TP, t_{notif})$$

98. The Secondary Market Capacity of an ex-post Secondary Market transaction for an Energy Constrained CMU on SLA Hours is only based on Proven Availability.

99. A distinction of the Secondary Market Remaining Eligible Volume is to be made depending on the ex-ante or ex-post expected status of the Secondary Market transaction (cf. Sections 3.2; 3.3.7 and 4.3).

100. For an ex-ante Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif} , the Secondary Market Remaining Eligible Volume is the positive result of the multiplication of the minimum Remaining Maximum Capacity over the Transaction Period from which is firstly deducted the Total Contracted Capacity divided by the Derating Factor of the maximum Total Contracted Capacity over the Transaction Period and from which is secondly deducted the maximum OptOut Volume that resulted in a correction of the volume in the Auction over the Transaction Period, by the Last Published Derating Factor.

101. This is represented by the following formula:

$$\begin{aligned}
 & SMREV(CMU, TP, t_{notif}) \\
 & = \text{Max} \left(0 ; [\text{Remaining Maximum Capacity}_{min} (CMU, TP, t_{notif}) \right. \\
 & \quad - \left. \left[\frac{\text{Total Contracted Capacity}_{max} (CMU, TP, t_{notif})}{\text{Derating Factor} (CMU, t_{TCC})} \right] - \text{OptOut Volume}_{max} (CMU, TP, t_{notif}) \right] \\
 & \quad * \text{Last Published Derating Factor} (CMU, t_{notif}) \left. \right)
 \end{aligned}$$

102. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- $\text{Remaining Maximum Capacity}_{min} (CMU, TP, t_{notif})$ is the minimum CMU Remaining Maximum Capacity according to Chapter Availability Obligations and Penalties Section 2 applicable over the Transaction Period TP at the moment of the notification t_{notif} ;
- $\text{Total Contracted Capacity}_{max} (CMU, TP, t_{notif})$ is the maximum CMU Total Contracted Capacity over the Transaction Period TP at the moment of the notification t_{notif} ;
- t_{TCC} is defined by the time at which the maximum Total Contracted Capacity is identified over the Transaction Period TP ;
- $\text{Derating Factor} (CMU, t_{TCC})$ is the weighted average based on Contracted Capacities of the previous registered Transactions Derating Factors of the CMU on moment t_{TCC} and represented by the following formula:

$$\begin{aligned}
 & \text{Derating Factor} (CMU, t) \\
 & = \frac{\sum_{i=1}^n [\text{Contracted Capacity} (CMU, \text{Transaction}_i, t_{TCC}) * \text{Derating Factor} (CMU, \text{Transaction}_i)]}{\text{Total Contracted Capacity} (CMU, t_{TCC})}
 \end{aligned}$$

- $\text{OptOut Volume}_{max} (CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to Chapter Prequalification Processes Section 6.2.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to Chapter Auction Process Section 3.1 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $\text{Last Published Derating Factor} (CMU, t_{notif})$ is the last published Derating Factor of the CMU at the moment of the notification t_{notif}

103. For an ex-post Secondary Market transaction, for a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif} , the Secondary Market Remaining Eligible Volume is the positive result of the minimum Proven Availability over the Transaction Period from which is firstly deducted the maximum Obligated Capacity over the Transaction Period and from which is secondly deducted the maximum Opt-Out Volume that resulted in a correction of the volume in

the Auction over the Transaction Period.

104. This is represented by the following formula:

$$\begin{aligned}
 & SMREV(CMU, TP, t_{notif}) \\
 & = \text{Max} \left(0 ; [Proven Availability_{min} (CMU, TP, t_{notif}) - Obligated Capacity_{max} (CMU, TP, t_{notif}) \right. \\
 & \quad \left. - OptOut Volume_{max} (CMU, TP, t_{notif}) \right)
 \end{aligned}$$

105. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- $Proven Availability_{min} (CMU, TP, t_{notif})$ is the minimum CMU Proven Availability according to Chapter Availability Obligations and Penalties Section 3.3 applicable over the Transaction Period TP at the moment of the notification t_{notif} ;
- $Obligated Capacity_{max} (CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity according to Chapter Availability Obligations and Penalties Section 3.3 over the Transaction Period TP at the moment of the notification t_{notif} ;
- $OptOut Volume_{max} (CMU, TP, t_{notif})$ is the maximum Opt-Out Volume of the CMU considered as IN according to Chapter Prequalification Processes Section 6.2.2, and after multiplied by the Last Published Derating Factor is offered as a correction volume of the demand in the Auction according to Chapter Auction Process Section 3.1 over the Transaction Period TP at the moment of the notification t_{notif} ;

3.3.9.3 Authorized Secondary Market Capacity for Energy Constrained CMUs on their Non-SLA Hours

106. Energy Constrained CMUs are allowed to trade, take over and release obligations in the Secondary Market outside of their SLA Hours for hours considered in the AMT Moments.
107. The Secondary Market Capacity of a Secondary Market transaction for an Energy Constrained CMU on Non-SLA Hours is only based on Proven Availability.
108. Secondary Market transaction involving the non-SLA Hours of an Energy Constraint CMU is only authorized in ex-post (cf. Sections 3.2; 3.3.7 and 4.3).
109. In a Secondary Market transaction performed at a certain moment t_{notif} , the Energy Constrained CMU of a Buyer of an Obligation has a maximal authorized volume to acquire Contracted Capacities and related obligations on its Non-SLA hours which limits the Secondary Market Capacity on the Transaction Period TP to the Secondary Market Remaining Eligible Volume (hereafter 'SMREV').
110. This is represented by the following formula:

$$\text{Secondary Market Capacity} (CMU, TP, t_{notif}) \leq SMREV(CMU, TP, t_{notif})$$

And,

111. For a CMU over the Transaction Period TP and calculated at a certain moment in time t_{notif} , the Secondary Market Remaining Eligible Volume is the positive result of the minimum Proven

Availability over the Transaction Period from which is deducted the maximum Obligated Capacity over the Transaction Period.

112. This is represented by the following formula:

$$SMREV(CMU, TP, t_{notif}) \\ = \text{Max}(0; \text{Proven Availability}_{min}(CMU, TP, t_{notif}) - \text{Obligated Capacity}_{max}(CMU, TP, t_{notif}))$$

113. Where:

- TP is the Transaction Period of the Secondary Market transaction according to Section 3.3. The Transaction Period TP is a set of continuous hours exclusively on a continuous set of non-SLA hours for the CMU of the Seller of an Obligation in the AMT hours
- t_{notif} is the moment at which ELIA acknowledges reception of the notification (cf. Section 4.2);
- $\text{Proven Availability}_{min}(CMU, TP, t_{notif})$ is the minimum CMU Proven Availability according to Chapter Availability Obligations and Penalties Section 3.3 applicable over the Transaction Period TP at the moment of the notification t_{notif} ;
- $\text{Obligated Capacity}_{max}(CMU, TP, t_{notif})$ is the maximum CMU Obligated Capacity according to Chapter Availability Obligations and Penalties Section 3.3 over the Transaction Period TP at the moment of the notification t_{notif} ;

3.3.10 Secondary Market Capacity for the notification content

114. The Seller of an Obligation (or his Exchange) communicates in the notification content of 3.3 a Secondary Market Capacity which is equal or below the maximal Secondary Market Capacity of the CMU of the Seller of an Obligation on the Transaction Period, as defined in 3.3.8.
115. The Buyer of an Obligation (or his Exchange) communicates in the notification content of 3.3 a Secondary Market Capacity which is equal or below the maximal Secondary Market Capacity of the CMU of the Buyer of an Obligation on the Transaction Period, as defined in 3.3.9.
116. The Secondary Market Capacity is a fixed value in MW over the Transaction Period TP .
117. This implies that different Secondary Market Capacities over time are arranged in different Secondary Market transactions of 3.3 and notifications in 4.1.
118. The communicated Secondary Market Capacities in both notifications of the Secondary Market transaction are equal.
119. The same compliance check with the requirements defined in 3.3.8, 3.3.9 and 3.3.10 applies in case of a single notification of the Secondary Market transaction by an Exchange (cf. Section 4.1).
120. A Transaction notified to ELIA with an incorrect Secondary Market Capacity is rejected (cf. Section 4.5).

3.3.11 Capacity Remuneration transfer

121. The Seller of an Obligation (or his Exchange) communicates in the notification content of Section 3.3 the Capacity Remuneration of its identified Transaction of the CMU of the Seller of an Obligation.
122. The Buyer of an Obligation (or his Exchange) communicates in the notification content of Section 3.3, the same information.

123. The communicated Capacity Remuneration equals with the identified Transaction of the CMU of the Seller of an Obligation original Capacity Remuneration, communicated in the Capacity Contract Annex A and also available on the CRM IT Interface.
124. The same compliance to the requirements applies in case of single notification of the Secondary Market transaction by an Exchange (cf. Section 3.1).
125. A Transaction notified to ELIA and the Contractual Counterparty with an incorrect Capacity Remuneration value is rejected according to Section 4.5.

3.3.12 Strike Price transfer

126. The Seller of an Obligation (or his Exchange) communicates in the notification content of Section 3.3 the Calibrated Strike Price of its identified Transaction of the CMU of the Seller of an Obligation.
127. The Buyer of an Obligation (or his Exchange) communicates in the notification content of Section 3.3, the same information.
128. If applicable, the Calibrated Strike Price is accompanied by its indexation in time represented by its parameters:
 - Auction year
 - Auction type Y-4 or Y-1
129. Otherwise, the two Calibrated Strike Price indexation parameters remain empty fields in Section 3.3.
130. The communicated Strike Price and if applicable its indexation equals with the identified original Calibrated Strike Price and indexation parameters of the Transaction of the CMU of the Seller of an Obligation, communicated in the Capacity Contract Annex A and also available on the CRM IT Interface.
131. The same requirements apply in case of single notification of the Secondary Market transaction by an Exchange.
132. A Transaction notified to ELIA with an incorrect Strike Price and indexation parameters is rejected according to Section 4.5.

3.4 Requirement of Financial Security

133. In accordance with the Chapter Financial Securities Section 3.2, for any ex-ante Secondary Market transaction (cf. Sections 3.2 and 4.3) notified at a certain moment in time t_{notif} prior to the start of the Delivery Period on which the start date of Transaction Period TP relies, the Buyer of an Obligation increases its Financial Security.
134. An ex-ante Secondary Market transaction notified to ELIA prior the start of the Delivery Period in which the Transaction Period start date relies and implying an insufficient (increase of the) Financial Security is rejected (cf. Section 4.5).

4 Secondary Market process

135. This Section describes the process to follow for Prequalified CRM Candidates and Capacity Providers, and their Prequalified CMUs which are duly compliant with the access conditions of Section 2 to notify a Secondary Market transaction to ELIA once the Secondary Market title transfer facility developed by ELIA is available (cf. Section 7).

136. Once the notifications of the Secondary Market transaction have been duly submitted by both Prequalified CRM Candidates and Capacity Providers (or their Exchange) on the CRM IT Interface, ELIA notifies reception and verifies its completeness and validity in view of the conditions of Section 2 and the requirements of Section 3 listed above.

4.1 Notification issuance of a Secondary Market transaction

137. As a first step of the Secondary Market process, notifications of the Secondary Market transaction by the CRM Prequalified Candidates and Capacity Providers or a notification of the Secondary Market transaction by the Exchange (cf. Section 3.1) are (is) to be issued on the CRM IT Interface.

4.1.1 Secondary Market title transfer facility access

4.1.1.1 Access for a bilateral notification of a Secondary Market transaction

138. In accordance with Section 3.1, the whole Secondary Market notification process (4.1) is accomplished by both, the Seller of an Obligation and the Buyer of an Obligation, as counterparties of the Secondary Market transaction, to transfer CRM Secondary Market notifications to ELIA.

4.1.1.2 Access for Exchange notification of a Secondary Market transaction

139. In accordance with Section 3.1, the Secondary Market notification process is accomplished by the Exchange that has the mandate through the Secondary Market Exchange Mandate (FORM XX) of both the Seller of an Obligation and the Buyer of an Obligation to transfer CRM Secondary Market notifications towards ELIA.
140. The Secondary Market Exchange Mandate (FORM XX) is completed, signed and sent to ELIA by both the Exchange and the Prequalified CRM Candidate (or the Capacity Provider). Notifications of Secondary Market transactions can be sent by the Exchange 5 Working Days after reception by ELIA of a duly completed and signed mandate.
141. Until revocation by both parties, the mandate is valid for the next notifications.
142. The Secondary Market Exchange Mandate (FORM XX) can be revoked for future notifications if that option is completed, signed and sent to ELIA by both the Exchange and the Prequalified CRM Candidate (or the Capacity Provider). The revocation is valid 5 Working Days after reception by ELIA of a duly completed and signed mandate revocation (FORM XX).

4.1.2 Notification issuance

143. In case of bilateral Secondary Market transaction, according to Section 3.1, the process consists in two notifications of Section 3.3, the content of a Secondary Market transaction (one notification by the Buyer of an Obligation and one notification by the Seller of an Obligation) in accordance with the requirements as per Section 3 and specifying the same Secondary Market transaction external ID of Section 3.3, and issued through their individual access of the CRM IT interface.
144. In case of bilateral Secondary Market transaction (according to Section 3.1), if 5 Working Days after the first notification by the Seller of an Obligation or the Buyer of an Obligation, no second notification is issued by the other party (the Buyer of an Obligation or the Seller of an Obligation) with the same Secondary Market transaction external ID (cf. Section 3.3), the Secondary Market transaction is deemed abandoned. In consequence:
- The process of the Secondary Market transaction by ELIA is stopped.

- ELIA communicates by email and/or CRM IT Interface to the first notification issuer (the Seller of an Obligation or the Buyer of an Obligation), the rejection of the Secondary Market transaction based on a delay of matching issue.
 - The Secondary Market transaction external ID could not be reissued in a further Secondary Market transaction notification issuance by both the Seller of an Obligation and the Buyer of an Obligation.
145. In case of Secondary Market transaction notified by an Exchange, according to Section 3.1, the notification process consists in one single notification of Section 3.3, the content of a Secondary Market transaction. The Exchange provides the notification content through its individual access to the CRM IT Interface.

4.2 Acknowledgement of reception by ELIA

146. As a second step of the process, ELIA notifies the good reception with an acknowledgement of reception towards the counterparty(ies) issuing the notifications in compliance with 3.1 and 4.1.2.:
- In case of bilateral Secondary Market transaction, the acknowledgement of reception is sent by ELIA to the Seller of an Obligation and the Buyer of an Obligation within a maximum of 1 Working Day after reception of both notifications of Section 4.1
 - In case of Secondary Market transaction notified by an Exchange, the acknowledgement of reception is sent by ELIA to the Exchange within 1 Working Day after reception of one notification of Section 4.1
147. The acknowledgment of reception includes:
- The notification of the transaction details (as received from each (by the) issuer in Section 4.1.2)
 - The Transaction Date which is (and logged as) the official acknowledgement of reception creation timestamp (date and time) by ELIA (cf. Section 3.3).
148. An acknowledgement of reception does not mean approval of the Secondary Market transaction.

4.3 Ex-ante or Ex-post status of the Secondary Market transaction

149. As a third step of the process, the Transaction Date is used to determine automatically and implicitly the ex-ante or ex-post status of a Secondary Market transaction.
150. An ex-ante Secondary Market transaction has a Transaction Date before the moment of AMT identification as specified in Availability Obligations & Penalties Section 3.1 related to the start date and time of a Transaction Period.
151. An ex-post Secondary Market transaction has a Transaction Date equal or after the moment of AMT identification as specified in Chapter Availability Obligations & Penalties Section 3.1 related to the start date and time of a Transaction Period.
152. In accordance with Sections 3.3.7 and 3.2, the ex-post Transaction Period is an hour or a set of consecutive hours considered as AMT Hour(s) within a same calendar day. Any Transaction Period of an ex-post Secondary Market transaction including at least one hour non-considered as an AMT Hour is rejected in Section 4.5.
153. An ex-post Secondary Market transaction is authorized up to 10 Working Days after the start date

and time of the Transaction Period, defined as an AMT Hour. After this deadline, any Secondary Market transaction related to that AMT Hour is rejected (cf. Section 4.5).

4.4 Secondary Market transaction status

154. As a fourth step of the Process, ELIA processes the Secondary Market transaction.
155. The three possible statuses of a notified Secondary Market transaction are either:
 - In process
 - Approved
 - Rejected
156. The up-to-date status of the Secondary Market transaction is available on the CRM IT Interface.
157. A new Secondary Market transaction involving two CMUs is processed by ELIA provided that all the approved Secondary Market transactions covering at least one hour of the Transaction Period and involving at least one of those CMUs are duly registered in Capacity Contract through Annex A according to Section 5.
158. Within a period of 10 Working Days after the acknowledgement of reception (cf. Section 4.2), ELIA ensures the validity of the Secondary Market transaction, the transaction is deemed 'in process.'
159. The Secondary Market transaction is 'Approved' if it attains all Secondary Market transaction conditions (cf. Section 2), requirements (cf. Section 3) and the related process steps (cf. Sections 4.1, 4.2, 4.3 and 4.4).
160. Simultaneous requests being sent to ELIA are sorted by their acknowledgement of reception time stamp (equal to Transaction Date) for the process. The process occurs Secondary Market transaction by Secondary Market transaction, one by one, in a "first-in first-out" approach.
161. Up to 50 notifications of Secondary Market transactions involving a CMU are authorized within a same calendar day of submission. Once this limit reached, new Secondary Market transactions are automatically rejected in Section 4.5.
162. In case of reasonable doubts of ELIA on whether a notification might be affected, e.g. by potential anti-competitive behaviour or potential abuse of an account on the Prequalified CRM Candidate or Capacity Provider behaviour with its CMU, as a measure to prevent issues, ELIA blocks extra Secondary Market transactions notifications of the CMU for 5 Working Days and transfers the Secondary Market transaction details including the content (cf. Section 3.3), his process steps and timings to CREG and other competent instances mentioned in the Capacity Contract. In this timeframe, new Secondary Market transactions on the CMUs of the Prequalified CRM Candidate are automatically rejected in Section 4.5.

4.5 Approval or rejection of a Secondary Market transaction by ELIA

163. As a fifth step of the process, a notification providing the results linked to a Secondary Market transaction – i.e. whether the Secondary Market transaction is compliant or not – is provided by ELIA to the Buyer and Seller of an Obligation or to the Exchange, within 10 Working Days from the acknowledgement of reception by ELIA (cf. Section 4.2).
164. Provided all Secondary Market transaction conditions (cf. Section 2), requirements (cf. Section 3)

and the related process steps (cf. Sections 4.1, 4.2, 4.3 and 4.4) are met, the Secondary Market transaction gets the 'Approved' status. Otherwise, the Secondary Market transaction gets the 'Rejected' status.

165. The Secondary Market transaction status is modified by ELIA on the CRM IT Interface accordingly.
166. The approved status given by ELIA is a technical approval leading to a notification by ELIA to the Contractual Counterparty. Any contractual modification depends on the Contractual Counterparty's sole discretion according to Section 5.
167. In case of approved Secondary Market transaction, ELIA provides directly an email confirming the 'approved' status of the Secondary Market transaction to:
 - The Seller of an Obligation and,
 - The Contractual Counterparty and,
 - The Exchange, if applicable (cf. Section 4.1.1.2)
168. The email consists of the content of the Validated Secondary Market transaction in addition to the Transaction Date:

Information	Type	Unit	Information
Secondary Market transaction external ID	Free field of 6 alphabet letters followed by 6 digits	NA	<i>The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)</i>
Seller of an Obligation	Capacity Provider ID	NA	<i>Identification of the Capacity Provider of the CMU of the Seller of an Obligation and considered as the Seller of an Obligation</i>
CMU of the Seller of an Obligation	CMU ID	NA	<i>Identification of the CMU of the Seller of an Obligation</i>
Transaction of the Seller of an Obligation's CMU	Transaction ID	NA	<i>Identification of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation</i>
Secondary Market Capacity	Floating	MW	<i>The volume of the Secondary Market Capacity that is transferred</i>
Transaction Period	Date / Time to Date / Time	Time	<i>The Transaction Period indicating the start date/time until the end date/time (included)</i>

Capacity Remuneration	Floating	€/MW/year	<i>The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation</i>
Calibrated Strike Price of the Transaction	Floating	€/MWh	<i>The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation</i>
Strike Price indexation Auction year	Integer or "NA"	Year	<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year</i>
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1</i>
Transaction Date	Date / Time	Time	<i>The acknowledgment of receipt date/time</i>

169. In case of validated Secondary Market transaction, ELIA provides directly an email confirming the 'Validated' status of the Secondary Market transaction towards:

- The Buyer of an Obligation and,
- The Contractual Counterparty and,
- The Exchange, if applicable (cf. Section 4.1.1.2)

170. The email consists of the content of the Validated Secondary Market transaction in addition to the Transaction Date and the Last Published Derating Factor applicable for the CMU at the Transaction Date:

Information	Type	Unit	Information
Secondary Market transaction external ID	Free field of 6 alphabet letters followed by 6 digits	NA	<i>The ID of the Secondary Market transaction arranged by both the Seller of an Obligation and the Buyer of an Obligation (or an Exchange)</i>
Buyer of an Obligation	Capacity Provider ID	NA	<i>Identification of the Capacity Provider or Prequalified CRM Candidate of the CMU taking over the obligation and considered as the Buyer of an Obligation</i>
CMU of the Buyer of an	CMU ID	NA	<i>Identification of the CMU taking over the obligation</i>

Obligation			
Secondary Market Capacity	Floating	MW	<i>The volume of the Secondary Market Capacity that is transferred</i>
Transaction Period	Date / Time to Date / Time	Time	<i>The Transaction Period indicating the start date/time until the end date/time (included)</i>
Capacity Remuneration	Floating	€/MW/year	<i>The Capacity Remuneration of the identified Transaction of the CMU of the Seller of an Obligation</i>
Calibrated Strike Price of the Transaction	Floating	€/MWh	<i>The Calibrated Strike Price of the identified Transaction of the CMU of the Seller of an Obligation</i>
Strike Price indexation Auction year	Integer or "NA"	Year	<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction year</i>
Strike Price indexation Auction type	"Y-4", "Y-1" or "NA"		<i>If applicable, the Calibrated Strike Price indexation in time represented by its parameter Auction type Y-4 or Y-1</i>
Last Published Derating Factor	Floating	No unit	<i>The Derating Factor applicable on the Secondary Market Capacity for the CMU taking over the obligation</i>
Transaction Date	Date / Time	Time	<i>The acknowledgment of receipt date/time</i>

171. In case of 'rejected' Secondary Market transaction an email is sent towards:

- The Seller of an Obligation and,
- The Buyer of an Obligation and,
- The Exchange, if applicable (cf. Section 4.1.1.2)

with the reason of rejection of the notification(s) in addition to the Secondary Market transaction external ID, as detailed below:

- The Secondary Market transaction external ID
- The list of each information of 3.3 notified in 4.1 and leading to a rejection preceded by 'Wrong'

- According to Section 4.5
 - This doesn't include the content of the field or any proposal for an adequate content
172. The ELIA process of the Secondary Market transaction implies that:
- The approved status of a Secondary Market transaction does not imply any contractual modification from ELIA and solely triggers the notification from ELIA to the Contractual Counterparty of the compliance with the conditions (cf. Section 2), requirements (cf. Section 3) and the related process steps (cf. Sections 4.1, 4.2, 4.3 and 4.4).
 - In case of rejection of a Secondary Market transaction the Seller of an Obligation remains responsible for the Secondary Market Capacity he tried to transfer with a Secondary Market transaction. Afterwards, if the Prequalified CRM Candidates or the Capacity Providers want to pursue on their transaction, a new Secondary Market transaction with updated and required data is to be re-submitted with another Secondary Market transaction external ID (cf. Section 3.3).

5 Contractual impact of the Secondary Market transaction

5.1 Notification to the Contractual Counterparty

173. In 4.5, an approved Secondary Market transaction triggers the issuance of a notification from ELIA to the Contractual Counterparty for a full transfer of the obligation of the Secondary Market Capacity on the Transaction Period from the Seller of an Obligation towards the Buyer of an Obligation.
174. The role of the Exchange stops at this stage, Section 5 involves solely the Seller of an Obligation, the Buyer of an Obligation and the Contractual Counterparty. ELIA receives information about the Capacity Contracts and their Transactions modifications accordingly (cf. Sections 5.2 and 5.3).

5.2 Transaction impact on the Contracted Capacities of the CMU of the Buyer of an Obligation

175. The Contractual Counterparty confirms to ELIA the changes on the Capacity Contract of the Buyer of an Obligation related to the notification he received in 5.1 from ELIA within 5 Working Days.
176. The Transaction Validation Date of a Secondary Market Transaction is equal to the date and time stamp of the Contractual Counterparty confirmation from the Contractual Counterparty towards ELIA.
177. Until then, the Seller of an Obligation remains responsible for the Secondary Market Capacity, part of the Contracted Capacity he is releasing in the Secondary Market transaction.
178. If the Contractual Counterparty doesn't confirm the changes to ELIA within 5 Working Days, the Secondary Market transaction is deemed approved and validated with a Transaction Validation

- Date equal to the date and time of the notification he received in 5.1 plus 5 Working Days.
179. According to Sections 4.5 and 5.1, the Contractual Counterparty adds to the Capacity Contract Annex A of the Buyer of an Obligation: a new Transaction on the CMU of the Buyer of an Obligation with a Contracted Capacity equivalent to the Secondary Market Capacity for the Transaction Period.
 180. A new Transaction is created on the CMU of the Buyer of an Obligation. The new Transaction is based on the Secondary Market Capacity, the Transaction Period, the Capacity Remuneration, the Calibrated Strike Price (and its indexation parameter) and the Last Published Derating Factor of the CMU. The Pre-delivery control, the Availability Obligations, Availability Penalties and the Payback Obligation are settled on the Buyer of an Obligation for the Secondary Market Capacity on the Transaction Period.

5.2.1 Signature of a Capacity Contract or addition to an existing Capacity Contract

181. If the Buyer of an Obligation has no Capacity Contract related to the Delivery Periods covered by the Transaction Period, he signs the Capacity Contract for those Delivery Periods on which the new Transaction following the Secondary Market transaction of 5.2 is assigned.
182. The Capacity Contract is the last published and approved version of the Capacity Contract at the Transaction Validation Date.
183. If the Buyer of an Obligation has (a) Capacity Contract(s) related to the Delivery Periods of the Transaction Period, he signs the Capacity Contract Annex A on which the new Transaction following the Secondary Market transaction of 5.2 is assigned.

5.2.2 Transaction Derating Factor

184. For the approved Secondary Market transaction, for the CMU for which the Buyer of the Obligations is taking over an obligation, the new Transaction created with a Contracted Capacity equivalent to the Secondary Market Capacity on the Transaction Period is associated with a Derating Factor notified in the Secondary Market transaction notification (cf. Section 3.3) and approved in 4.5.
185. The newly created Transaction Derating Factor is equal to the Last Published Derating Factor of the CMU acquiring an obligation at the Transaction Validation Date.

5.2.3 Transaction Capacity Remuneration

186. In accordance with Section 3.3.11., ELIA and the Contractual Counterparty are notified of the Capacity Remuneration of the Secondary Market transaction (cf. Section 3.3) and approved in Section 4.5.
187. According to Section 3.3.11., the Capacity Remuneration notified is equal to the Capacity Remuneration of the transaction of the CMU of the Seller of an Obligation through the Secondary Market and expressed in €/MW/year.

188. The newly created Transaction Capacity Remuneration equals the Capacity Remuneration approved in Section 4.5.
189. For the Transaction Period, the Buyer of an Obligation will be remunerated by the Contractual Counterparty for the Secondary Market Capacity instead of the Seller of an Obligation, using the Capacity Remuneration which has been meanwhile transferred in the Secondary Market transaction content (cf. Section 3.3) and approved in Section 4.5 and in application of the settlement and invoicing process foreseen in the Capacity Contract.

5.2.4 Transaction Calibrated Strike Price

190. In accordance with Section 3.3.12., ELIA and the Contractual Counterparty are notified of the Calibrated Strike Price of the Secondary Market transaction and if applicable of its indexation parameters in the transaction content (cf. Section 3.3) and approved in Section 4.5.
191. In accordance with Section 3.3.12, the Calibrated Strike Price (and if applicable its indexation parameters) that applies on the CMU of the Buyer of an Obligation for its Payback Obligation on the Secondary Market Capacity is the Calibrated Strike Price (and if applicable its indexation parameters) approved in Section 4.5.
192. The Calibrated Strike Price applicable to the Contracted Capacity of a CMU of the Seller of an Obligation in the Secondary Market Transaction remains unchanged.
193. When calculating the due amount of the Payback Obligation, the Calibrated Strike Price that will be applicable for a Transaction resulting from a Secondary Market transaction is the Calibrated Strike Price of the Transaction releasing its obligation through a Secondary Market transaction.
194. The Calibrated Strike Price will be linked with its indexation parameters in time if applicable.

5.3 Transaction impact on the Contracted Capacities of the CMU of the Seller of an Obligation

195. The modification of the Contract following an approved Secondary Market transaction (cf. Section 5.2) is a condition for contractual modification of the CMU Transaction of the Seller of an Obligation's CMU Contracted Capacity.
196. The Contractual Counterparty confirms the changes on the Capacity Contract of the Seller of an Obligation related to the notification he received in 5.1 from ELIA within 5 Working Days.
197. If the Contractual Counterparty doesn't confirm the changes to ELIA within 5 Working Days the Secondary Market transaction is deemed approved and validated.
198. According to Sections 4.5 and 5.1, the Contractual Counterparty updates in the Capacity Contract Annex A of the Seller of an Obligation and for the Transaction of the Seller of an Obligation's CMU with its Transaction ID: the Contracted Capacity is reduced by the Secondary Market Capacity on the Transaction Period.
199. The Capacity Remuneration, Pre-delivery control, Availability Obligations, Availability Penalties and the Payback Obligation are applied on the updated Contracted Capacity of the Transaction from which the obligation is deducted of the CMU of the Seller of an Obligation.
200. Following the Contracted Capacity decrease on the Transaction Period, the Seller of an Obligation

releasing his obligation will no longer be remunerated by the Contractual Counterparty for the Secondary Market Capacity.

5.4 Information to ELIA of the Contracted Capacities following a Secondary Market transaction

201. In 5.2 and 5.3, the Contractual Counterparty informs ELIA that the approved Secondary Market transaction resulted in a creation of a new Transaction with the Contracted Capacities on the CMU of the Buyer of an Obligation for the Transaction Period and in a modification of Transaction of the Seller of an Obligation's CMU Contracted Capacities on the Transaction Period. Without such information to ELIA, a new Secondary Market transaction involving the CMU of the Buyer of an Obligation, or the CMU of the Seller of an Obligation is not processed in 4.4 unless and once all the previously approved Secondary Market transactions involving those CMUs and covering at least one hour of the Transaction Period are registered in the Capacity Contract and its annexes and communicated so to ELIA.

6 Specific Contract escalation of penalties related to Secondary Market Transactions

202. In addition to the standard Availability Obligations and Penalties escalation of penalties according to Chapter Availability Obligations and Penalties Section 5.4, a contract escalation of penalties exists in case of recurring non-delivery on the obligations following a Secondary Market Transaction in the Capacity Contract:
203. After 3 consecutive underperformances resulting in a Missing Capacity (according to Chapter Availability Obligations and Penalties Section 5) of more than 20% of the Obligated Capacity (according to Chapter Availability Obligations and Penalties Section 5), a first escalation of penalties occurs with a suspension of the CMU for further Secondary Market transactions for the Buyer of an Obligation. Despite the suspension for notification of Secondary Market transaction on the CMU, the Pre-delivery control, Availability Obligations, Penalties & Payback Obligation remain related to all its Contracted Capacities.
204. No later than 20 Working Days after the third underperformance date and time detected here above, an Availability Test is organized on the CMU according to Chapter Availability Obligations and Penalties Section 4.
205. If the Availability test is not successful, according to the criterion in Section 4.1.1 of the Chapter Availability Obligations and Penalties of the Functioning Rules, the termination clause of the Capacity Contract is activated with the specifics that:
 - The Capacity Provider remains responsible for the already Contracted Capacities and related obligations prior to the clause activation and,
 - A possible suspension of further Transactions for the Capacity Provider (or from other subsidiaries of the mother company) on the remainder of the current Delivery Period, the next Delivery Period and the next upcoming Y-4 and Y-1 Auctions. Only after those, the

Capacity Provider can participate again if successfully prequalified.

206. If the Availability test is successful, according to the criterion in Section 4.1.1 of the Chapter Availability Obligations and Penalties of the Functioning Rules, the CMU recovers its rights for further Secondary Market transactions as Buyer of an Obligation.

7 Timing and duration

7.1 Secondary Market delivery

207. The Secondary Market opening is ready in the first semester of the year 2023. When the official start date is settled, ELIA provides the information to the market in the CRM IT Interface. In any case, no Secondary Market transactions are notified towards ELIA prior the start date.

7.2 Secondary Market accessibility

208. The Secondary Market is a continuous market organized by ELIA which is accessible to all Prequalified CRM Candidates and Capacity Providers under the present Functioning Rules and their modalities.
209. The accessibility is granted in a 24/7 way with prior notice by ELIA on the foreseen unavailability (cf. Section 8)
210. Unforeseen unavailability are minimized by ELIA with a best effort approach.
211. ELIA declines responsibility for any inconvenience perceived in the unavailability periods.

7.3 End of the Secondary Market

212. The Secondary Market remains available until the end of the last Transaction Period of all CRM Transactions plus 20 Working Days.

8 High-level IT requirements

213. The purpose of this Section is to describe the high-level technical requirement related to the Prequalified CRM Candidates, ELIA and the Contractual Counterparty facilitating the present Functioning Rules on the Secondary Market. Its content is part of the overall IT Requirement Section of the Functioning Rules.
214. ELIA provides an IT interface, hereunder CRM IT Interface, to enable each Prequalified CRM Candidate to submit Secondary Market transaction notification(s) to participate to the Secondary Market organized within the CRM framework. The access to this CRM IT Interface is web-based and does not require any other software than commonly-used internet browsers.
215. Access rights to this CRM IT Interface related to the Secondary Market are granted once the conditions of Section 2 are fulfilled. The Prequalified CRM Candidate is authorized to access it according to the CRM Secondary Market timing and duration (cf. Section 7).
216. The CRM IT Interface performs automatic checks in order to validate the compliancy of the

- Secondary Market transactions (cf. Section 4) and in this context also informs the Prequalified CRM Candidate when and why some of their submitted Secondary Market transactions are considered as non-compliant.
217. Encryption of prices submitted by the Prequalified CRM Candidates is ensured as from submission of the Secondary Market transaction in the CRM IT Interface.
 218. From the moment a Capacity Holder becomes a Prequalified CRM Candidate, he needs to check the good access, functioning and understanding of the IT interfaces of the CRM, including the CRM IT Interface.
 219. If ELIA foresees a maintenance of the CRM IT Interface related to the Secondary Market and informs the Prequalified CRM Candidates at least 5 Working Days prior to the start of the foreseen unavailability on the IT-interface and indicates the start date/time and the expected end date/time of the maintenance.
 220. If ELIA encounters an unforeseen unavailability of the CRM IT Interface related to the Secondary Market, ELIA informs all Prequalified CRM Candidates and Capacity Providers by email according to the Capacity Contract ELIA operational contact as fast as possible on the unforeseen unavailability of the IT-interface and indicates the start date/time of the outage and the expected end date/time of the unavailability. If ELIA can't solve the unforeseen unavailability within 5 Working Days after the start date/time indicated, ELIA communicates a fall-back procedure to notify Secondary Market transactions to the Prequalified CRM Candidates.
 221. All Secondary Market transactions notified to ELIA by the Prequalified CRM Candidate within the timeframe of a foreseen or, unforeseen unavailability of less than 5 Working Days, are considered as rejected, according to Section 4.5.
 222. Once known, any update of the start date/time or end date/time of the unavailability of the CRM IT Interface related to the Secondary Market are communicated by ELIA to the Prequalified CRM Candidate by email according to the Capacity Contract ELIA operational contact.