TF CRM #4 – Minutes

Tuesday 9 July 2019
9h30 – 16h00

Agenda

- Welcome
- Approval minutes of meeting TF CRM #2 - 23.05.2019
- Approval minutes of meeting TF CRM #3 - 13.06.2019

- Feedback from Stakeholders :
  - Bond Beter Leefmilieu/Greenpeace/IEW
  - FEBEG
- Secondary market (Elia – Nicolas Koelman)
- Prequalification – link with capacity reservation (Elia – Thibaut Gerard)
- Auction Mechanism :
  - Grid Constraints (Elia – Pieter-Jan Marsboom)
  - Bidding Requirements & clearing (Elia – Glenn Plancke)

- Minimal Threshold & Cumulative Support (FPS Economy)
- Status on :
  - Pay-as-Bid vs Pay-as-Cleared (Elia – Patrik Buijs)
  - Strike & reference price (Elia – Patrik Buijs)
- Planning Second Semester 2019 (Elia – Martine Verelst)
- Next Steps (Elia)

Present

Name	Organisation/Company
Aertsens Walter	Infrabel
Al Bitar Fawaz	Edora
Baudhuin Serge	Eneco
Baugnet Christophe	Engie
Benquey Romain	Restore
Boucquey Pascal	CREG
Bruninx Jolien	BASF
Busine Charlotte	PWC
Claes Peter	Febeliec
Claeys Bram	Ode
Clerbois Pierre	Inovyn
De Waele Bart	CREG
Deblocq Vincent	FEBEG
Debrigode Patricia	CREG
Desimpel Lara	Eneco
Ferlito Davide	Fluxys
Galloy Kristel	Gov. Wallonie
Gillet Amélie	FPS Economy
Guedens Ilse	Fluxys
Hachez Yvan	ENGIE
Jong Dieter	Eiya
Jourdain Sigrid	FPS Economy
Laleman Ruben	ENGIE
Leclercq Annabelle	PWC
Leurs Tim	CREG
Meire Dirk	E-luminati
Meynckens Geert	Restore

Mortier Jo	RWE
Nijs Klaas	Voka
Poismans René-Pascal	PWC
Ramm Peter	Dils Energie
Schjelderup Ina	RWE
Schoonacker Frank	Luminus
Selderslaghs Katrien	FPS Economy
Strosse Tom	EM GB
Van Bossuyt Michaël	Febeliec
Van De Keer Lieven	T-Power
Van den Kerckhove Olivier	ENGIE
Van der Biest Piet	Siemens
Van Dyck Sara	Bond Beter Leefmilieu
Vandersmissen Michel	Janson Baugniet
Vandersyppe Hans	COGEN Vlaanderen
Van Nuffel Luc	PWC
Verhelst Francis	Fluvius
Vermeiren Christian	T-Power
Vriens Wouter	BASF

Minutes

Welcome & Agenda

James Matthys-Donnadieu welcomes the audience and goes through the agenda of today's meeting.

Approval minutes of meeting TF CRM2 – 23.05.2019

Since last TF meeting comments were received from Febeliec which were integrated in the version sent by email. The minutes are approved.

Approval minutes of meeting TF CRM3 – 13.06.2019

Comments were received from FEBEG and ENGIE. The minutes are approved.

Feedback from Stakeholders: Bond Beter Leefmilieu/Greenpeace/IEW

Sara Van Dijck from Bond Beter Leefmilieu indicates that they have written a position paper in collaboration with Greenpeace and IEW which will be published on the TF CRM website.

FPS Economy asks to clarify what is meant with "avoid proactive monitoring" on slide 12 (aggregation topic). BBL answers that in case of aggregation, it is difficult to monitor on something that nobody is going to use.

Feedback from Stakeholders: FEBEG – Jo Mortier

FEBEG presents its comments on the proposed penalty schema during last TF meeting in June.

Febeliec asks to what penalties should be proportional. FEBEG answers that the penalties should be proportional to the obligation of the capacity provider. Losing the full contract fee in case of 1 hour unavailability is considered not to be proportionate.

Febeliec repeats that penalties should be applied in case of unavailability as a capacity fee is paid in the capacity market. FEBEG replies that FEBEG participants are prudent operators. They are not against paying unavailability penalties but it is all about proportionality. In the Energy Only Market producers promise to sell and then produce; the capacity market should allow at least to recover the missing money. FEBEG adds that a liquid secondary market is also important. Elia concludes that the proportionality argument will be further assessed, also together with the regulator since proportionality is its responsibility.

CREG wonders if the proposal of FEBEG is its extreme position. FEBEG answers this is not the case, they present principles and indications that are well reasoned. FEBEG explains that monthly caps exist in other CRMs and they want to know the T-factor.

REstore asks for clarification why multiple strike prices negatively impact the secondary market. Febeg answers that it is not always true, but it might create liquidity problems on the secondary market when participants with a higher strike price have to take over the obligation of a participant with a lower strike price. Elia adds that this discussion should maybe await the design proposal on the secondary market which comes later during the meeting.

Restore mentions it does not agree with the slide that mentions that multiple strike prices could impact the liquidity of the secondary market; FEBEG should include potential mitigating measures. FEBEG concludes that slides can be changed in function of discussion about secondary market.

ODE wonders why cumulative penalties are so heavy and why the penalty is lower in summer. In the event of an issue, the damage is the same. FEBEG answers that the penalty should be linked to the system stress which is lower in summer. ODE agrees that the risk might be lower in summer, but wonders why the penalty should be lower if event occurs anyhow. FEBEG replies that if there is no system stress, the penalty should be lower.

Febeliec asks Elia when availability monitoring/testing is foreseen. Elia responds that testing and availability monitoring are two different things. Elia proposes a different schedule for monitoring during winter and summer in order to incentivise plant maintenances out of winter. Testing is something Elia wants to avoid as much as possible. CRM targets availability which Elia wants to observe. In the energy market there is always some delivery behind availability. If there is proven availability, testing is not considered. Testing only comes into play when doubts arise about the availability. Elia will do test ranking based upon some criteria.

Elia adds that planned outages have a different penalty scheme during summer since it is less “damaging” the system in that period.
Febeliec states the rationale presented by FEBEG is then completely different since they mention unannounced availability.

BBL asks some clarification on penalties for technologies that are weather dependent and thus heavily derated. Elia replies that there are different service level agreements, taken into account different energy constraints/limitations. For weather dependent technologies, the availability will be reflected in the derating factors and so they can cover via the secondary market.

Secondary Market (Elia – Nicolas Koelman)

Febeliec asks whether Elia will come back on the concept of "newly prequalified volumes". Elia responds that the presentation today aims at providing some first general principles.

COGEN Vlaanderen questions which parties can take-over: everyone who has been prequalified or the parties that participated in the auction? Elia answers that a successful pre-qualification is needed to participate in the secondary market.

Febeliec asks whether DSR has to pre-qualify. Elia responds that the pre-qualification requirements for secondary market are the same as for the primary market. Elia adds that, in general, all capacity that can contribute to adequacy, should be allowed to participate to the secondary market thereby maximizing liquidity. To ensure eligibility, capacity will have to go through a continuous prequalification process, as obligations are taken over. Pre-qualification is needed to be able to participate to the primary auction. The provider can decide if he wants to participate or not to this primary auction. A contract is concluded in case capacity is selected. Left-overs from the primary market and other capacity that is still available (so which was not yet contracted) can provide liquidity to the secondary market. Afterwards a new primary auction will be organised for another delivery year, …

Febeliec asks whether no participation to the primary auction would mean the capacity cannot be offered to the secondary market. Elia answers this is not the case, there will be a new pre-qualification phase to enter the secondary market. However the normal pre-qualification process for the first auction will be different from the pre-qualification process at a later stage.

Febeliec presents a concrete example: if a CCGT does not participate to the CRM and consequently its capacity will be derated in the volume assessment, will this derated capacity part then be eligible to participate to the secondary market? Febeliec adds that this case is not presented on slide 7. Elia replies that this is a good question and that no clear rules are available yet. However in the spirit of the design, this uncontracted capacity should be included somehow. Elia will review this to clarify the point.

T-Power mentions that according to the adequacy assessment 3,9 GW during 100% of the time is needed. T-Power wonders what will happen if from the beginning the market is short; will the CRM then be oversized in order to have the necessary capacity available? Elia answers it will not over procure.

T-Power also wonders how the failure of 1 big unit will be covered by the secondary market. How to ensure enough liquidity since the players will most probably be confronted with a very concentrated offer. Elia confirms this is a good question and that the topic of today is how to design the capacity that could be eligible to participate in the secondary market.

ODE asks whether eligibility/pre-qualification can be different between primary and secondary market. Elia answers that the objective is that there should not be a difference. Elia adds that one small difference might be that prequalification for secondary market might take into account reduced delivery period on individual basis (e.g. in case CMU can only deliver in January/February).

RWE states that the way a unit is available for the market should be taken into account in the derating. Elia answers that de-rating is not individual, but technology specific.

T-Power believes that bullets 2/3 are timely matters and are marginal in terms of volume. T-Power agrees with Febeliec and states they have still questions about the liquidity of the secondary market.

COGEN Vlaanderen asks for some clarification of the last bullet point on slide 9 and asks if technologies with different strike prices do not have a different availability obligation. Elia replies there is a difference between the role of the availability obligation (with monitoring during AMT moments) on the one hand and the payback obligations on the other hand. The payback obligation is not considered as an availability mechanism. If you transfer your obligation to somebody else, it will depend on the mechanism that will be used for the strike price. If a single strike price mechanism is used then there is no problem in transferring your obligation. If the strike price is individualized, the strike price depends on the specificities of the seller of the obligation. Since it is individual it does not make sense to transfer in the same way the payback obligation (as the transferring of the availability obligation). The availability obligation is transferred one-to-one. The payback obligation can be transferred but should be tailored to the buyers' parameters.

Febeliec hopes that with the second bullet point it is not the proposal to go into the direction of an OTC market, since this will not be good for the liquidity of the secondary market. Elia mentions this point will be further explained in one of the next slides.

Regarding the last bullet on slide 9, RWE states it will be difficult to evaluate the availability in the system and wonders what happens with the availability checks if a CCGT wants to sell to a DSR with a higher strike price. Elia answers that there is a big difference between availability and delivery. Availability will be monitored in exactly the same way and the same moments, irrespective of the technology.

RWE further states that there is a bigger risk on contracts with a low strike price, because no one will want to buy that obligation. RWE sees a lot of arbitrage with this. Elia answers that the market is best placed to put a value on it. In case of multiple strike prices, the buyer and the seller will have to agree on a price. However in general, the principles should be compatible with any scheme of strike price.

RWE wonders if in the last bullet point "availability" should not be added ? Elia answers that availability is uniform.

RWE asks if security of supply is guaranteed if a CCGT is transferred to batteries. Elia answers that taken into account deratings, and if the necessary volume can be found, this should be guaranteed.

Restore asks if it would not be easier to transfer all obligations from the seller to the buyer. Elia replies that the strike price does not affect the volume obligation. There appears to be a misunderstanding. The principles on the slide explain that obligations are indeed transferred to the buyer of the obligation.

ENGIE asks if different strike prices would not open up for opportunistic behaviour. At any moment you go over the strike price, you will transfer to another with a different strike prices. Elia replies that strike prices should be well calibrated. Elia adds that concrete examples to support these claims are always welcome.

Febeliec questions the OTC principle of the secondary market in terms of ensuring liquidity and states that there should be an obligation to participate to the secondary market.

Dieter Jong wonders what will happen if the buyer does not respect its obligations. He wonders if Elia will go after party B if they are not available and Elia still pays money to party A. In such case the credit risk is for Elia. He proposes it would be better to keep the credit risk at seller A by subtracting what has not been delivered instead of putting the credit risk at society. Elia reacts by saying to keep the principle simple and pay the buyer. Dieter's opinion is to keep it simple and pay the seller. Elia replies that Elia does not necessarily agree, but will analyze this feedback further. Febeliec adds that society/Elia does not have to cover this risk.

Restore has a question linked to the penalty scheme and wonders if there is an increase in penalty levels in order to give an incentive to pass the obligation to another party to take its first hit. Elia answers that this should be looked at since it is not sure that it is to be considered as bad behaviour. It could be considered that the transfer has been done to a party which could be more trustworthy, so this can be a good result for the system.

T-Power says that secondary market design is over-engineered. As derating factors are applied, Elia should not require 100% availability. This would reduce the need for a secondary market. Elia answers that a secondary market is obliged by law and it seems there is a misunderstanding about the derating factors. Derating factors take into account real availability. No penalties apply above the derated level. T-Power repeats its remark from last time that derating factors should not take into account forced outages but only thermosensitivity. Elia answers that working on technology level already allows to differentiate a lot; not sure that derating is the solution to everything.

Dieter Jong wonders if there is a risk of escaping from the pay-back obligation. Elia confirms, but you pay for that. If there are different strike prices, they are supposed to be well calibrated.

RWE asks if Elia will perform a sanity check on the availability. Elia confirms this is included in the prequalification process.

ENGIE asks if Elia will perform availability check on prequalified capacity which did not participate to the auction. In case of ex-post transfer during an AMT moment, you need to be sure that the capacity to who it has been transferred to was available. Elia reacts that in case a contract is signed, you can be monitored.

COGEN Vlaanderen asks whether contract is also to be signed to participate in secondary market. Elia confirms.

ENGIE asks about participation of foreign capacity to the secondary market. Elia answers that the principles should be similar, but that for a foreign participants needs to have an access right to the Belgian CRM.

Prequalification – link with capacity reservation (Elia – Thibaut Gerard)

Dieter Jong asks what happens if someone was going to build a CCGT, but 3 years before delivery he finds another party who can provide capacity cheaper. Then the CCGT will not be build. How is this possible given the new FTR proposal? Elia replies that connection process and CRM should be distinguished.

Dirk Meire asks if also other constraints than Elia grid constraints are considered (E.g. cogeneration on DSO level, CCGT in terms of gas supply…). Elia answers these are still under discussion.

Auction Mechanism: Grid Constraints (Elia – Pieter-Jan Marsboom)

RWE asks about the options and why the preferred ex-ante option would be a separate auction. Elia explains that no separate auction is envisaged, nor give ratings, but Elia will assess whether combinations of bids are grid feasible. The main question remains if we can make grid constraints transparent to the market up front or not. This is not obvious from a computational point-of-view but also to be understood for the market participants, as grid constraints might be complex.

Dieter Jong asks how this issue is tackled in other countries with a much larger grids. He wonders if this is not over-engineering again. Elia explains that context is different since Belgium needs to cover a significant capacity gap with a larger stress on the system. Other countries also have grid constraints, but in a different way (Ireland has minimal capacity requirements per location). Elia explains that after summer, Elia will come back whether there is a necessity to include grid constraints in the auction or not.

ODE asks how Elia sees the link with the development plan in terms of solving congestion problems. Elia explains that the federal grid development plan towards 2025 will be taken into account. Besides, there might be necessary local measures to be able to connect capacity to the Elia grid. Elia adds that the necessary additional capacity can be connected to the Elia grid, but that capacity cannot be too concentrated.

ODE as a follow-up question asks what about the Ventilus project and wonders to what extent operators are penalised if the grid is not finished in time. Elia replies that this is a good question and Elia has to decide on the reference grid that will be taken into account.

Fluvius asks how DSO constraints are taken into account. Elia replies that the focus here is indeed on the Elia grid, but that bilateral discussions with the DSOs are ongoing within Synergrid.

RWE asks if there is a possibility to suggest a third solution. Elia replies this is possible, but well-reasoned and the sooner the better.

Auction Mechanism: Bidding Requirements & clearing (Elia – Glenn Plancke)

Restore asks if offer E is always rejected. Elia answers that all the offers will be considered and that the combination of bids will be selected that will best fit the demand curve, at the lowest cost. E is only rejected if it leads to a higher cost than F. The algorithm will select the best combination, but it will not only optimise on volumes, also on costs.

T-Power mentions that it is already decided to have PAB based on the presentation. Elia reacts that this is not the case, but that outcome might be different depending on the clearing mechanism.

T-Power mentions that a lot of trust is put in the demand curve. Elia reacts that indeed the demand curve needs to be trusted.

BBL asks why tiebreaking rule (2) is applied before (3) as the EU state aid rules explicitly mention that lower CO_2 emissions is to be selected in case of tiebreak. Elia thinks this is compliant but will legally double check. Elia further clarifies that point 2 is added as for society it is better to maximise consumer's surplus instead of producer's surplus.

Dieter Jong wonders if the same rules will apply for T-4 auction as for T-1 auction, because in T-4 auction there is more uncertainty about demand curve. Elia agrees but mentions that this can be captured by the shape of the demand curve.

Inovyn wonders why E is not offered the possibility to offer at a lower volume. Elia clarifies that a single round sealed bid approach is applied : only 1 round with mutually exclusive bids can be made by the CMUs.

RWE reacts that he did not understand during previous task forces that sealed bid is already decided upon. Elia replies that is was Elia's understanding as it was presented and that no objection was made.

RWE asks why sealed bid is the preferred option. Elia refers to the advantages of sealed bid as presented during last task force. Elia takes it as an appropriate starting point, as it impacts the auction (<> PAC/PAB principle can still be left open).

RWE repeats that they do not share the view on sealed bid as preferred option. Elia mentions that sealed bids is the working assumption for Elia and states that if there are fundamental objections to this that these objections should be shared.

RWE refers to FEBEG's position paper and presentation. Elia adds that the arguments in the presentation of FEBEG are the opposite of Elia's views. Examples of market abuse are known in other markets with a descending clock and this has led to concerns. One could question if we should make ourselves prone to such elements in Belgium, where the market is not as competitive as in other markets. Febeliec adds that they are in favour of sealed bid.

RWE asks about the indivisibility of the bids and wonders what the reason is why bids cannot be split up, even though the option of mutually exclusive bids exists. Elia replies that the complexity of the auction algorithm is the main driver. Elia believes that in this solution no combinations are obstructed.
Elia believes that all options are possible with the proposal. However in case there are concrete cases that cannot be accommodated, they should be mentioned so they can be considered.

Febeliec mentions they are somehow reluctant to mutually exclusive bids, but wonders also whether it would be possible to bid in part of an installation: can half of the capacity be bid in? Elia replies that in the CRM law there is an option to opt-out; however it needs to be checked whether it can be partially applied. Febeliec wonders how a distinction can be made between capacity that is in the market and capacity that is in the CRM. RWE also wonders if this will be allowed or not. Elia answers that this will be further looked at but wonders why someone would do something like that.

ENGIE mentions that the whole package is to be considered when discussing the auction algorithm design, i.e. single-round sealed bid cannot be chosen as 1 element without considering the other aspects. Elia agrees and asks whether there are some incompatibilities. ENGIE reacts that by adding in the design e.g. mutually exclusive bids, grid constraints etc, we are deviating from the textbook single round sealed bid mechanism to more complex schemes (like combinatorial auctions). ENGIE emphasizes that the overall complexity of the mechanism proposed (including the set of advanced features discussed) should not be overlooked and that the outcome of the current discussions and of the clearing algorithm should ultimately be understood and be understandable to everybody. Elia reacts that this is the reason why single round sealed bid is preferred as the results can be auditable, …

CREG adds that also in case of a multi-round mechanism the grid constraints have to be checked. The single round sealed bid mechanism is supported by CREG.

Elia adds that any suggestion to simplification may be presented, because only general comments are not convincing for changing course…

Minimal Threshold & Cumulative Support (FPS Economy)

o Minimal threshold

Febeliec asks how the rule for DSR capacity should be interpreted: the site is bigger than 1 MW or the DSR product which is offered is bigger than 1 MW. Which capacity should we look at in terms of threshold and what about the derating factors? FPS clarifies that 1 MW represents the capacity offered. A distinction between pre-qualification and auction is to be made: the minimal threshold relates to pre-qualification, the derating applies to the main auction.

BBL asks why the 1MW threshold is selected whereas other countries have much lower thresholds as shows the benchmark.

PWC explains that a mapping exercise was done to find balance between the administrative burden and ensuring sufficient competition. Also a comparison with others countries was performed based on other CRMs or future CEP requirements. A final choice was based on the impact of such threshold in Belgium. Based on an analysis tailored to the Belgian situation, they deem 1MW as a good compromise.

As a follow-up question, BBL mentions that balancing thresholds based on EU regulation are lower. BBL also wonders what will happen if more smaller players exist in the future and how digitization can facilitate the administrative burden. FPS explains that a learning curve is needed: now 1 MW is proposed as a starting point but that an evolution towards lower threshold can be possible afterwards. Elia adds that the 1MW should not be wrongly interpreted. One should not be concerned that capacity would be excluded. The 1MW threshold only relates to the minimal threshold for individual, direct participation. This does not mean that anything below 1MW is excluded, rather on the contrary, smaller capacities can participate through aggregators.

ODE states that it seems that the 1MW is a rather arbitrary choice and he does not hear a strong rationale for going for a 1MW threshold. So as a counterproposal, he does not want any threshold and let it up to the small entities themselves whether they want to aggregate or not. FPS explains that focus was on internal balancing (not on benchmarking with other countries) and that pre-qualification is required above the threshold as defined by the law. ODE replies that it then becomes a discussion about the pre-qualification process and to not make it overly complex.

Elia challenges the view of ODE that numbers are not sufficiently underpinned. It will be overly complex to manage the very small players and Elia asks what the problem is with the 1 MW threshold. ODE replies that highest amount capacity as possible should be able to enter the auction. A threshold might decrease this capacity as they might not want to work with or to share profits with an aggregator.

BBL adds that the design should be technology neutral. Elia reacts that all technologies can participate, only not directly, but the mechanism is technology neutral. Moreover, Elia states that lower threshold might result in less professional parties to participate. Febeliec wants to pass the question to the aggregators. Restore replies that small (kW based) households in other countries also do not participate individually. Besides, it is not only meeting the minimum threshold that is the issue, but the capacity providers also have to understand the obligations that come with it (operational rules, penalties, bidding, monitoring, …)

ODE understands the arguments, but that there remains a big gap between a kW and a MW. SMEs can offer capacity smaller than 1 MW, and are professional. So ODE continues to question the 1MW threshold. Elia concludes that the comment will be written down. FPS repeats the learning curve and that threshold can be increased in the future. ODE replies that largest capacity will be contracted in first auctions, so that it might be turned around.

Fluvius asks if liquidity on the secondary market would not be better if minimal threshold would be lower. Elia answers that it needs to be assessed but a priori this seems not to be the case.

Febeliec asks where the emergency diesel generators bigger than 1 MW need to prequalify since not all emergency generators are willing to participate. BBL replies that given the CO_2 emission limit requirement, diesel generators are probably not allowed to participate anymore. FPS confirms that these generators are not obliged to participate. Febeliec asks to clarify this in the presentation.

COGEN Vlaanderen states that the ability to inject into the grid or only as an emergency should be a decision for "to be able to prequalify".

Febeliec asks whether a company can aggregate itself if it has several sites; portfolio participation is allowed. FPS adds that you can be your own aggregator based on the law.

o Cumulative support

COGEN Vlaanderen understands that the concern for oversubsidy is real, however Elia is going to count on the production capacity from cogenerations in order to define the need. COGEN Vlaanderen states that cogeneration should be able to participate to the CRM.

ODE adds that they agree that capacity currently receiving operating aid should not be complemented with CRM, but he does not understand the distinction between operating and investment aid in the past. So if investment aid was received in the past then you can't participate to the CRM. FPS answers that the European Commission agrees to have this cumulative support based on the legal assessment that has been made. It is a regional competence so difficult to identify every investment aid. FPS reminds that no financial transfers can be done from regional to federal level. ODE agrees that projects that currently receive certificates should be excluded, but he believes that projects having benefited from support in the past but no longer do so should be able to receive a capacity remuneration too. There is a database which should be provided by regions. FPS reacts that when the support period is over, no missing money is left (only windfall profits), and so there is no need to provide for something extra.

BBL wonders what the difference is with existing gas plants running in the current market in relation to windfall profits.

FPS answers that European regulation regarding cumulative support does not give a clear view. As a general principle it states no overcompensation. If you have received support in the past, there is no missing money anymore. Regarding investment aid, different reasoning is followed as it is more difficult to assess what falls under investment aid (green loans? …).

Febeliec wonders if strategic reserve should be considered as an investment or an operation aid. Luminus says this should be considered as an investment aid. Janson Baugniet explains that the remuneration was based on MW so following this logic it should be an investment aid. Infrabel wonders if there is then an obligation to invest in the Strategic Reserve. Janson Baugniet answers that it is difficult to draw a line, that is why is it mentioned "investment and other aid". Also the European guidelines are unclear on the distinction between those two concepts.

Restore asks how the capacity that will not take part in the CRM, will be taken into account. Elia answers that the demand curve will be adapted accordingly.

Dirk Meire points out that assets that received support in the past and had huge returns in the past, can still have missing money in the future.

COGEN Vlaanderen wonders if aid which is not based on amount of electricity produced is considered as operating aid (eg for cogeneration you receive money for the amount of CO2 you avoid to emit). Janson Baugniet confirms this should be considered as operating aid.

FPS mentions that feedback can be provided.

Status on :

o Pay-as-Bid vs Pay-as-Cleared (Elia – Patrik Buijs)

Febeliec asks what is the rationale for inframarginal rent with a CRM. Elia explains that this is the reason why we go for PaB in first years.

Febeliec asks as follow-up why not always PaB then. Elia explains that PaB does also have downsides, which is why we go for PaC after a while. Besides, not just PaB vs PaC is meant to roam off inframarginal rent, but also the intermediate price cap serves to avoid inframarginal rents from the CRM.

FPS adds that PAC makes it easier for smaller players to participate and refers to the slides of earlier task forces and written feedback of the market.

Elia states that answers from the different parties received during the survey can be published on the TF CRM website if all agree. Nobody objects.

Febeliec repeats its question what inframarginal rents have to cover. Elia concludes that the question will be written down.

o Strike & reference price (Elia – Patrik Buijs)

Febeliec asks when participants will get more information on strike/ref price proposal. Elia answers that information will be shared when available by email (not waiting until next task force).

Planning Second Semester 2019 (Elia – Martine Verelst)

VOKA asks why there is no public consultation on several Royal Decrees. Elia answers that this is not foreseen in the Law, but the question is noted down.

ODE asks what the implementation plan entails. Elia replies that this plan gives the current state-of-play of the Belgian energy market and the developments foreseen towards the future. It should be submitted to DG Energy, before state aid file is notified to DG COMP.

ODE asks as a follow-up question whether this also entails the choice for the specific capacity mechanism, i.e. CRM or not. Elia answers that this is not part of the implementation plan, but part of state aid procedure that entails several steps.

Infrabel asks about limited time that CRM will be in place as foreseen in the Clean Energy Package. Elia confirms indeed that CRM will be in place for maximum 10 years.

Next Steps (Elia)

Elia adds that there is a need for people to keep an overview on the proposed mechanism. Elia will try to draft a 3-4 pager which will provide a description of the CRM mechanism detailing the end-to-end process in easy terminology, to which we can easily map the different building blocks.