

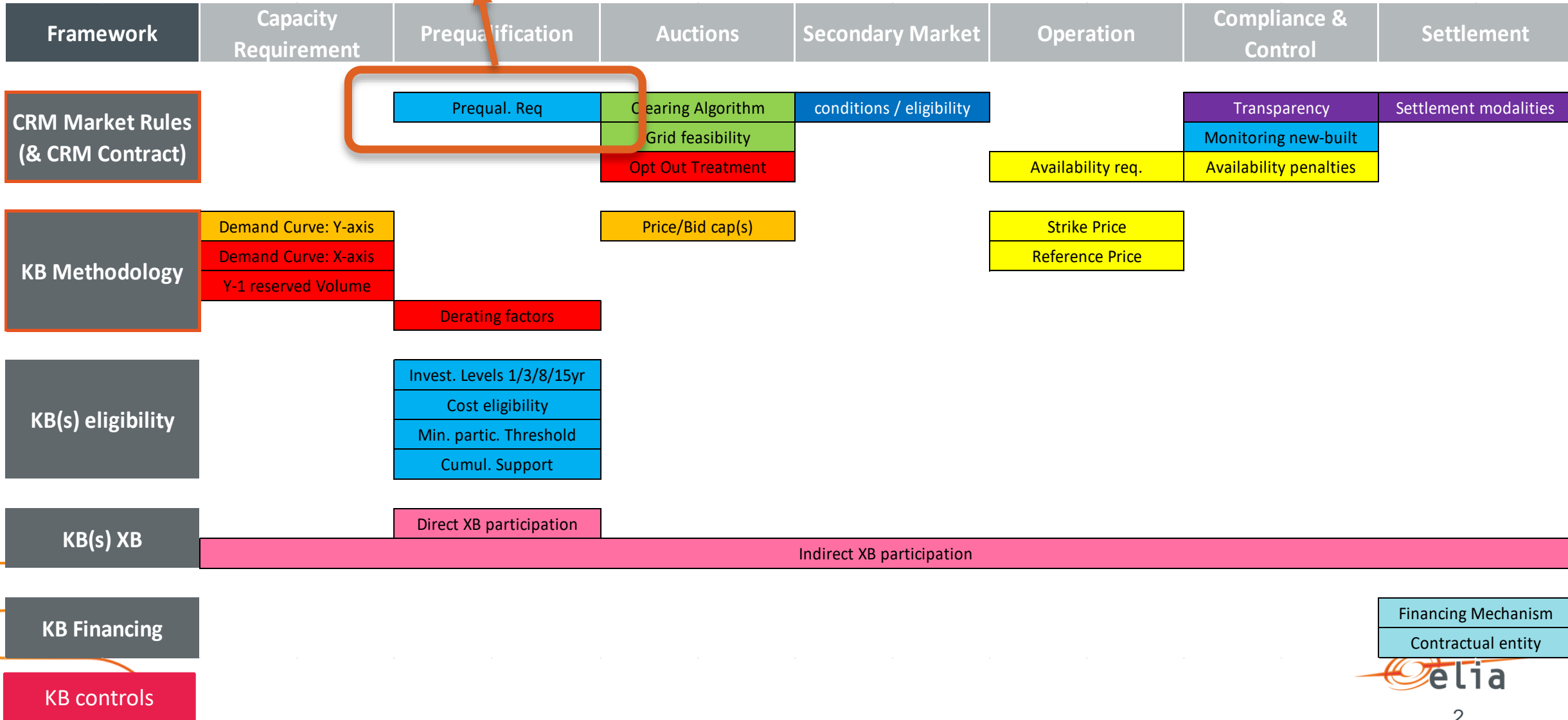
Prequalification

Thibaut Gerard

Scope

Prequalification & monitoring design note –
consultation between 2nd October and 30 October

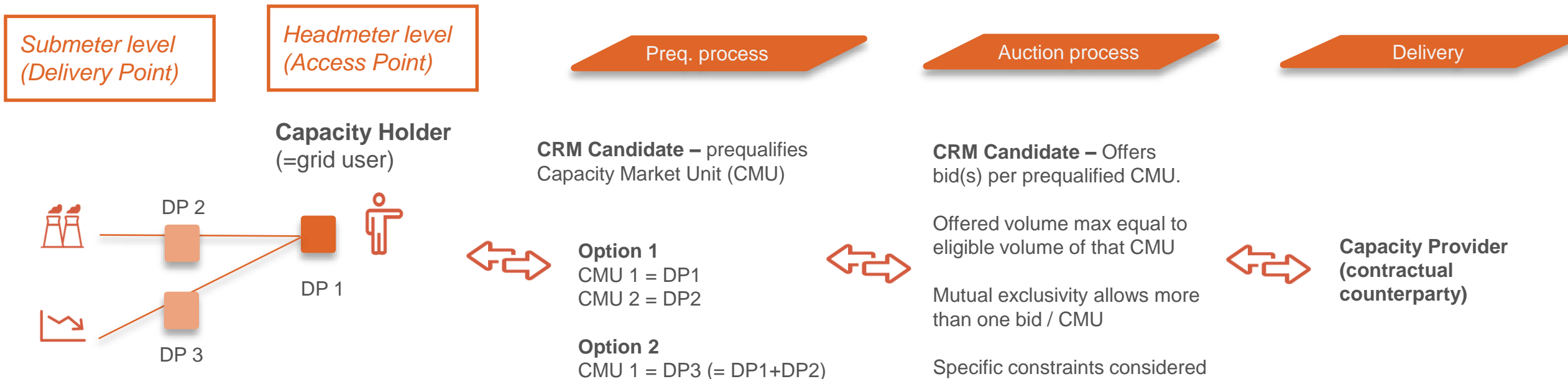
Volume assessment	Secondary market
Eco. Param. Dem-curve	Transversal topics
Product design	Cross-border aspects
Auction design	Financing
Prequal. & eligibility	



Agenda

- ❑ Key definitions
- ❑ Structuring principles
- ❑ Overview of interactions with third parties
- ❑ Timing
- ❑ ELIA prequalification process – details
- ❑ ELIA Fast track prequalification process
- ❑ Evolution of prequalified volume in time

Key definitions



$$\text{Reference Power} * \text{Derating Factor} = \text{Eligible Volume}$$

Depending on configuration, Access Point can be equal to Delivery Point

Aggregated CMU = several delivery points

CRM candidate can be equal to Capacity Holder or different (in such case, Grid User declaration needed)

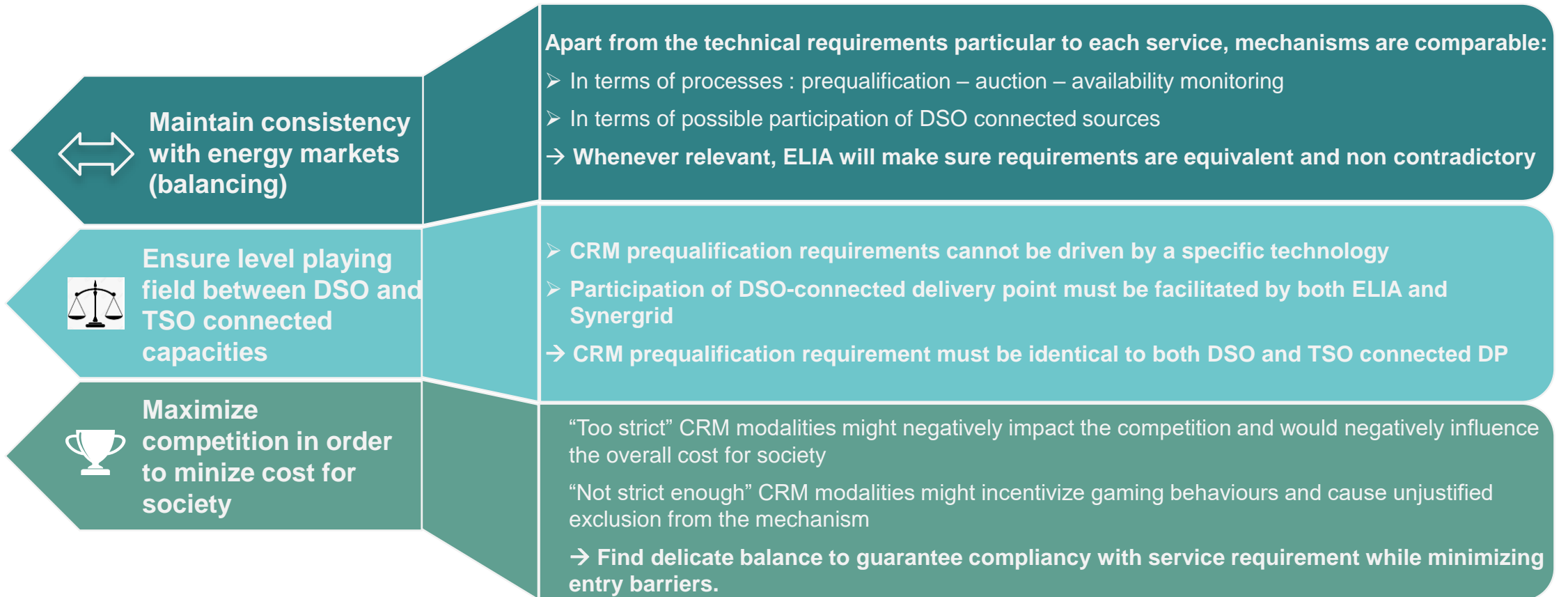
CMU = where the service is measured and verified

CRM prequalification



Prequalification process

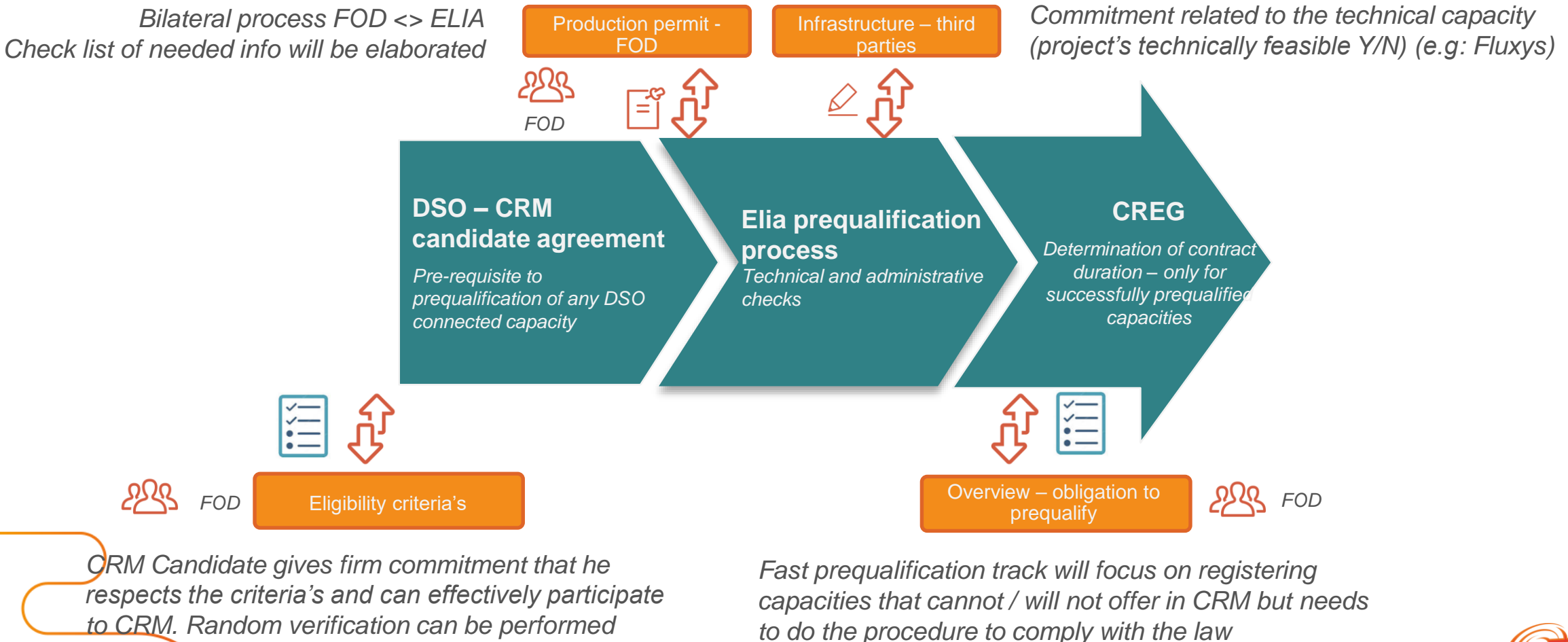
Structuring principles



Prequalification process

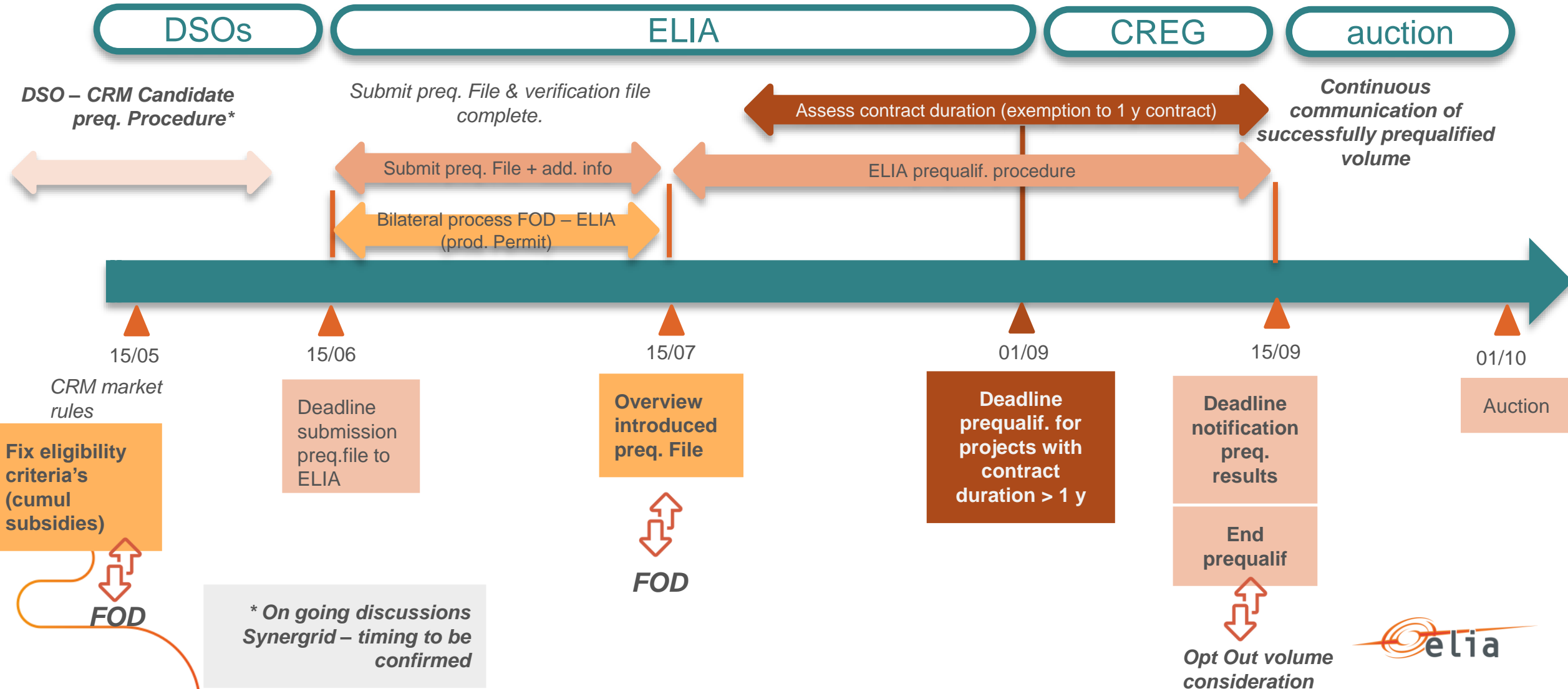
Identified interactions with third parties

Sequential process applicable to any CMU



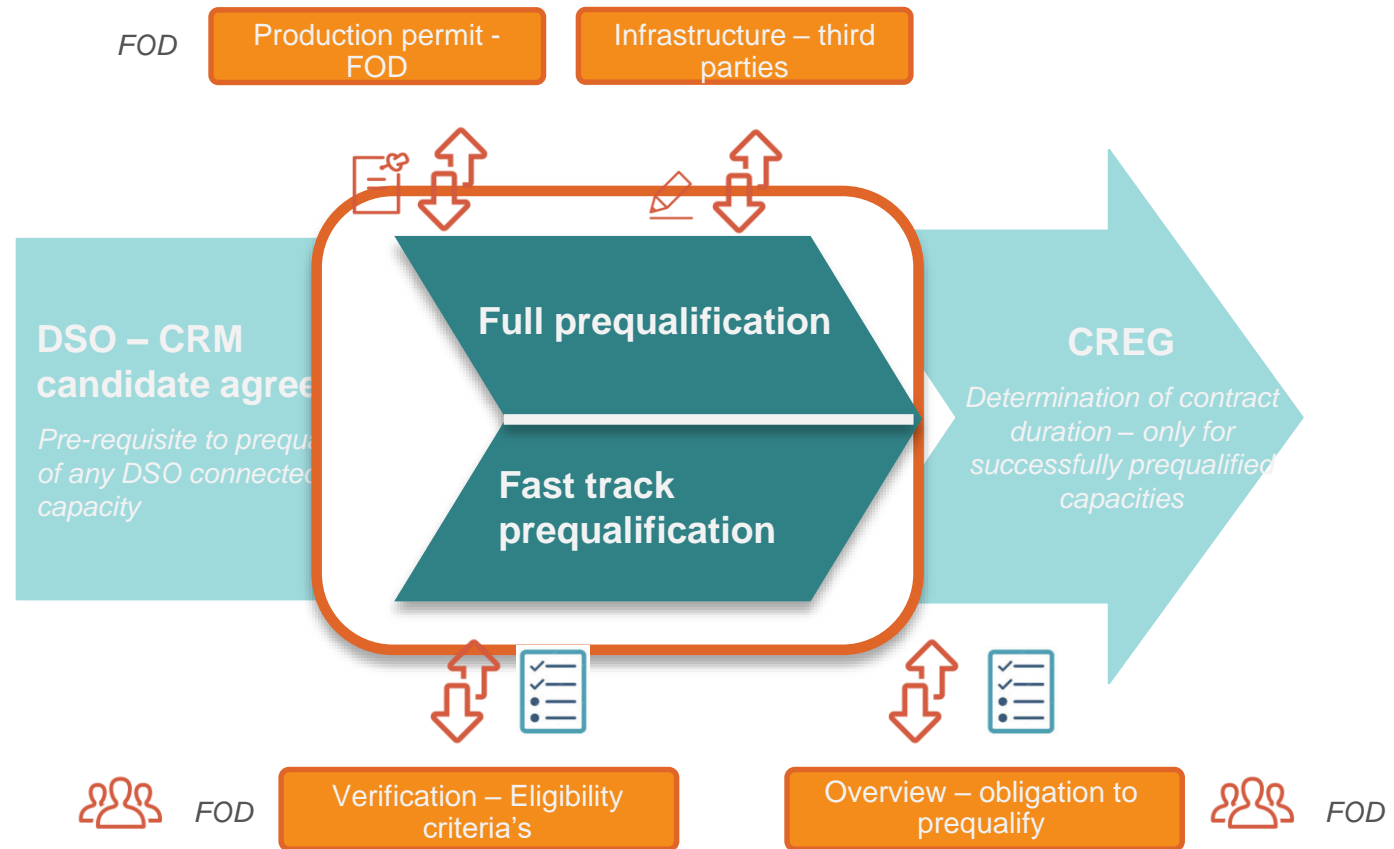
Prequalification process

Timing including interactions with third parties



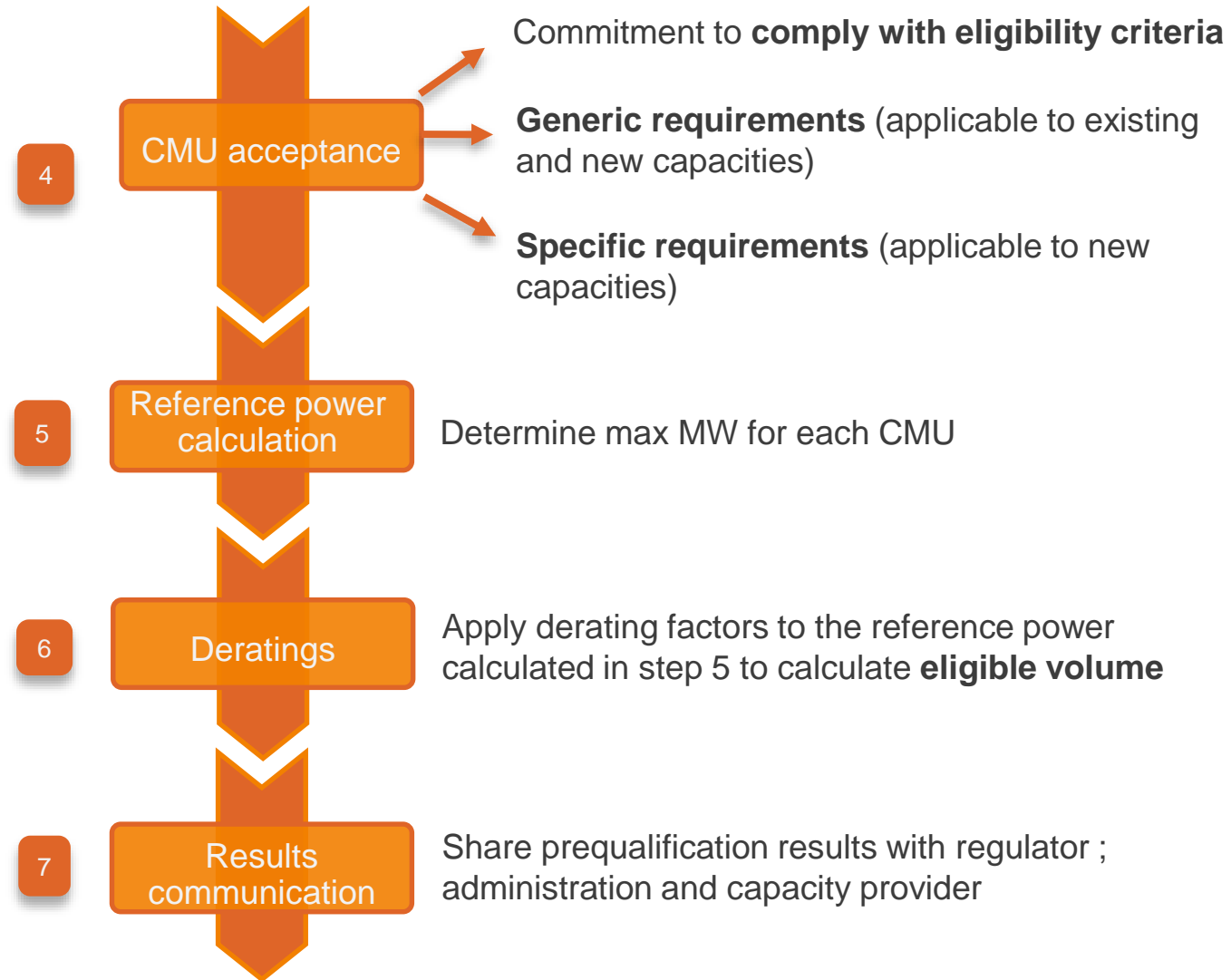
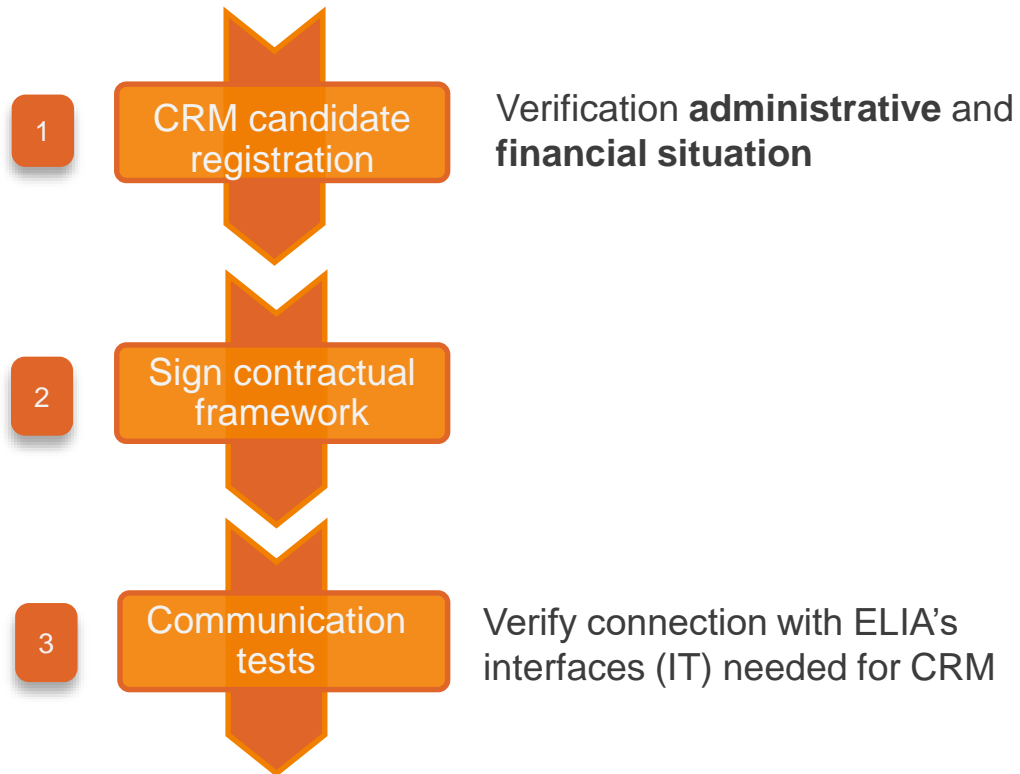
ELIA prequalification process

Sequential process applicable to any CMU



Elia full prequalification process

7 steps



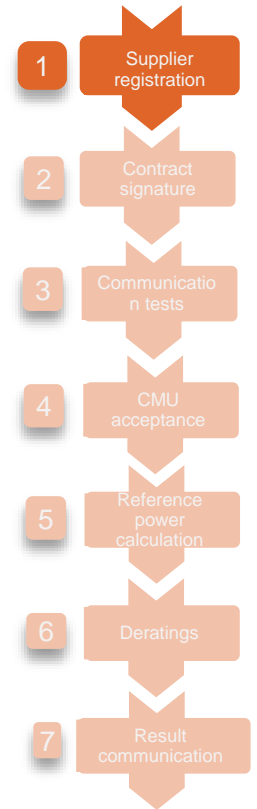
$$\text{CMU Reference Power} * \text{derating factor} = \text{CMU eligible volume}$$

Elia prequalification process

Step 1 – supplier registration

Verification of both **financial** and **administrative** situation:

- Administrative situation: CRM candidate **qualification form** similar to existing one available for balancing services;
- Financial situation: **bank guarantee**
 - Preferred to “Graydon score” as provides financial incentive to effectively deliver proposed projects **in time** (no other financial incentive as CRM remuneration only starts with delivery period)
 - **Proportional to MW contracted**
(level playing field and reduce entry barrier as much as possible)
 - Similar logic in other CRM mechanisms;
 - Link with on-going discussion on connection contract (no double bank guarantee)



Elia prequalification process

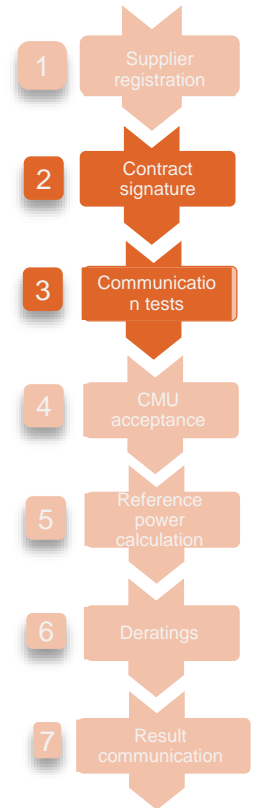
Step 2 – contract signature

Sign contractual framework with ELIA to formalize CRM candidate agreement with service requirements

Step 3 – communication tests

Verify good functioning of ELIA's CRM interfaces with CRM candidate. Among others:

Type of communication	Direction	Level of detail
data exchange platform (15 min measurements)	Supplier > ELIA	Per Delivery point
Day-ahead price nomination	Supplier > ELIA	Per CMU
Auction tool	Supplier > ELIA	Per CMU
Prequalification platform	Supplier > ELIA ELIA > Supplier	Per Delivery point
Activation signal	ELIA > Supplier	Per CMU

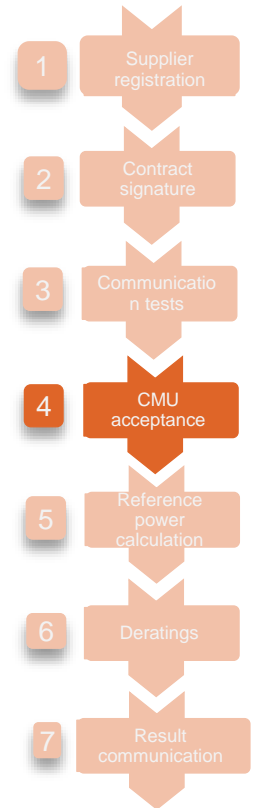


Elia prequalification process

Step 4 – CMU acceptance

Key generic requirements



- **Aggregation rules** (min. threshold, max. individual unit size...);
- **Energy** / number of activation **constraints** (if any; declaration from CRM candidate);
- **Technical information** per delivery point (individual contribution; P min; P max; carbon emission...)
- Grid user declaration;
- DSO – CRM candidate agreement (for DSO connected CMUs);
- Verification of metering requirement;
- **Combinability** with other CRM candidates
- **Contract duration** (per DP)



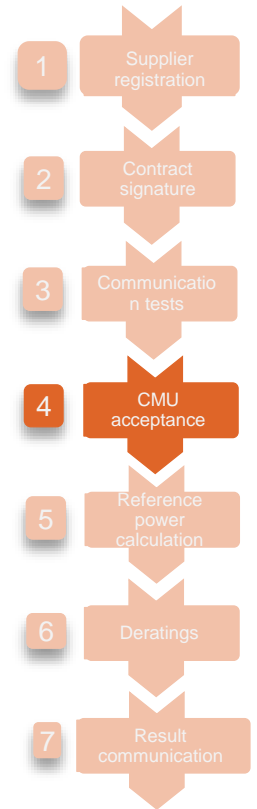
Elia prequalification process

Step 4 – CMU acceptance

Specific requirements for new capacities

- Production permit (or information that would allow its future acquisition);  CRM Law
- Grid connection possible (positive **technical study**);  FTR v2
- **Firm commitment from third parties (if relevant)** (e.g: infrastructure work required);
- Construction permit: **sector plan** already compliant;
- Field: **proof of right to use it**

- **Detailed planning** and project **info** (permit; construction work; commissioning;...);
identification of impacted third parties; meter localization;...
 - **Intermediate milestones** (quarterly) fixed by CRM Candidate;
 - **Deadlines** identified (e.g: construction permit by DD/MM/YYYY)



Essential input for monitoring process (between auction and delivery)

Elia prequalification process

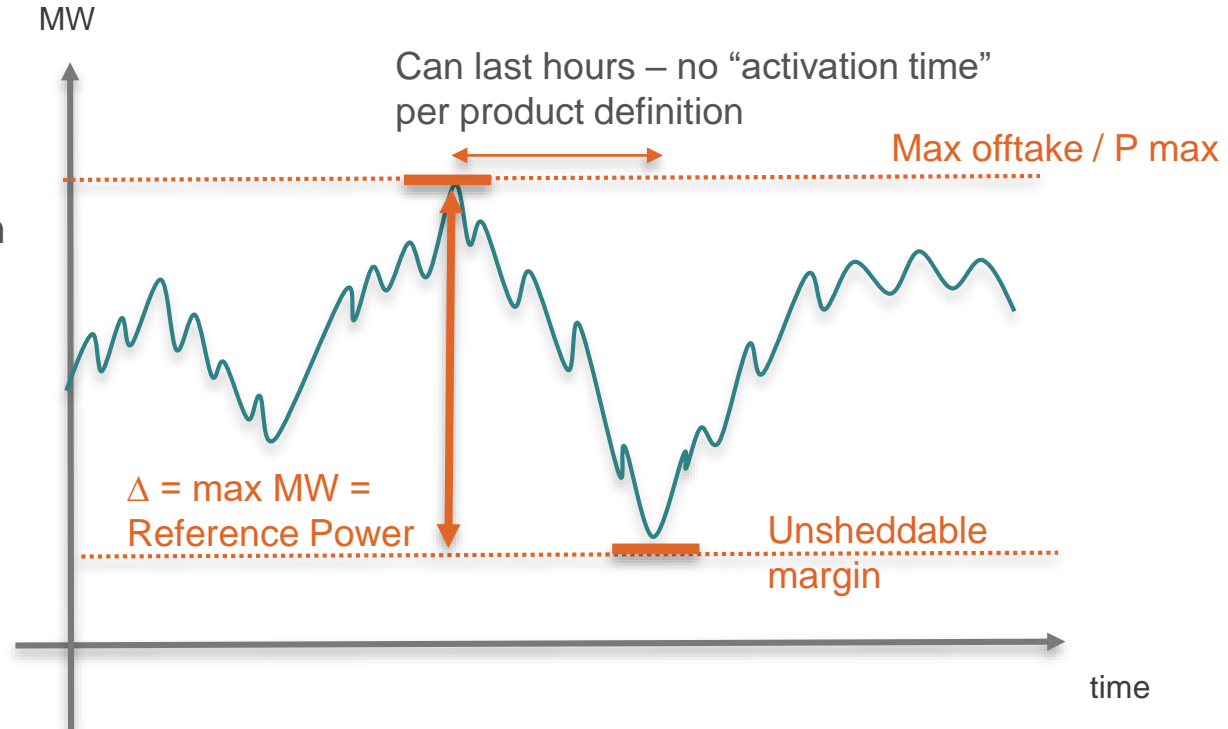
Step 5 – Reference power calculation

3 possible methods

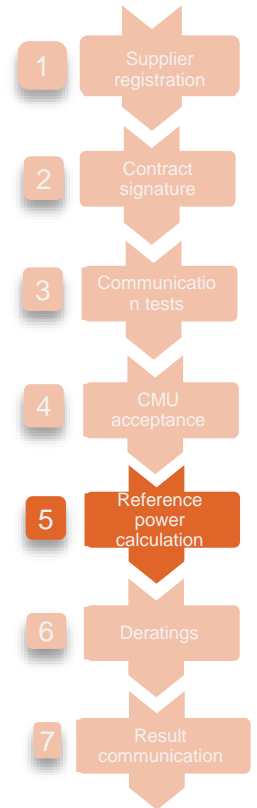
- A. Use of **historical data (last 12 months)**;
- B. Use of historical balancing data (prequalification tests; results of activation controls...)
- C. Organize **new test**;

- ✓ **Not remunerated**;
- ✓ **Planned** by CRM candidate;
- ✓ **No operational impact** for ELIA

Prequalification – example with method A. use of historical data



Rolling window – moments of 36 hours considered (DA 12:00 to ID 23:45)
→ Aligned with availability monitoring logic



Elia prequalification process

Step 6 – Deratings

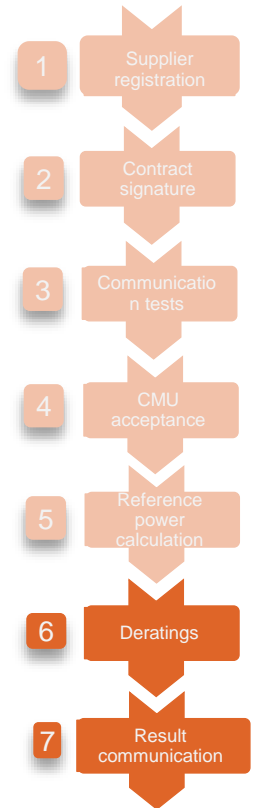
Calculation of eligible volume

$$\text{Eligible volume} = \text{Reference power (step 5)} * \text{derating factor}$$

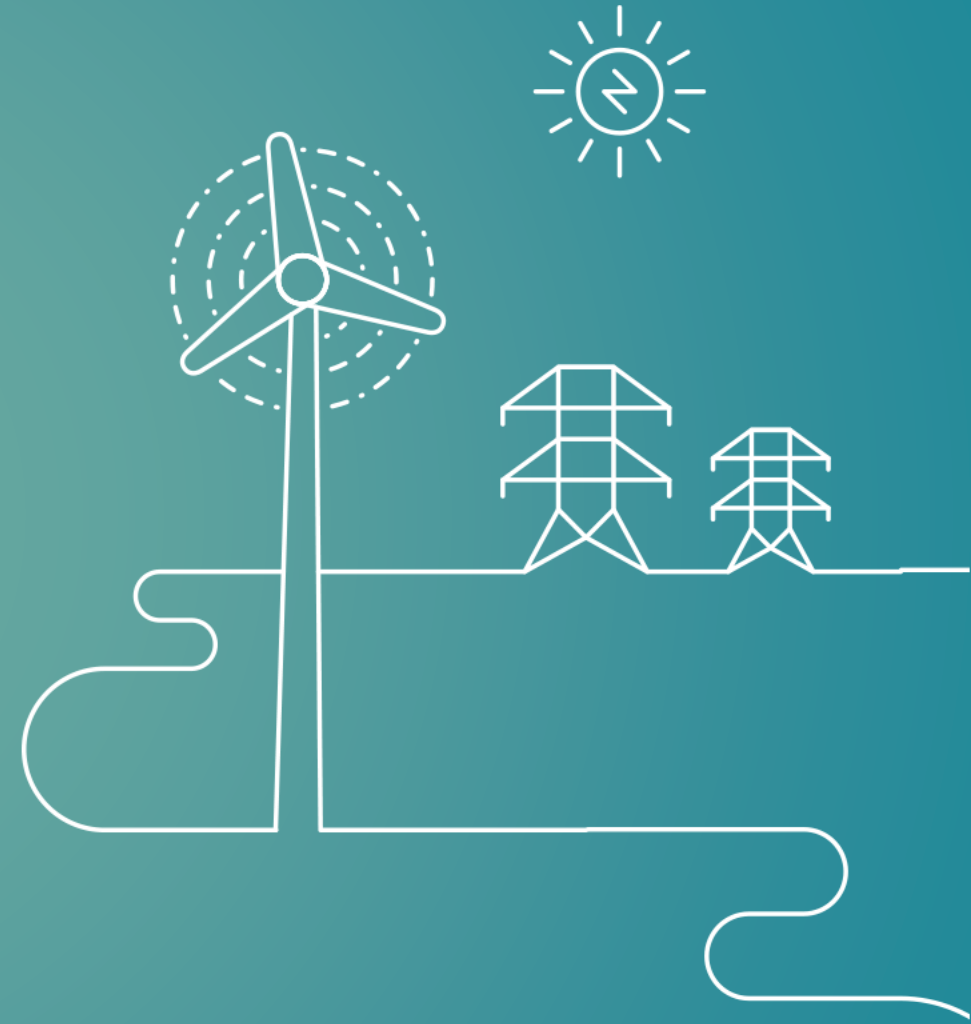
Where derating factor depends on technology or service level agreement (for market response) with regards to the energy and number of activation constraints

Step 7 – Result communication

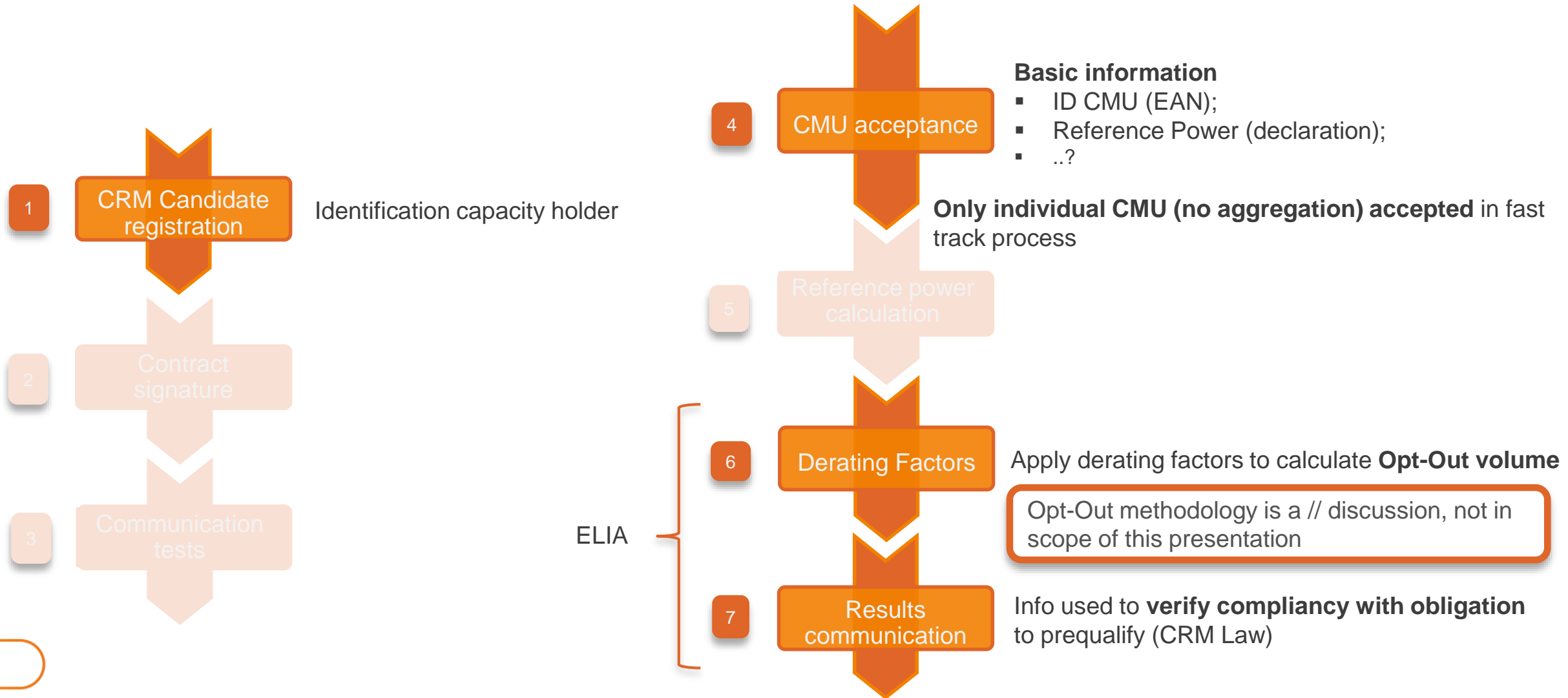
Communication of Eligible volume to both the **regulator** (if an exemption in contract duration is required by the CRM candidate) and the **CRM candidate**.



Fast track prequalification process



Elia Fast track prequalification process



Not possible to offer to CRM auction with this fast track prequalification process

CRM prequalification
Evolution of prequalified volume
in time



Evolution of prequalified volume in time

Prior to 1st monitoring period



CMU1 – 10 MW

Prior to delivery period



CMU1 – 10 MW

After 1st delivery year



Results of av. Control of 2025 inc. to correct prequalified volume



Exact methodology clarified in design document



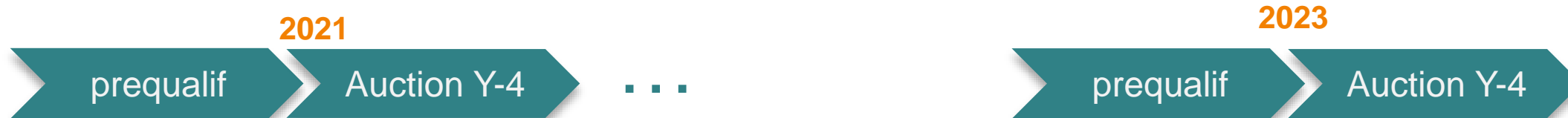
Derating factors

Results of monitoring phase 1



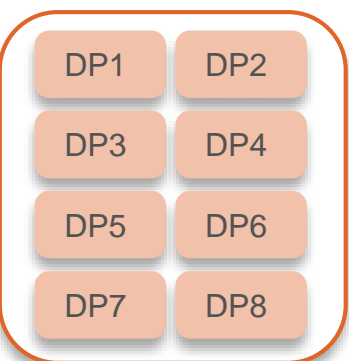
Elia prequalification process

Life of an aggregated CMU



A CRM candidate can remove / add individual delivery points to a prequalified CMU without doing a prequalification test as long as the sum of individual contribution > the prequalified volume and technical conditions (e.g: energy constraint, contract duration) of initial CMU are respected

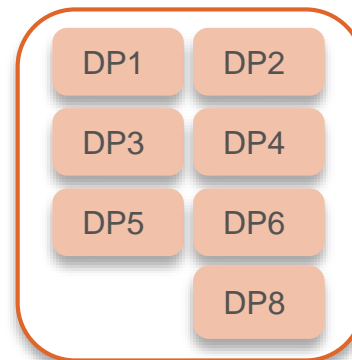
Aggregated CMU 1 – 20 MW



Delivery Point	Aggregated CMU	Individual contrib.
DP 1	CMU 1 – 20 MW	1 MW
DP 2	CMU 1 – 20 MW	2 MW
DP 3	CMU 1 – 20 MW	5 MW
DP 4	CMU 1 – 20 MW	4 MW
DP 5	CMU 1 – 20 MW	2 MW
DP 6	CMU 1 – 20 MW	3 MW
DP 7	CMU 1 – 20 MW	2 MW
DP 8	CMU 1 – 20 MW	4 MW



Aggregated CMU 1 – 20 MW



Delivery Point	Aggregated CMU	Individual contrib.
DP 1	CMU 1 – 20 MW	1 MW
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DP 4	CMU 1 – 20 MW	4 MW
DP 5	CMU 1 – 20 MW	2 MW
DP 6	CMU 1 – 20 MW	3 MW
DP 7	CMU 1 – 20 MW	2 MW
DP 8	CMU 1 – 20 MW	4 MW

→ $\Sigma = 23 \text{ MW}$

→ $\Sigma = 21 \text{ MW}$

If removal of a delivery point influences the prequalified volume; then the prequalified volume diminishes accordingly