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Sent: Thursday, 11 July 2019 00:41
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Cc: Marc van den Bosch (Febeg) <marc.vandenbosch@febeg.be>
Subject: "strike price & pay back" options : Additional comment FEBEG

Dear members of the CRM Follow-up Committee,

In the context of the different "strike price & pay back" options currently analyzed and discussed by the CRM Follow-Up Committee, FEBEG would like to highlight- in addition of its position of 21.06.2019 regarding its preferred option – that any option with differentiated strike price would be in opposition with the key principle of level playing field between all technologies and that more in particular option 2 cannot be considered under any circumstances.

FEBEG strongly advocates for one single strike price for the following reasons: A single strike price ensures a leveled playing field, keeps simplicity in the functioning of the CRM auction as a whole, simplicity and liquidity in the secondary market and avoids opening up for gaming on the value between the different capacity contracts with different strike prices. Having different strike prices depending on which participant is bidding in is not in line with any other market rules seen in Europe. We are very concerned that multiple strike prices will increase complexity of the system and thus less transparent which will discourage parties from participation in this market and thereby lower competition –if there will be competition at all.

FEBEG stays convinced that exemption of capacity sold on forward markets by applying a fixed exemption ratio (option 3) to all capacity participating to the capacity market, stays the best option to develop a sound payback obligation design, clear, simple and safeguarding the advantages for consumers of competitive forward markets in Belgium, but we stay at your disposal to carry on discussions on this topic.

Kind Regards

Vincent Debllocq