

Use case 2

Prequalification Process

Additional aggregated project



DISCLAIMER

This document provides different fictive examples, so-called use cases, related to the Capacity Remuneration Mechanism being developed in Belgium. It has, as sole purpose, to explain the Functioning Rules and its annexes by means of examples.

Given that the CRM process consists of several steps, and for each of these steps, several layers of information and details are relevant, it is to be understood that this document focuses on most pertinent prequalification aspects.

By no means, the use cases replace the rules in the relevant Laws, Royal Decrees, and regulatory approved documents.

The choices in the examples are only made for illustrative purposes and do not imply any judgement. All the figures and numbers used for these use cases are purely fictive. These numbers nor the use cases presented should be interpreted as representing a concrete case or a concrete situation of the Belgian capacity market or an implied proposal for any CRM parameter.

The use cases developed in this document are based on the chapter *Prequalification Processes* of the Functioning Rules as known at the moment of writing and shared with market parties on 28/08/2020. It also obviously follows the context set by the Electricity Law.

USE CASE STRUCTURE

1. The customer and his asset(s)



2. Terminology applicable to the customer's case



3. Application form & CRM IT Interface access



4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

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6. Volumes determination

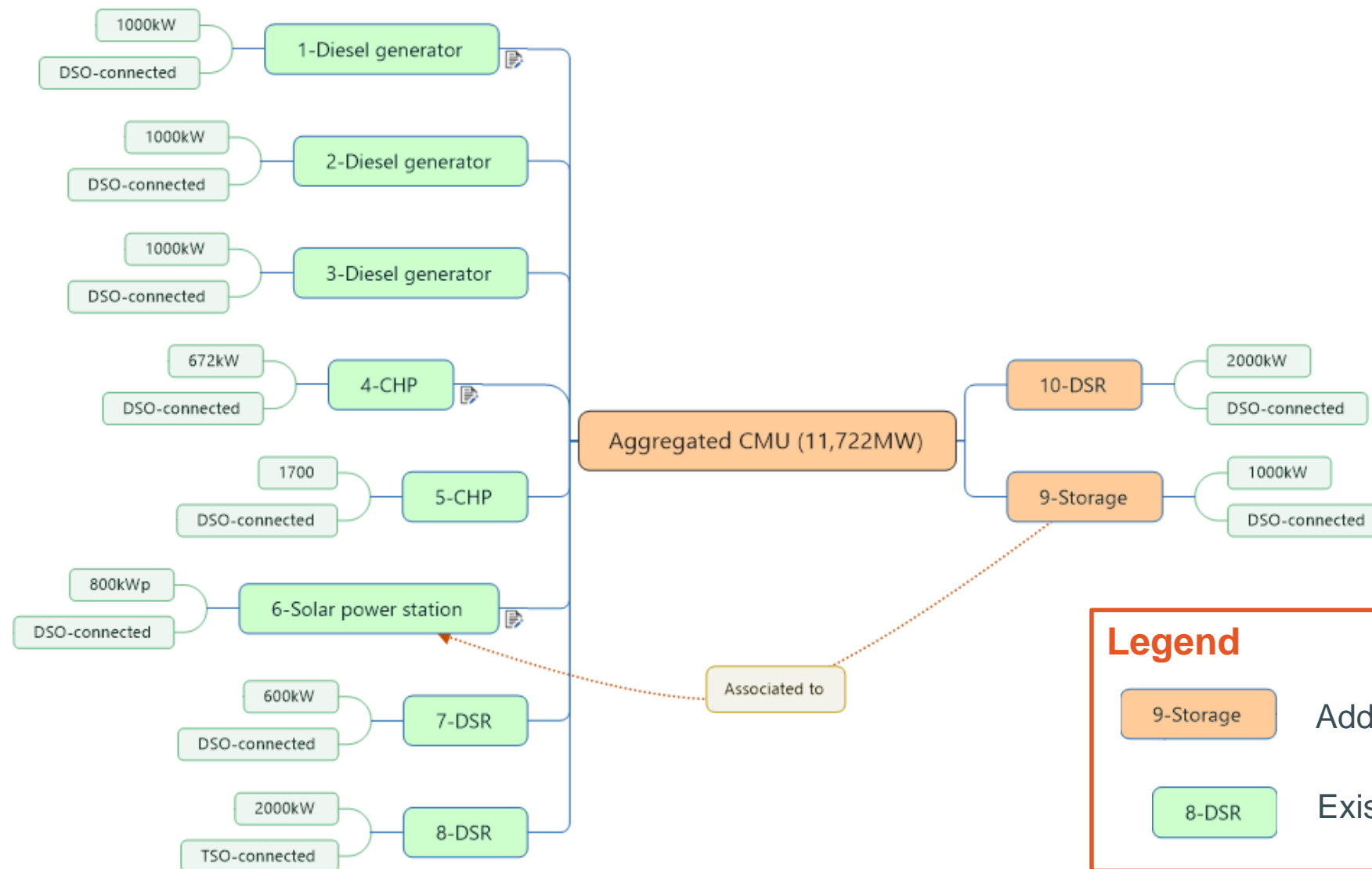


7. Prequalification results notification

1. The customer and his asset(s)

- 10 capacities and their associated Delivery Points (referred to hereafter as DP) on different geographical sites and different owners:
 - 8 Delivery Points are Existing Delivery Points
 - 2 Delivery Points are Additional Delivery Points
 - 9 Delivery Points are connected to a DSO grid
 - 1 Delivery Point is connected to the TSO grid
- A CMU is created by AggregaTHOR.SA/NV by aggregating these Delivery Points
- A Grid User Declaration is signed for all Delivery Point
- Some assets are Energy Constrained, some others not but are with a limited installed Capacity, so that synergies could emerge by aggregating them in a portfolio to participate to the CRM

1. The customer and his asset(s)

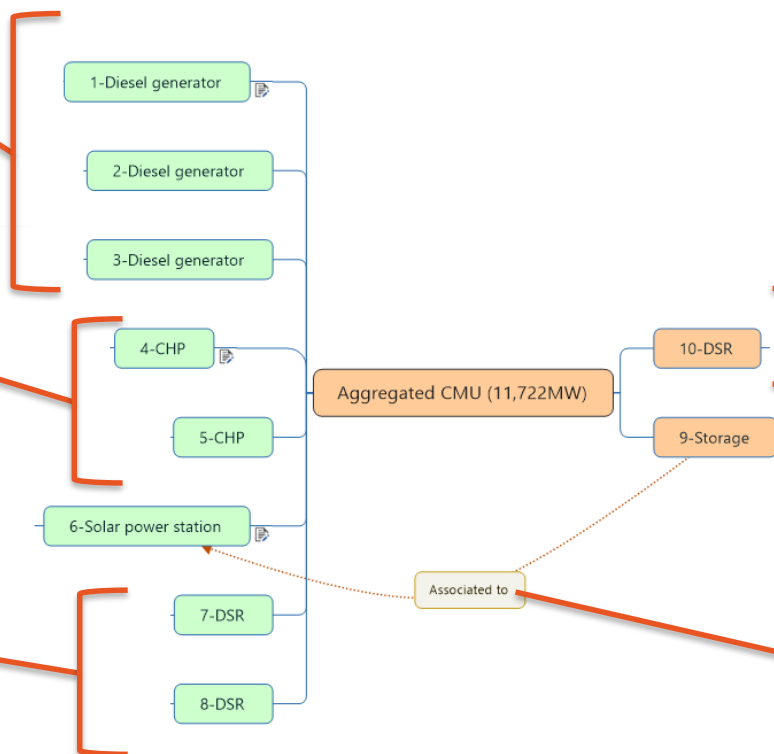


1. The customer and his asset(s)

Diesel generators are located on three different sites of the same hospital group

CHPs were built in 2015 and have been allocated green certificates for ten years

DSR is already contracted on two different industrial sites with different processes for the balancing services



DSR10 is a potential reduction of industrial process; adaptations must still be done to become Existing

The Capacity Holder of the solar power station has the project to link it with batteries to improve its contribution to adequacy and ensure himself an higher auto consumption

1. The customer and his asset(s)

- AggregaTHOR has the ambition to get a 3 years Capacity Category to CREG for his CMU if it is selected in the Auction of October 2021;
- As his Delivery Points present a CAPEX superior to the minimum thresholds fixed by the KB investment, he has the right to do so;
- A 3 years Capacity Contract Duration would provide AggregaTHOR an income to address the costs linked to his Delivery Points;
- That's why an investment file will be sent to CREG and communicated to ELIA via the CMU's Prequalification File.

1. The customer and his asset(s)



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4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

2. Terminology applicable to the customer's case

Definitions from the Functioning Rules:

- **Additional Capacity:** The Capacity for which, at the time of Prequalification File submission, no Nominal Reference Power can be calculated based on 15 minutes measurements or which requires a signed technical agreement with ELIA as per the connection process in the Federal Grid Code.
- **Additional CMU:** A Capacity Market Unit which includes at least one Additional Delivery Point.
- **Additional Delivery Point:** A Delivery Point associated to an Additional Capacity.
- **Capacity Holder:** Any natural or legal person likely to offer capacity, individually or in an aggregated manner
- **Capacity Market Unit (CMU):** A Capacity (« individual CMU ») or several associated Capacities (« aggregated CMU») with the objective to pass through the consecutive phases of the Capacity Remuneration Mechanism ("CRM"), being the Prequalification Process, followed by a Transaction and to deliver the Service.
- **Capacity Provider:** any capacity holder, selected at the end of an auction, making capacity available during the capacity provision period, in exchange for the capacity remuneration
- **CRM Candidate:** The Capacity Holder whose application form has been accepted by ELIA.
- **Delivery Point:** A (future) point on an electricity grid or within electrical installations of a Grid User where the Service is or will be delivered. This point is or will be associated with one or several metering device(s) in conformity with standards set by ELIA.
- **Existing Capacity:** The Capacity for which, at the time of Prequalification File submission, the Nominal Reference Power can be calculated based on 15 minutes measurements.
- **Existing CMU:** A Capacity Market Unit that only includes Existing Delivery Points.
- **Existing Delivery Point:** A Delivery Point associated to an Existing Capacity.
- **Prequalification File:** All documents and data that the CRM Candidate has prepared, updated (when required) and provided to ELIA and which are necessary for the proper and complete execution of the Prequalification Process.
- **Prequalification Process:** The procedure for determining the ability of Capacity Holders to participate in an Auction (or in the Secondary Market)
- **Prequalified CRM Candidate:** A Capacity Market Unit which has succeeded the standard Prequalification Process or a Virtual Capacity Market Unit which has succeeded the specific Prequalification Process.

2. Terminology applicable to the customer's case

Candidate's information

- The **Capacity Holder** is AggregaTHOR
- AggregaTHOR becomes a **CRM Candidate** from the moment his application form is approved by ELIA
- AggregaTHOR is the legal entity willing to participate to the CRM (AggregaTHOR signed Grid User Declarations for some Delivery Points to allow him to participate to the Service)
- If at least one of his CMUs is prequalified, the CRM Candidate becomes a **Prequalified CRM Candidate**

CMU's information

- The **CMU** is composed of 10 Delivery Points of varying technologies and situated on different geographical sites
- 8 Delivery Points are **Existing Delivery Points** and 2 Delivery Points are **Additional Delivery Points**
- The CMU being composed of two Additional Delivery Points, the CMU is an **Additional CMU**
- The CMU is an aggregated CMU composed of 10 Delivery Points which have different technologies



In order to be able to participate to the Primary Market with his Additional CMU, AggregaTHOR will go through the standard Prequalification Process

1. The customer and his asset(s)



2. Terminology applicable to the customer's case



3. Application form & CRM IT Interface access



4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

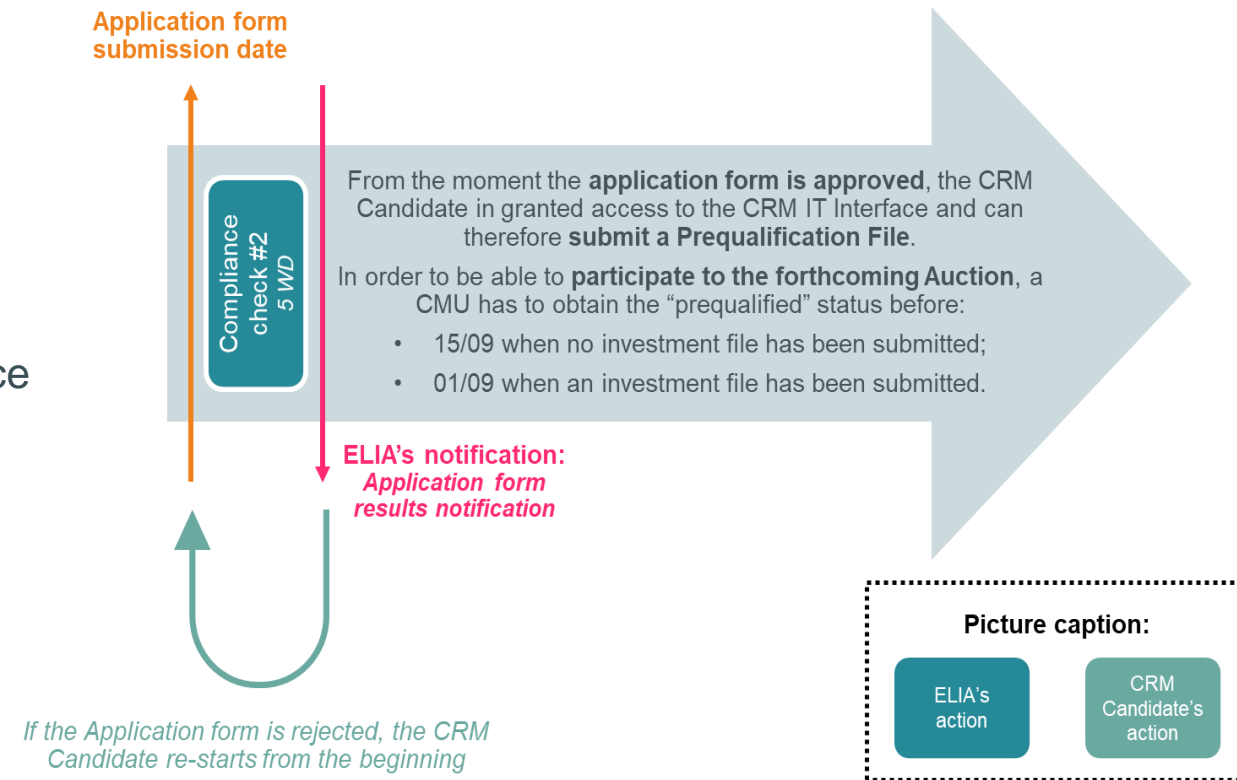
3. Application form & CRM IT Interface access

To get the possibility to submit a Prequalification File and therefore become a **CRM Candidate**, AggregaTHOR must first fill in the application form (following 17.1.4.ANNEX A.4 in the Functioning Rules)

The application form is submitted to ELIA on May 3, 2021

The application form is approved by ELIA on May 4, 2021

→ The **CRM Candidate** receives access to the CRM IT Interface



3. Application form & CRM IT Interface access

- Once the application form is approved by ELIA, each user (provided by AggregaTHOR in his application form) of the CRM IT Interface receives an ID and is asked by e-mail to create a password
 - At first connection in the CRM IT Interface, AggregaTHOR ensures compliancy by marking dedicated boxes, namely:
 1. His acknowledgment of the Functioning Rules for the Capacity Remuneration Mechanism; and
 2. His acknowledgment of the Capacity Contract conditions in case of Contracted Capacity for the forthcoming Auction; and
 3. The compliance of each Delivery Point with eligibility criteria, as defined in the Electricity Act (cf. Art. 7undecies. §4, 1°, 2° and 3°) and dedicated Royal Decree referred to in Article 7undecies §4 of the Electricity Act; and
 4. The compliance of each Existing Delivery Point with the production license requirements as defined in article 4 of the Electricity Act; and
 5. The compliance of each Existing Delivery Point with the maximal CO2 emission thresholds set by the Regulation (EU) 2019/943; and
 6. The compliance of each Delivery Point with any other relevant legal and regulatory framework.
- ➔ AggregaTHOR verifies his compliance with the above information before marking the boxes

1. The customer and his asset(s)



2. Terminology applicable to the customer's case



3. Application form & CRM IT Interface access



4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

4. Prequalification File(s)

4.1. Requirements at the Delivery Point level

Requirements	Data provided by the CRM Candidate									
	DP1 Existing	DP2 Existing	DP3 Existing	DP4 Existing	DP5 Existing	DP6 Existing	DP7 Existing	DP8 Existing	DP9 Additional	DP10 Additional
Type of Delivery Point	DSO-connected	DSO-connected	DSO-connected	DSO-connected	DSO-connected	DSO-connected	DSO-connected	TSO-connected	DSO-connected	DSO-connected
Delivery Point's name	DP1	DP2	DP3	DP4	DP5	DP6	DP7	DP8	DP9	DP10
Single line diagram	DP1.pdf	DP2.pdf	DP3.pdf	DP4.pdf	DP5.pdf	DP6.pdf	DP7.pdf	DP8.pdf	DP9.pdf	DP10.pdf
Technology	Diesel generator	Diesel generator	Diesel generator	CHP	CHP	Solar	DSR	DSR	Storage	DSR
Linked Capacities	/	/	/	/	/	/	/	/	/	/
CDSO Declaration	/	/	/	/	/	/	/	/	/	/
EAN code of the Access Point	545555545416 442	545555545416 442	545555545416 442	545555545416 442	545555545416 442	545555545416 442	545555545416 442	545555545416 442	/	/

4. Prequalification File(s)

4.1. Requirements at the Delivery Point level

The following information are provided by the CRM Candidate in his Prequalification File:

<i>Requirements</i>	Data provided by the CRM Candidate									
	DP1 Existing	DP2 Existing	DP3 Existing	DP4 Existing	DP5 Existing	DP6 Existing	DP7 Existing	DP8 Existing	DP9 Additional	DP10 Additional
<i>Agreement between Belgian member State and Adjacent Member State</i>	/	/	/	/	/	/	/	/	/	/
<i>Declaration by the Eligible Direct Foreign Capacity Holder</i>	/	/	/	/	/	/	/	/	/	/
<i>Declaration by the Adjacent Member State</i>	/	/	/	/	/	/	/	/	/	/
<i>EAN code(s) of the Delivery Point</i>	54454544125 6548	54454544125 6549	54454544125 6540	54454544125 6541	54454544125 6542	54454544125 6543	54454544125 6544	54454544125 6545	/	/
<i>Expected Nominal Reference Power</i>	1 MW	1 MW	1 MW	0.672 MW	1.7 MW	0.8 MW	0.6 MW	2 MW	/	/
<i>CO₂ emission attestation</i>	Letter1.pdf	Letter2.pdf	Letter3.pdf	Letter4.pdf	Letter5.pdf	Letter6.pdf	Letter6.pdf	Letter8.pdf	/	/
<i>CO₂ emission</i>	/	/	/	/	/	/	/	/	/	/

4. Prequalification File(s)

4.1. Requirements at the Delivery Point level

The following information are provided by the CRM Candidate in his Prequalification File:

<i>Requirements</i>	Data provided by the CRM Candidate									
	DP1 Existing	DP2 Existing	DP3 Existing	DP4 Existing	DP5 Existing	DP6 Existing	DP7 Existing	DP8 Existing	DP9 Additional	DP10 Additional
<i>Preferred Nominal Reference Power methodology</i>	Method 1 (DSO)	Method 1 (DSO)	Method 1 (DSO)	Method 1 (DSO)	Method 1 (DSO)	Method 1 (DSO)	Method 1 (TSO)	Method 1 (DSO)	/	/
<i>Prequalification test profile for method 3</i>	/	/	/	/	/	/	/	/	/	/
<i>Baseline adjustment</i>	Standard method	Standard method	Standard method	Standard method	Standard method	Standard method	Standard method	Standard method	/	/
<i>Unsheddable Margin</i>	0	0	0	0	0	0	0	0	/	/
<i>Nameplate capacity of generation</i>	1 MW	1 MW	1 MW	0.672 MW	1.7 MW	0.8 MW	0.6 MW	2 MW	/	/
<i>Net offtake/net injection</i>	Net injection	Net injection	Net injection	Net injection	Net injection	Net injection	Net offtake	Net offtake	/	/
<i>Full technical injection Capacity</i>	1 MW	1 MW	1 MW	0,672 MW	1,7 MW	0,8 MW	/	/	/	/

4. Prequalification File(s)

4.1. Requirements at the Delivery Point level

The following information are provided by the CRM Candidate in his Prequalification File:

<i>Requirements</i>	Data provided by the CRM Candidate									
	DP1 Existing	DP2 Existing	DP3 Existing	DP4 Existing	DP5 Existing	DP6 Existing	DP7 Existing	DP8 Existing	DP9 Additional	DP10 Additional
Full technical offtake Capacity	/	/	/	/	/	/	0,6 MW	2 MW	/	/
Grid User Declaration	GUD1.pdf	GUD2.pdf	GUD3.pdf	GUD4.pdf	GUD5.pdf	GUD6.pdf	GUD7.pdf	GUD8.pdf	/	/
Renouncing the operating aid	/	/	/	CHP1.pdf	CHP2.pdf	Solar.pdf	/	/	/	/
Declared Nominal Reference Power	/	/	/	/	/	/	/	/	1 MW	2 MW
Existing connection capacity	/	/	/	/	/	/	/	/	/	/
Information related to production permit	/	/	/	/	/	/	/	/	PL1.pdf	PL2.pdf

4. Prequalification File(s)

4.2. Requirements at the CMU level

The following information are provided by the CRM Candidate in his Prequalification File:

<i>Requirements</i>	<i>Data provided by the CRM Candidate</i>
<i>Information linked to Financial Security</i>	Bank guarantee
<i>Opt-Out Volume¹</i>	1,7
<i>Project ID¹</i>	111
<i>Choice of a Derating Factor¹</i>	0,3 (4h)
<i>Link(s) (an)other CMU(s) in case of multiple use of a same Delivery Point</i>	/
<i>Project execution plan</i>	Plan_ag_project;pdf
<i>Expected start date of the project</i>	12/01/2021
<i>Information for method 2 (Nominal Reference Power determination)</i>	/
<i>Link with a VCMU</i>	/
<i>Participation to the Primary Market or the Secondary Market</i>	Primary Market
<i>ID of the technical agreement</i>	Agreement20210125-142.pdf

1: More information can be found in the next slide.

4. Prequalification File(s)

4.2. Requirements at the CMU level

Opt-Out volume

The Delivery Points part of the CMU have different technologies

- There is a high probability that his solar power plant does not deliver the 8 MW and therefore impacts the aggregate potential future capability to deliver in Adequacy issue moment
- It's safer for AggregaTHOR to Opt-Out a part of his Capacity he's not sure to deliver
- AggregaTHOR decides to do an Opt-Out Notification when submitting his Prequalification File

Project ID

As AggregaTHOR decided to submit an investment file to CREG, from the moment his application form has been approved by ELIA:

- AggregaTHOR asks ELIA to generate a project ID when working on his Prequalification File (on May 12, 2021)
- AggregaTHOR saves his Prequalification File including the project ID
- The project ID is automatically sent to CREG by ELIA
- From that moment, AggregaTHOR can provide his investment file to CREG (he does it on May 13, 2021)

Derating Factor

As the CMU includes Delivery Points that have different technologies, it is only eligible to a SLA category

4. Prequalification File(s)

4.3. Requirements prior to any Transaction Period

As the following data are not required to be part of the Prequalification File, AggregaTHOR decides to postpone their notification:

Requirements	Data provided by the CRM Candidate
<i>Declared Day Ahead Price (optional at this stage)</i>	/
<i>NEMO (optional at this stage)</i>	/

**At this stage, the CRM Candidate completed entirely and correctly his Prequalification File
→ He is therefore ready to submit it to ELIA**

4. Prequalification File(s)

4.4. Prequalification File submission

- All data provided in his Prequalification File are considered as relevant by the CRM Candidate
 - ➔ On May 20, 2021, the CRM candidate submits his Prequalification File to ELIA (= Prequalification File submission date #1)
- The CRM Candidate is not allowed to adapt his Prequalification File during maximum 20 Working Days starting from the Prequalification File submission date
- ELIA will check the information included in the Prequalification File within these 20 Working Days

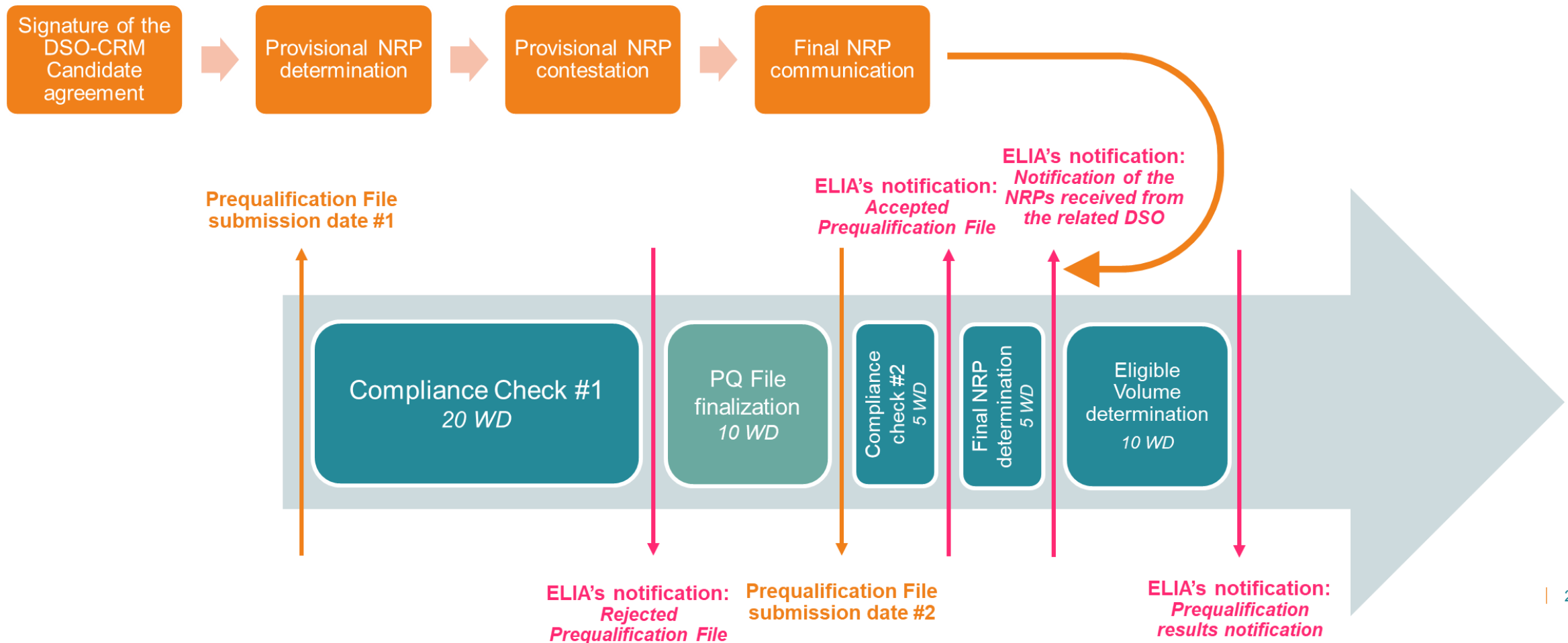
Prequalification File
submission date #1



4. Prequalification File(s)

4.5. Actions with DSOs

As some of the Delivery Points are DSO-connected Delivery Points, AggregaTHOR needs to contact the related DSOs to get his DSO-CRM Candidate agreements and his Nominal Reference Powers on time:



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4. Prequalification File(s)



5. Prequalification review process



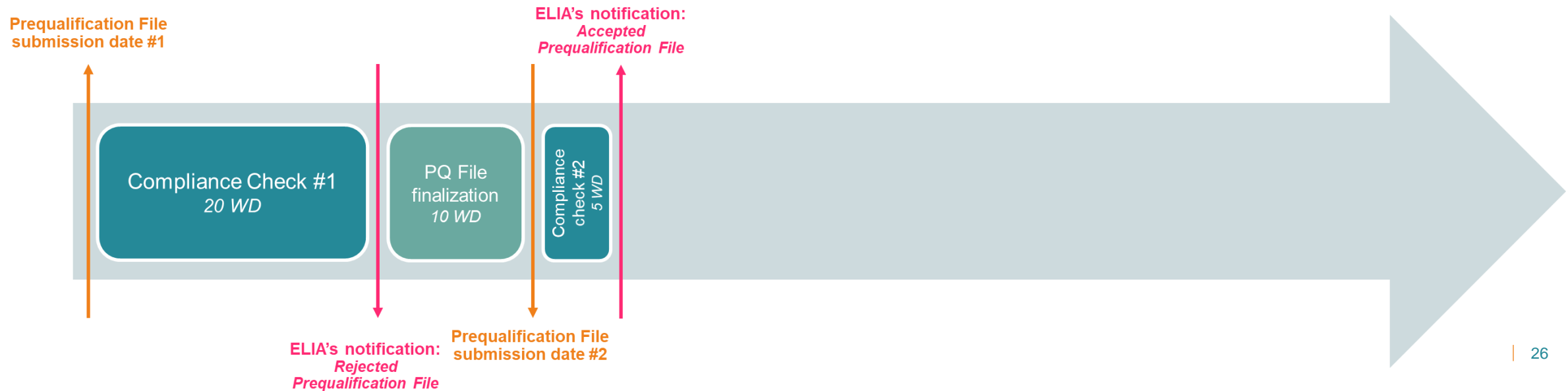
6. Volumes determination



7. Prequalification results notification

5. Prequalification review process

- On June 6, 2021 ELIA notifies to AggregaTHOR that the CO₂ emissions of the Delivery Points are missing in his Prequalification File.
 - AggregaTHOR has 10 Working Days to provide the CO₂ emissions of the Delivery Points
 - AggregaTHOR adapts his Prequalification File on June 10, 2021 (= Prequalification File submission date #2)
- As of the change in the Prequalification File, ELIA has 5 Working Days to review the Prequalification File for the second time
 - The Prequalification File is considered by ELIA as “approved” on June 14, 2021



1. The customer and his asset(s)



2. Terminology applicable to the customer's case



3. Application form & CRM IT Interface access



4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

6. Volumes determination

6.1. Nominal Reference Powers

After the Prequalification File review, ELIA starts to determine the Nominal Reference Power (NRP) of each Delivery Point part of the CMU:

→ ELIA receives the **final Nominal Reference Power** of **DP1, DP2, DP3, DP4, DP5, DP6 and DP7** from the concerned DSOs:

DP1	DP2	DP3	DP4	DP5	DP6	DP7
1	1	1	0.622	1.7	0.8	0.6

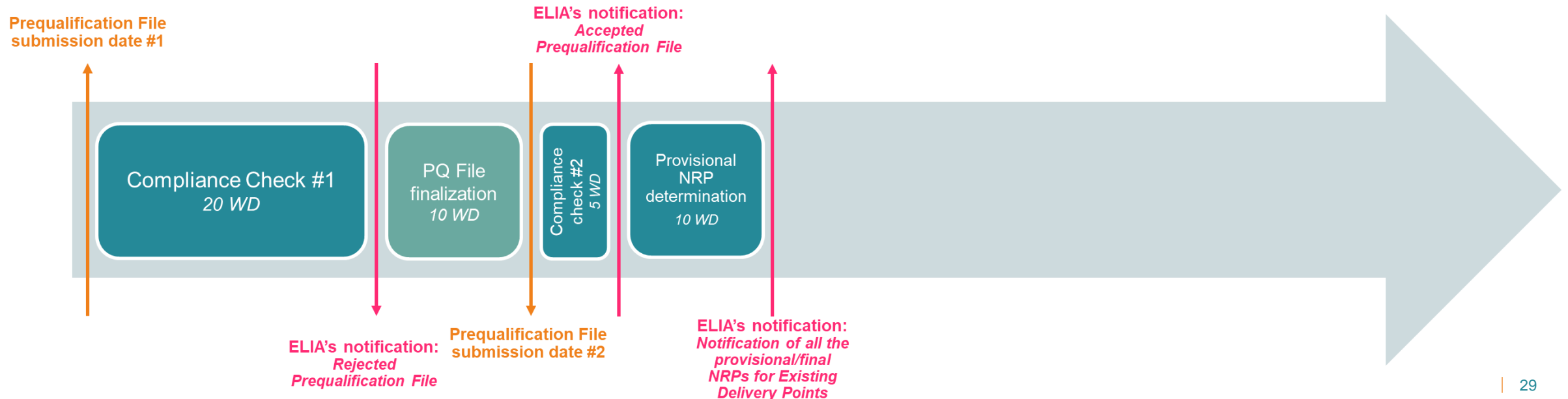
→ ELIA determines the **provisional Nominal Reference Power** of **DP8** with method 1 (as chosen by the CRM Candidate in his Prequalification File):

ELIA identifies that the provisional Nominal Reference Power of DP8 is equal to 2 MW

6. Volumes determination

6.1. Nominal Reference Powers

- The provisional NRP of DP8 is communicated by ELIA to AggregaTHOR with the final NRP of DP1, DP2, DP3, DP4, DP5, DP6 and DP7 (provided by the concerned DSOs) on June 24, 2021
- AggregaTHOR does not contest the NRP of DP8
- The provisional NRP is deemed final → The **final NRP of DP8** equals to **2 MW**



6. Volume determination

6.2. (Secondary Market) Eligible Volume determination

$$[Nominal Reference Power]_{CMU} = \sum_{i=1}^n [Declared Nominal Reference Power]_{Additional DP i} + \sum_{i=1}^n [Nominal Reference Power]_{Existing DP i}$$

$$= (1 + 1 + 1 + 0,622 + 1,7 + 0,8 + 0,6 + 2) + 1 + 2 = 11,72 \text{ MW}$$

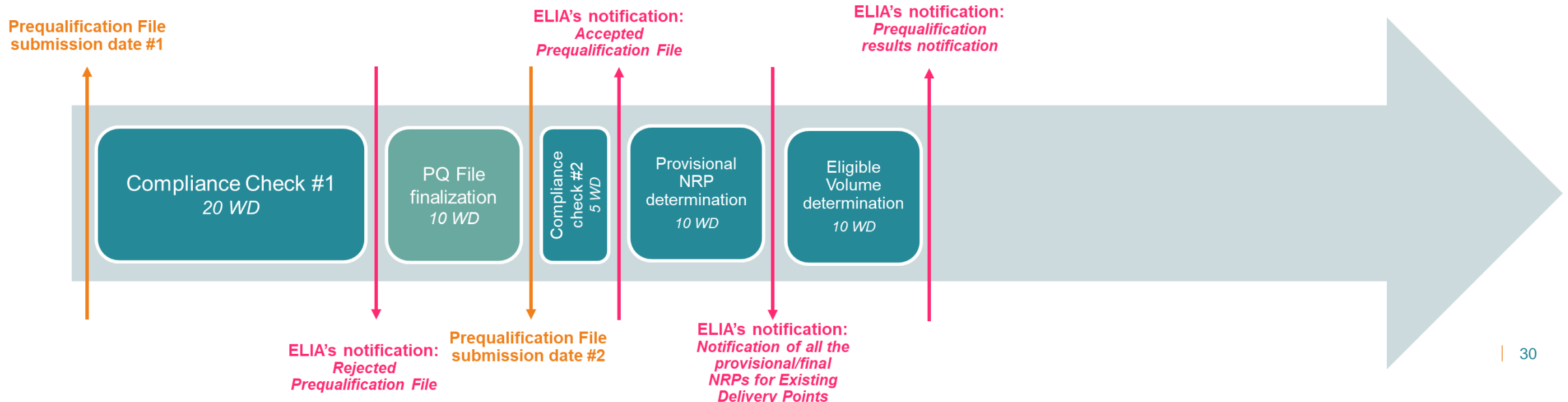
$$Reference Power = [Nominal Reference Power]_{CMU} - OptOut Volume$$

$$= 11,72 - 1,7 = 10,02 \text{ MW}$$

$$Eligible Volume = Reference Power \times Derating Factor$$

$$= 10,02 \times 0,3 = 3,01 \text{ MW}$$

No **Secondary Market Eligible Volume** is determined at this stage as the CMU is considered as Additional and cannot take over Contracted Capacities in the Secondary Market before becoming an Existing CMU



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4. Prequalification File(s)



5. Prequalification review process



6. Volumes determination



7. Prequalification results notification

7. Prequalification results notification

- From the moment the volumes have been determined, ELIA communicates the prequalification results to AggregaTHOR
- The results are communicated on July 7, 2021 to AggregaTHOR
- As the CMU is not subject to an investment file, the prequalification results shall be notified by September 1, 2021 at the latest
- AggregaTHOR has not adapted his Opt-Out Volume after the notification of the Eligible Volume

Prequalification results	
<i>The Nominal Reference Power of the CMU</i>	11,72 MW
<i>The Reference Power of the CMU</i>	10,02 MW
<i>The Opt-Out Volume of the CMU</i>	1,7 MW
<i>The Eligible Volume of the CMU</i>	3,01 MW
<i>The Secondary Market Eligible Volume of the CMU</i>	NA
<i>Issuance date of the 1st quarterly report</i>	01/01/2022

7. Prequalification results notification

