

Use case 3

Prequalification Process

Unproven Capacity 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

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

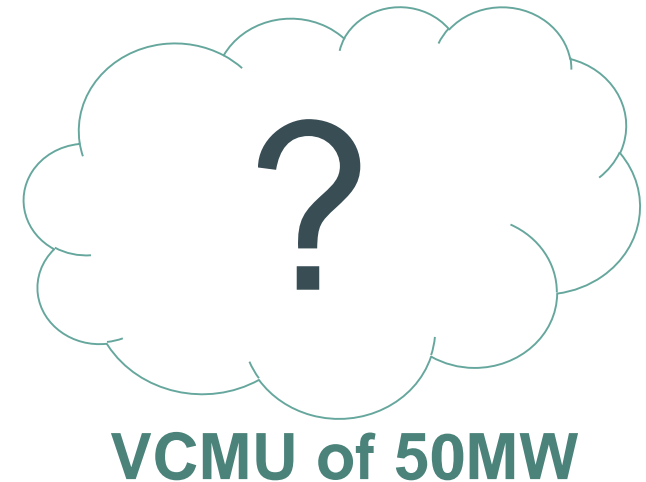
1. The customer and his asset(s)

RollingEnergy.SA/NV intends to offer **50 MW** in 2021 for the Y-4 Auction associated to the Delivery Period 2025-206.

Those 50MW have **no Delivery Point** yet but RollingEnergy.SA/NV is looking for industrials who might want to get more revenues from their processes by participating via RollingEnergy.SA/NV pool into the CRM.

As those industrials are not yet identified, it's not possible to identify their Delivery Points neither, which means that RollingEnergy intends to prequalify 50 MW of **Unproven Capacity**.

This Capacity can potentially become a **Virtual CMU** if successfully prequalified



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

2. Terminology applicable to the customer's case

Definitions from the Functioning Rules:

- **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 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.
- **Unproven Capacity:** The Capacity that, at the moment of submission of the Prequalification File, cannot be associated to a specific Delivery Point.
- **Virtual Capacity Market Unit (VCMU):** A Capacity Market Unit associated to Unproven Capacity.

2. Terminology applicable to the customer's case

Candidate's information

- The **Capacity Holder** is RollingEnergy
- RollingEnergy becomes a **CRM Candidate** from the moment his application form is approved by ELIA
- RollingEnergy is the legal entity willing to participate to the CRM
- If at least one of his (V)CMUs is prequalified, the CRM Candidate becomes a **Prequalified CRM Candidate**

CMU's information

- The **Unproven Capacity** is not associated with any Delivery Point so that solely the possibility to build a Virtual CMU is possible
- As there is no Delivery Point associated to the CMU during the Prequalification Process, the CMU is a **Virtual CMU**



In order to be able to participate to the Primary Market with his Virtual CMU, RollingEnergy will go through the specific 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

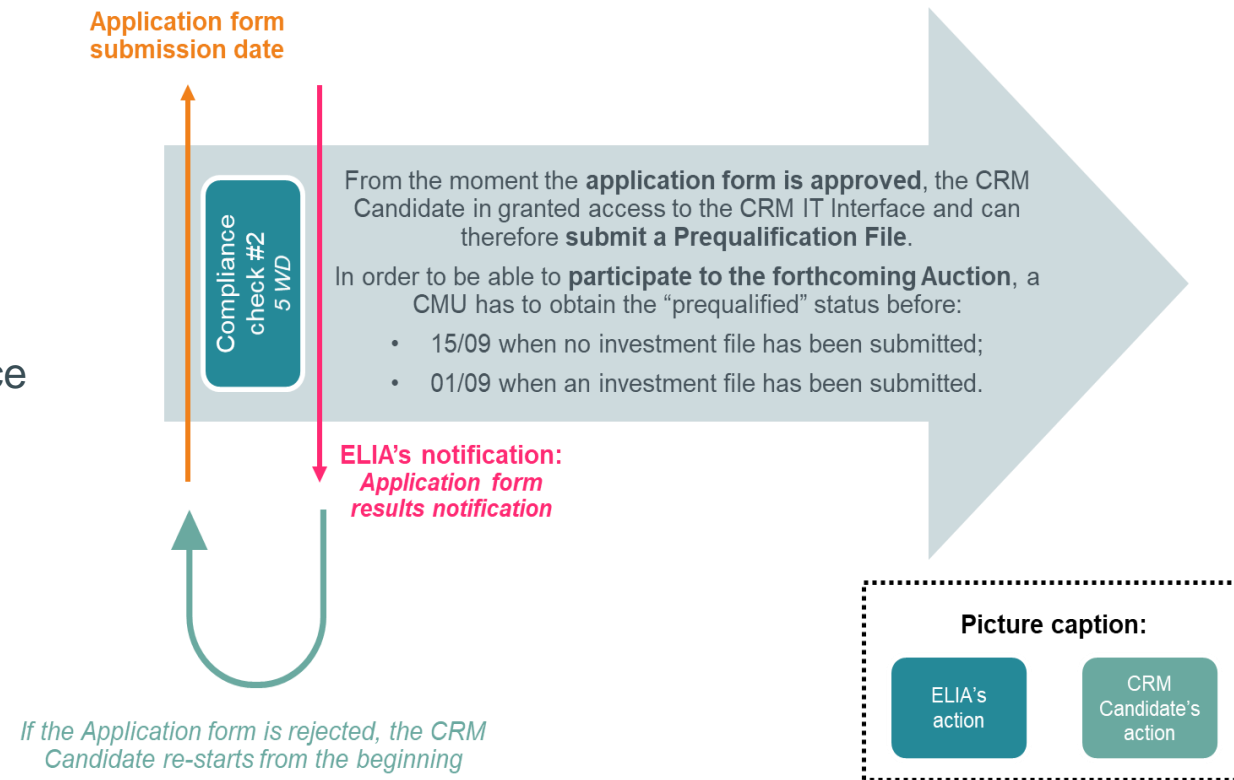
3. Application form & CRM IT Interface access

To get the possibility to submit a Prequalification File and therefore become a **CRM Candidate**, RollingEnergy 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 17, 2021

The application form is approved by ELIA on May 20, 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 RollingEnergy 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, RollingEnergy 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.
- ➔ RollingEnergy verifies his compliance with the above information before marking the boxes

Use case structure

1. The customer and his asset(s)



2. Terminology of the prequalification



3. Application form & Prequalification Platform access



4. Prequalification File(s)



5. Prequalification review process



6. Volume determination



7. Prequalification results notification



8. Evolution in time of the prequalification

4. Prequalification File(s)

As the CMU is an **Virtual CMU**, the following information shall be 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 of 1.000.000€ with BELFIOS
<i>Project execution plan</i>	Unproven_Ex_plan
<i>Expected start date of the project</i>	12/1/2022
<i>Declared Eligible Volume</i>	50 MW

Prequalification File
submission date #1



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

The CRM Candidate submits his Prequalification File on May 21, 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



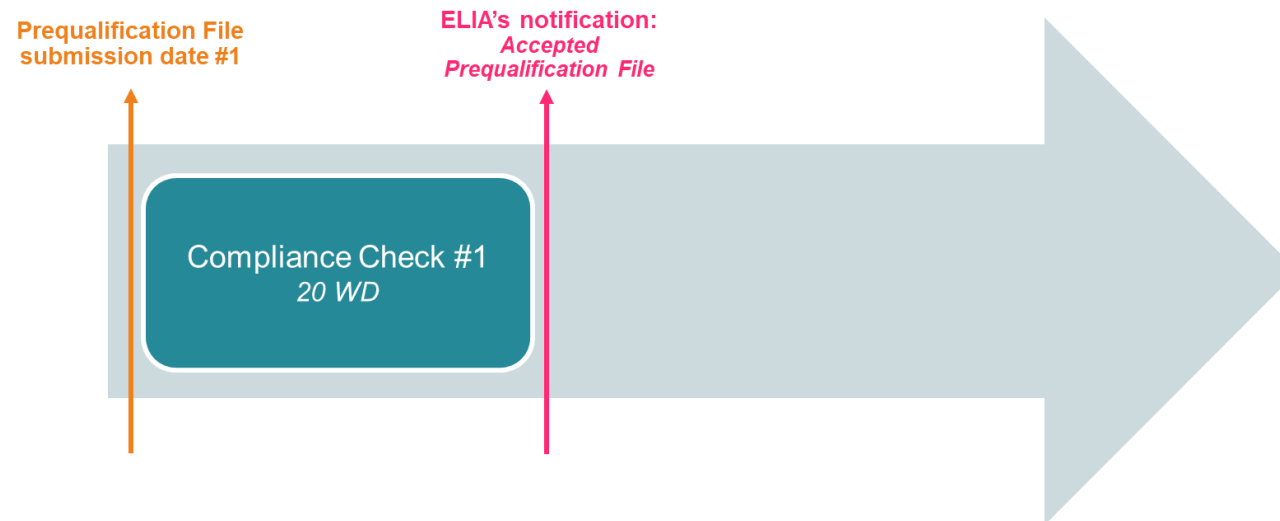
6. Volumes determination



7. Prequalification results notification

5. Prequalification review process

- On May 31, 2021 the Prequalification File of RollingEnergy is considered by ELIA as “approved”
- The CRM Candidate does not need to adapt his Prequalification File



Use case structure

1. The customer and his asset(s)



2. Terminology of the prequalification



3. Application form & Prequalification Platform access



4. Prequalification File(s)



5. Prequalification review process



6. Volume determination



7. Prequalification results notification



8. Evolution in time of the prequalification

6. Volumes determination

- As for a Virtual CMU, the CRM Candidate is invited to declare by himself an Eligible Volume, no volume is to be determined by ELIA (**Declared Eligible Volume** of 50 MW)
- The CRM Candidate is not entitled to declare an **Opt-Out Volume**
- No **Secondary Market Eligible Volume** is determined at this stage because the VCMU is not allowed to take over Contracted Capacities in the Secondary Market before becoming (an) Existing CMU(s)



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

7. Prequalification results notification

- From the moment the Prequalification File is “approved” by ELIA, ELIA communicates the prequalification results to RollingEnergy
- The results are communicated with the notification of the “Approved” Prequalification File on May 31, 2021 to RollingEnergy
- As the CMU is not subject to an investment file, the prequalification results shall be notified by September 15, 2021 at the latest

Prequalification results	
<i>The Nominal Reference Power of the CMU</i>	NA
<i>The Reference Power of the CMU</i>	NA
<i>The Opt-Out Volume of the CMU</i>	NA
<i>The Declared Eligible Volume of the CMU</i>	50 MW
<i>The Secondary Market Eligible Volume of the CMU</i>	NA
<i>The date of the first quarterly report that is to be sent</i>	01/01/2022

7. Prequalification results notification

