

Auction use case 2

Revision 1

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.

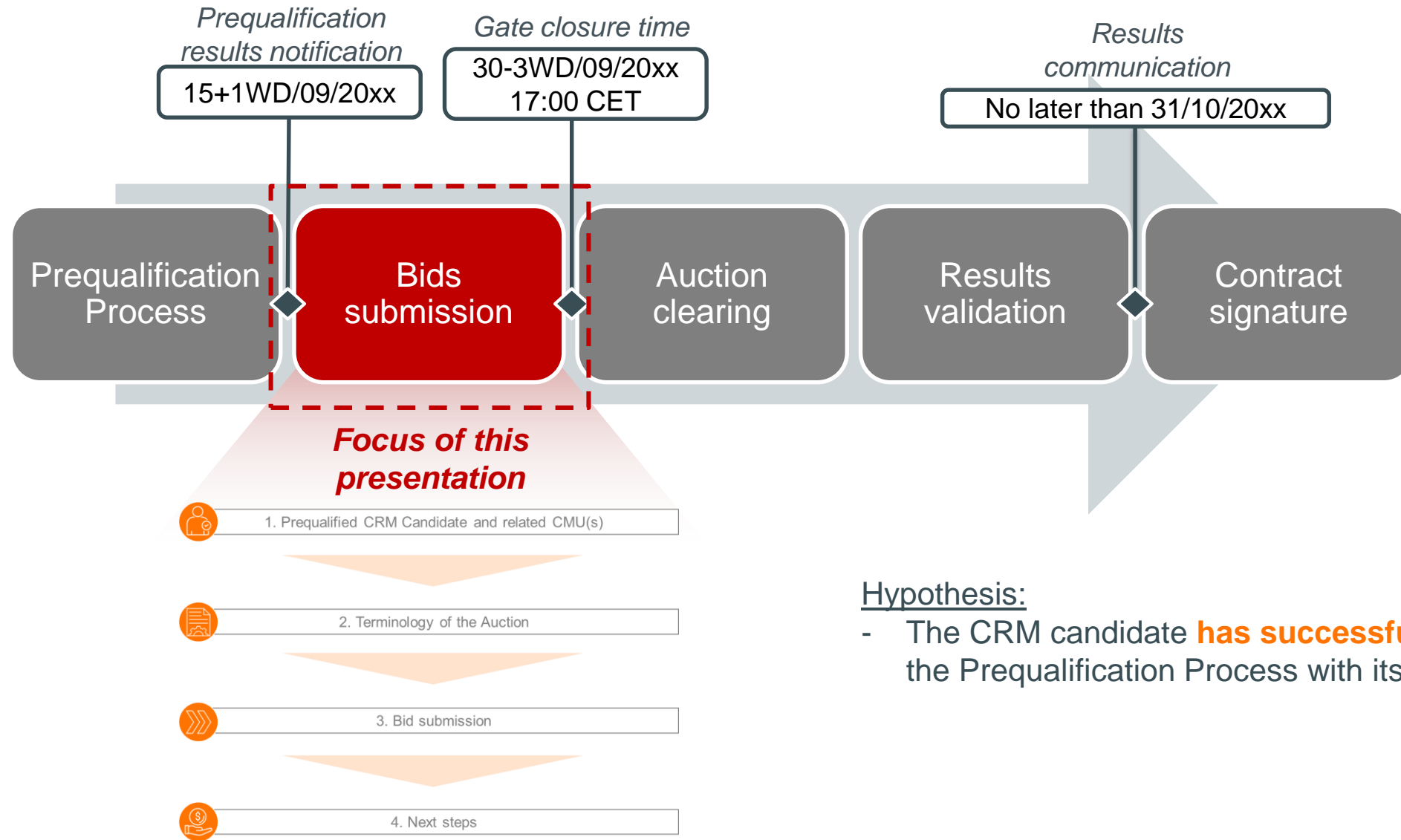
Given that the CRM process consists of several steps, and for each of these steps, several layers of information and details are relevant, it is to be understood that this document focuses on most pertinent auction aspects.

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 *Auction 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.

Auction process flow

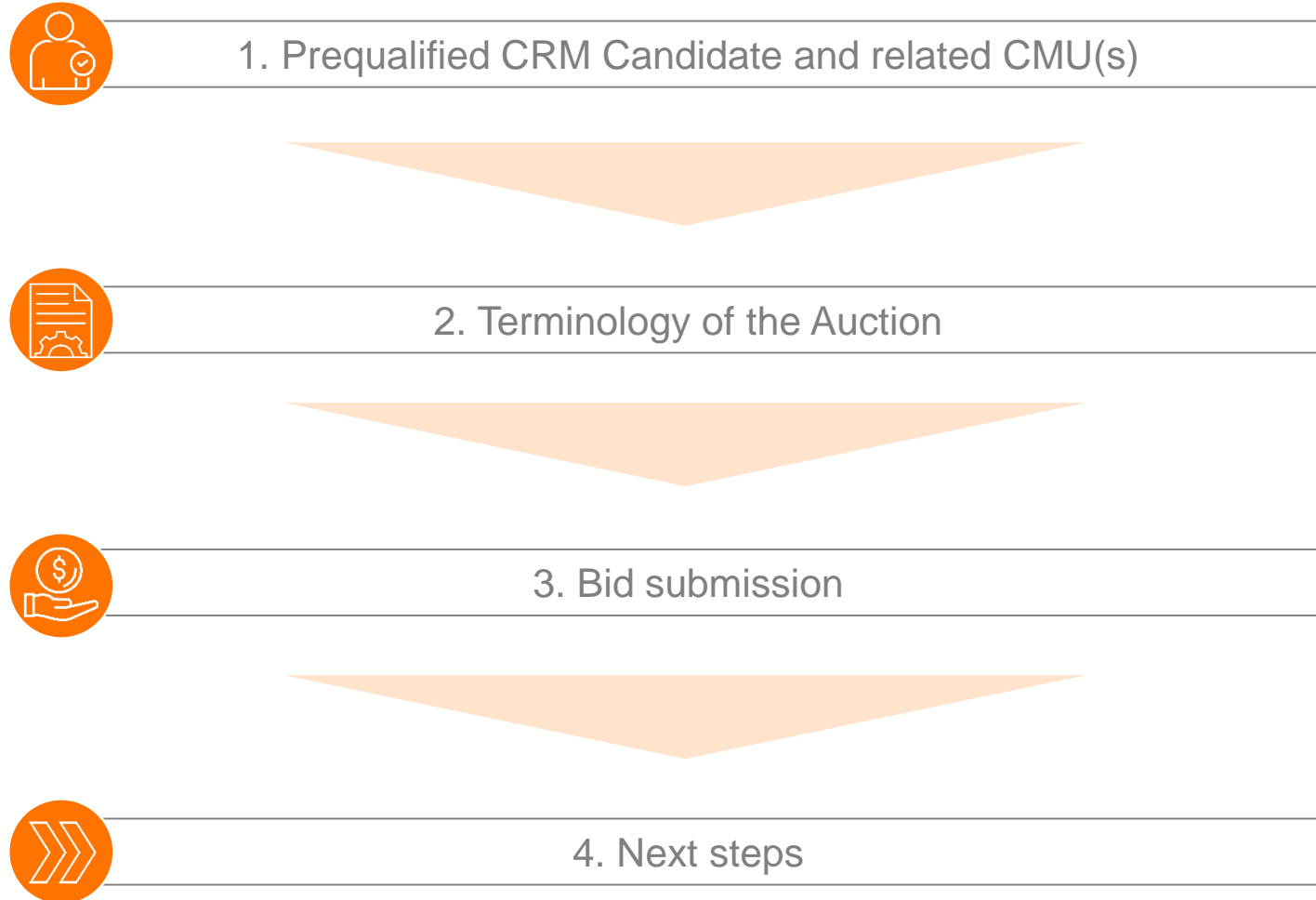


Hypothesis:

- The CRM candidate **has successfully passed** the Prequalification Process with its CMU

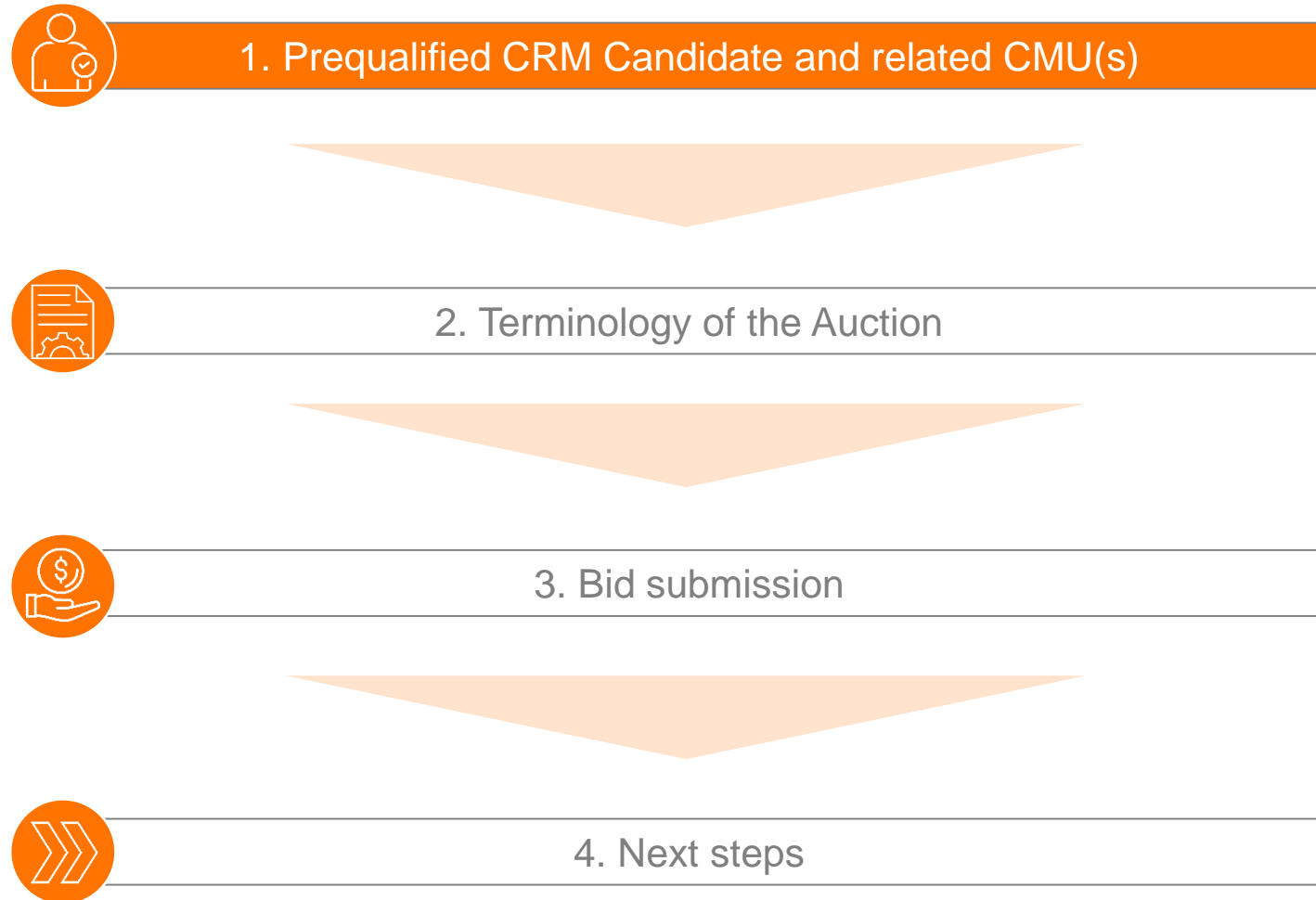
Use case structure

The Auction will be described according to the following flow:



Use case structure

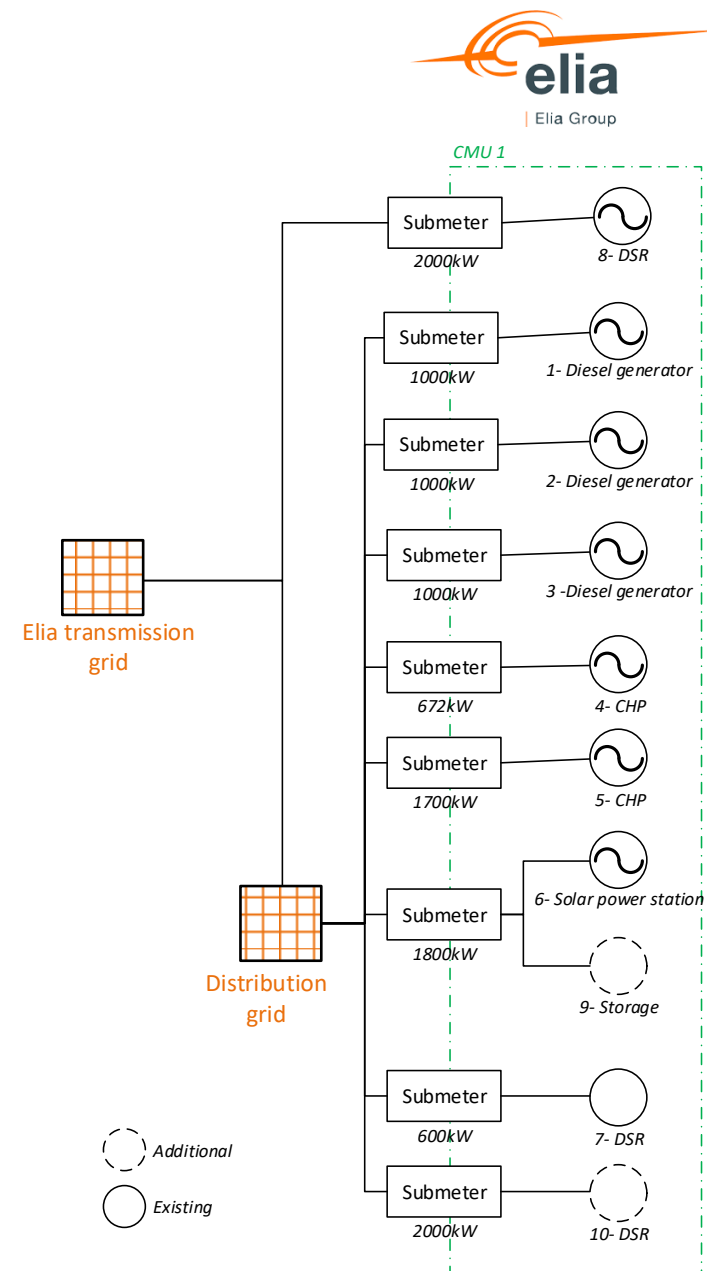
The Auction will be described according to the following flow:





1. The Prequalified CRM Candidate and his CMU

- AggregaTHOR became Prequalified CRM Candidate
- CMU has been duly prequalified on 31/08/2021
- This Prequalified CMU is composed of 10 capacities and their associated Delivery Points (DP hereafter) on different geographical sites and different owners (next slide gives an overview of those capacities)
- 8 Delivery Points are **Existing** assets already connected to the Grid
- 2 Delivery Points are new projects not developed yet and are therefore considered as **Additional**
- **Aggregation** via AggregaTHOR.SA/NV by signing Grid User Declaration for every DP
- 9 DPs are connected to different DSO's grids and 1DP (DP8) is connected to the TSO Elia's Grid
- The whole CMU is prequalified as **Additional**





1. The Prequalified CRM Candidate and his CMU

Elia gave the following information in the Prequalification results notification :

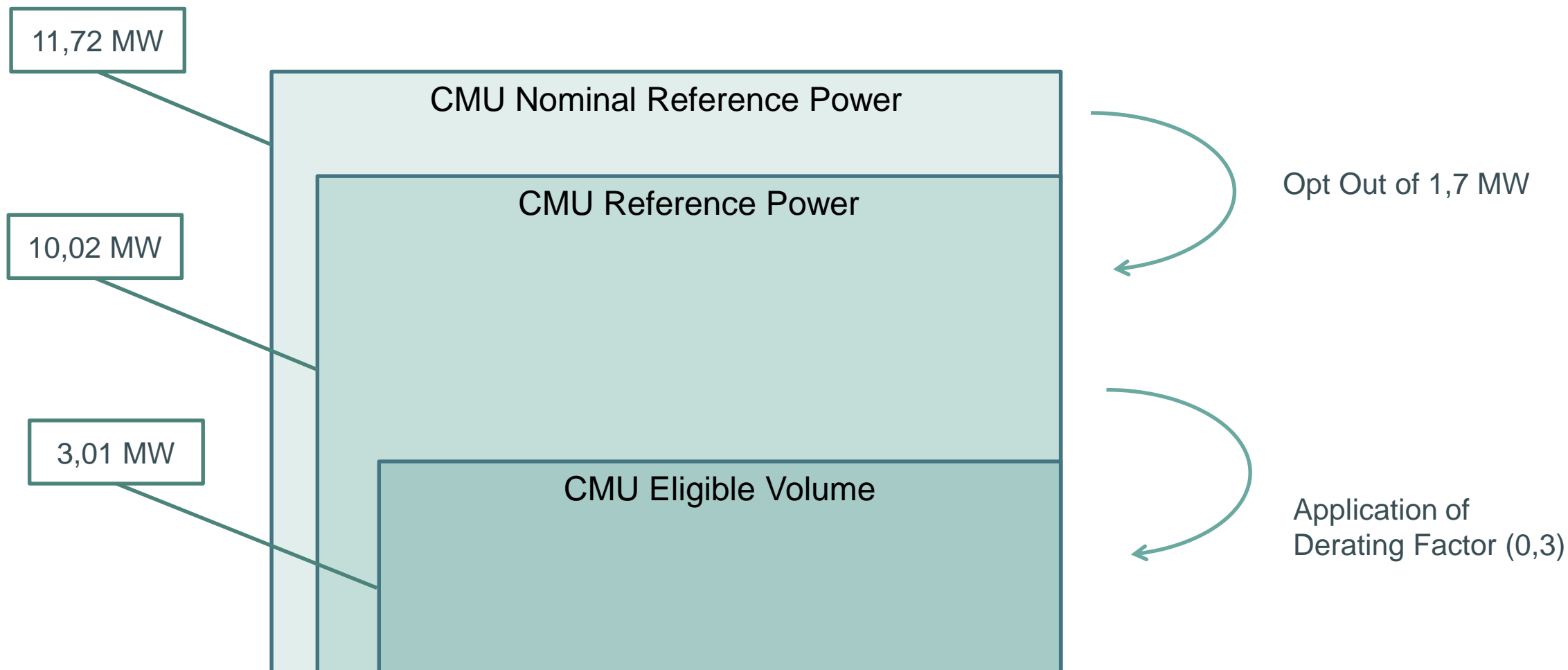
	DP1	DP2	DP3	DP4	DP5	DP6	DP7	DP8	DP9	DP10	CMU
Nominal Reference Power of the Delivery Point(s) part of the CMU	1	1	1	0.672	1.7	0.8	0.6	2	1	2	
Opt-Out Volume of the Delivery Points (in case of Aggregated CMU)	0	0	0	0.2	0.2	0.7	0	0	0.3	0.3	
Opt-Out Volume of the CMU											1.7
Eligible Volume of the CMU											3,01
Secondary Market Eligible Volume of the CMU											
Capacity Category (in case of investment file and if known to ELIA at prequalification result notification time)											Not known yet
Date of the first quarterly report that shall be sent to ELIA (in case of awarded volume)									4/5/2022	4/5/2022	

AggregaTHOR introduces an investment file to CREG to request a 3-year contract category. After analysis of the file, CREG observes such CMU does not meet the criteria's for the requested contract category. It is therefore only allowed to bid **one-year Capacity Contract Duration**.



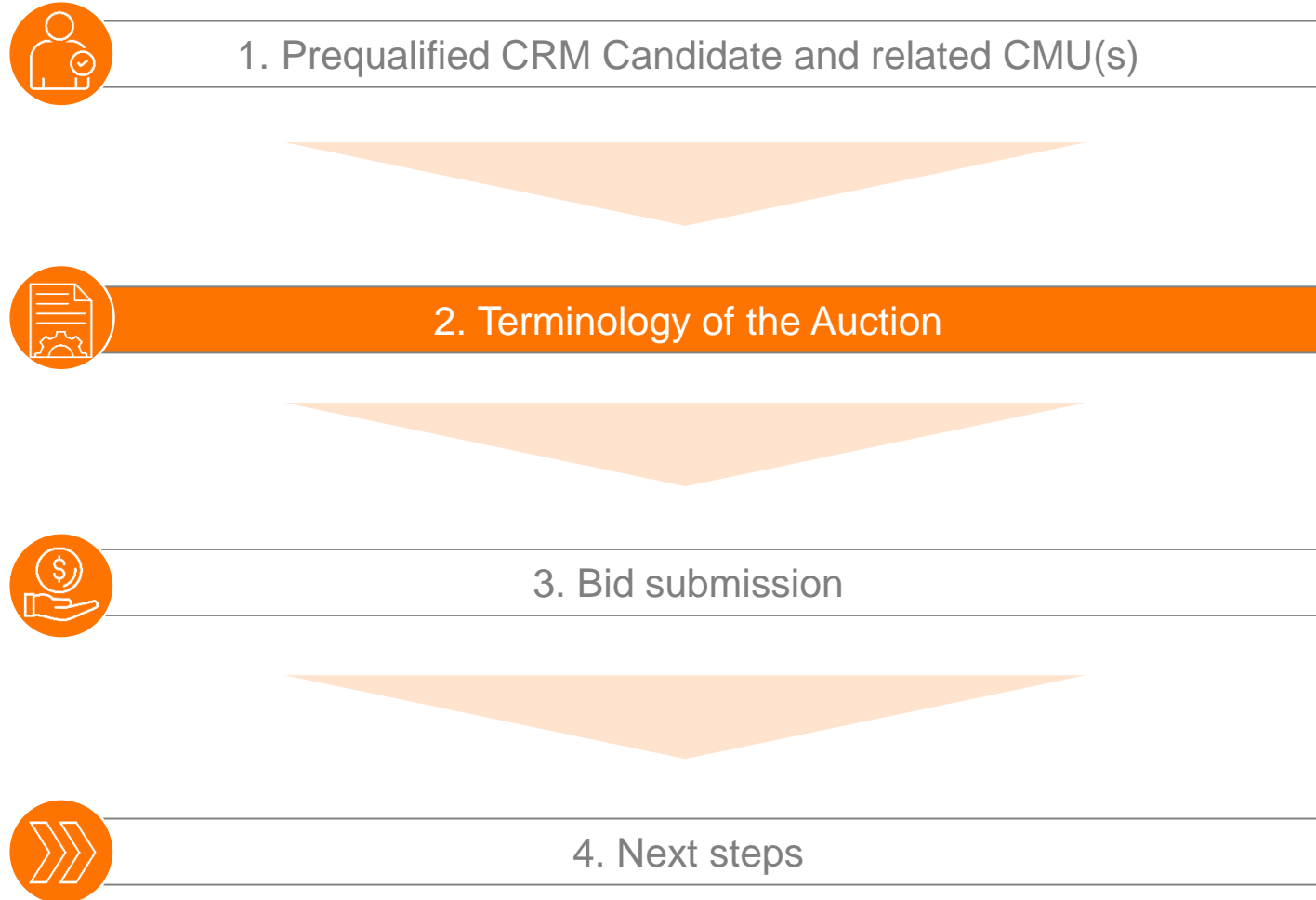
1. The Prequalified CRM Candidate and his CMU

As reminder of the Prequalification Process, AggregaTHOR is allowed to submit bids for a maximum of his CMU Eligible Volume **3,01MW**



Use case structure

The Auction will be described according to the following flow:





2. Terminology of the Auction applicable

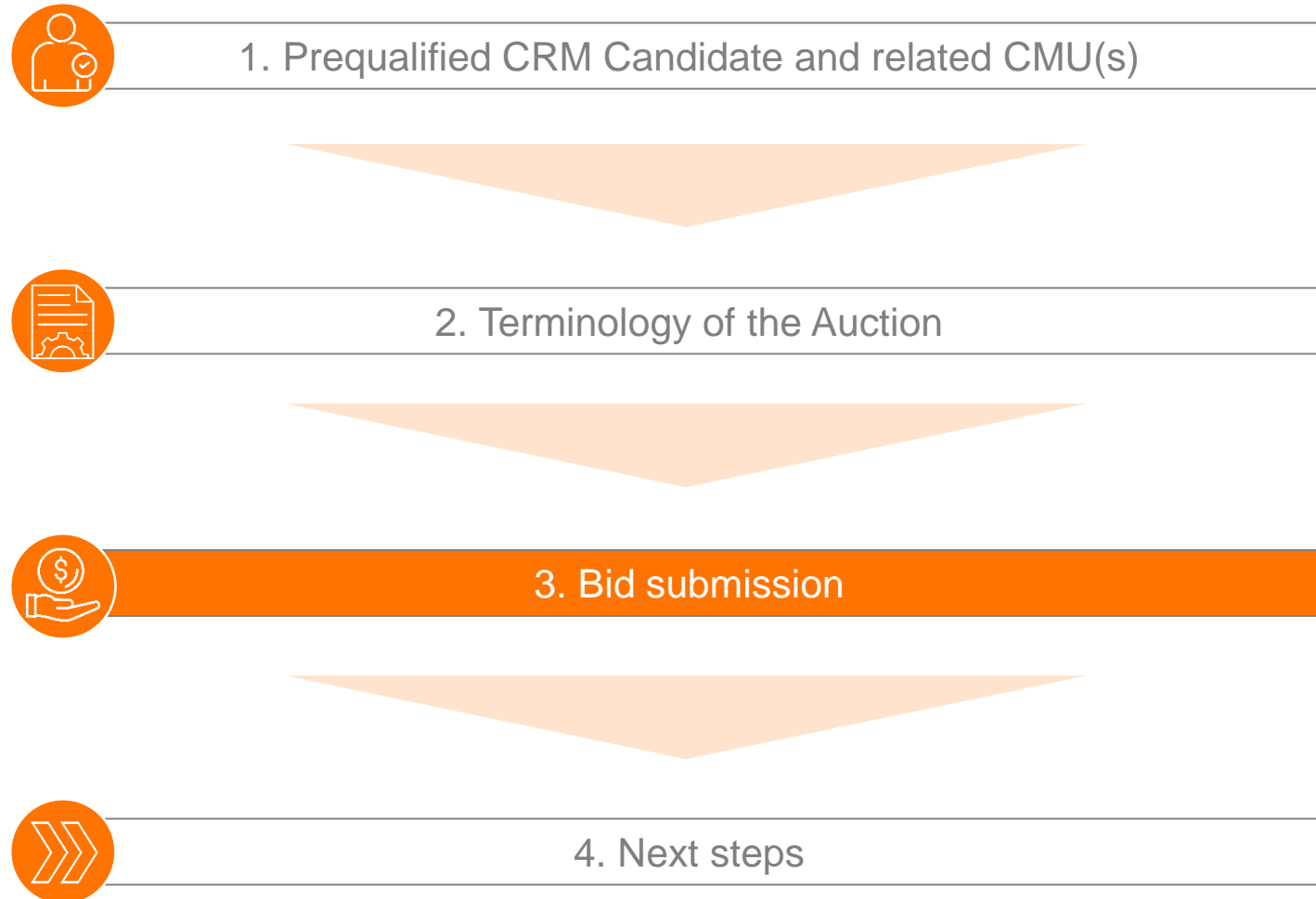
Bid : AggregaTHOR can submit bids for his CMU. Among other requirements, every Bid is indivisible, related to one CMU only, and must contain a Bid Price, a Capacity Contract Duration and volume.

Mutually exclusive bids : AggregaTHOR is allowed to submit more than one bid (up to five) for his CMU. It is possible to bid them with a mutual exclusivity in order to reach at least once the Eligible Volume.

Intermediate Price Cap: AggregaTHOR introduced an investment file request for a 3 years Capacity Category. CREG assigned this CMU to a Capacity Category of 1 year, therefore refusing assigning it to a 3 years Capacity Category which means eventually that he can only apply for a 1 year contract and will be subject to the Intermediate Price Cap

Use case structure

The Auction will be described according to the following flow:



3. Bids elaboration by the Prequalified CRM Candidate

AggregaTHOR wants to build several mutual exclusive bids with at least on time the Eligible Volume in a Bid. The other technical capabilities could be found in the Functioning Rules.

As there is no validated investment file for 3 years Capacity Category, the CMU is under a 1 year Capacity Category, the maximal Capacity Contract Duration is **one year** and the **Intermediate Price Cap** applies.



3. Bid submission

AggregaTHOR bidding strategy

Bids	CMU ID	CMU Status	Price (€/kW/year)	Volume (MW)	Contract duration (years)	Linked with (bids)	Exclusive with (bids)
1	CMU	Additional	18	3,01	1	/	2, 3, 4, 5
2	CMU	Additional	17,5	2,8	1	/	1, 3, 4, 5
3	CMU	Additional	17	2,6	1	/	1, 2, 4, 5
4	CMU	Additional	22,5	2	1	/	1, 2, 3, 5
5	CMU	Additional	20,2	1	1	/	1, 2, 3, 4



3. Bid submission – Mockups: Initial screen

Home

Pre-qualification

Auction

Secondary Market

Auction demo

Profile

Log Out

Help

CRM Auction Dashboard

Delivery Period

2025

Auction Type

Y-4

#23A2ZE4F

Jean Dumont

Compliance	Bid ID	CMU ID	CMU Status	Volume (MW)	Price (€/kW/year)	Contract Duration	Linked with Bid ID	Mutually Exclusive with Bid ID	Bid Status

Global Price Cap (€)

70€/kW/year

Intermediate Price Cap (€)

20€/kW/year

Save as draft

Compliance Check

Submit

3. Bid submission – Mockups: Creating the first bid

Home

Pre-qualification

Auction

Secondary Market

Auction demo

Profile

Log Out

Help

CRM Auction Dashboard

Delivery Period

2025

Auction Type

Y-4

#23A2ZE4F

Jean Dumont

Compliance	Bid ID	CMU ID	CMU Status	Volume (MW)	Price (€/kW/year)	Contract Duration	Linked with Bid ID	Mutually Exclusive with Bid ID	Bid Status

Bid

CMU ID	CMU
Volume (MW)	3,01
Price (€)	18,00
Contract Duration (years)	1

OK

Global Price Cap (€)

70€/kW/year

Intermediate Price Cap (€)

20€/kW/year

+

Save as draft

Compliance Check

Submit

3. Bid submission – Mockups: All bids are created

Home

Pre-qualification

Auction

Secondary Market

Auction demo

Profile

Log Out

Help

CRM Auction Dashboard

Delivery Period

2025

Auction Type

Y-4

#23A2ZE4F

Jean Dumont

Compliance

Bid ID

CMU ID

CMU Status

Volume (MW)

Price (€/kW/year)

Contract Duration

Linked with Bid ID

Mutually Exclusive with Bid ID

Bid Status

	1	CMU	Additional	3,01	18,00	1	▽	▽	Created
	2	CMU	Additional	2,80	17,50	1	▽	▽	Created
	3	CMU	Additional	2,60	17,00	1	▽	▽	Created
	4	CMU	Additional	2,00	22,50	1	▽	▽	Created
	5	CMU	Additional	1,00	20,20	1	▽	▽	Created

Global Price Cap (€)

70€/kW/year

Intermediate Price Cap (€)

20€/kW/year

🗑️

+

Save as draft

Compliance Check

Submit



3. Bid submission – Mockups: Adding properties to the bids

HomePre-qualificationAuctionSecondary MarketAuction demoProfileLog OutHelp

CRM Auction Dashboard

Delivery Period2025

Auction TypeY-4

#23A2ZE4FJean Dumont

Compliance	Bid ID	CMU ID	CMU Status	Volume (MW)	Price (€/kW/year)	Contract Duration	Linked with Bid ID	Mutually Exclusive with Bid ID	Bid Status
	1	CMU	Additional	3,01	18,00	1		2, 3, 4, 5	Created
	2	CMU	Additional	2,80	17,50	1		1, 3, 4, 5	Created
	3	CMU						1, 2, 4, 5	Created
	4	CMU						1, 2, 3, 5	Created
	5	CMU						1, 2, 3, 4	Created

Bid ID: 1

Linked with Bid ID

Mutually Exclusive with Bid ID

1	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	<input type="checkbox"/>	<input checked="" type="checkbox"/>

OK

Global Price Cap (€)

70€/kW/year

Intermediate Price Cap (€)

20€/kW/year

+

Save as draft

Compliance Check

Submit



3. Bid submission – Mockups: All bids are created and ready for submission

Home

Pre-qualification

Auction

Secondary Market

Auction demo

Profile

Log Out

Help

CRM Auction Dashboard

Delivery Period

2025

Auction Type

Y-4

#23A2ZE4F

Jean Dumont

Compliance	Bid ID	CMU ID	CMU Status	Volume (MW)	Price (€/kW/year)	Contract Duration	Linked with Bid ID	Mutually Exclusive with Bid ID	Bid Status
	1	CMU	Existing	3,01	17,00	1	▽	2, 3, 4, 5 ▽	Checked
	2	CMU	Existing	2,80	17,50	1	▽	1, 3, 4, 5 ▽	Checked
	3	CMU	Existing	2,60	18,00	1	▽	1, 2, 4, 5 ▽	Checked
	4	CMU	Existing	2,00	22,50	1	▽	1, 2, 3, 5 ▽	Created
	5	CMU	Existing	1,00	20,20	1	▽	1, 2, 3, 4 ▽	Created

Bid 4 and 5: The price exceeds the intermediate price cap

1

Global Price Cap (€)	Intermediate Price Cap (€)
70€/kW/year	20€/kW/year

2

Save as draft

Compliance Check

Submit

1

3. Bid submission – Mockups: All bids are submitted

Home

Pre-qualification

Auction

Secondary Market

Auction demo

Profile

Log Out

Help

CRM Auction Dashboard

Delivery Period

2025

Auction Type

Y-4

#23A2ZE4F

Jean Dumont

Compliance	Bid ID	CMU ID	CMU Status	Volume (MW)	Price (€/kW/year)	Contract Duration	Linked with Bid ID	Mutually Exclusive with Bid ID	Bid Status
	1	CMU	Existing	3,01	17,00	1	▼	2, 3, 4, 5 ▼	Submitted
	2	CMU	Existing	2,80	17,50	1	▼	1, 3, 4, 5 ▼	Submitted
	3	CMU	Existing	2,60	18,00	1	▼	1, 2, 4, 5 ▼	Submitted

Global Price Cap (€)

70€/kW/year

Intermediate Price Cap (€)

20€/kW/year

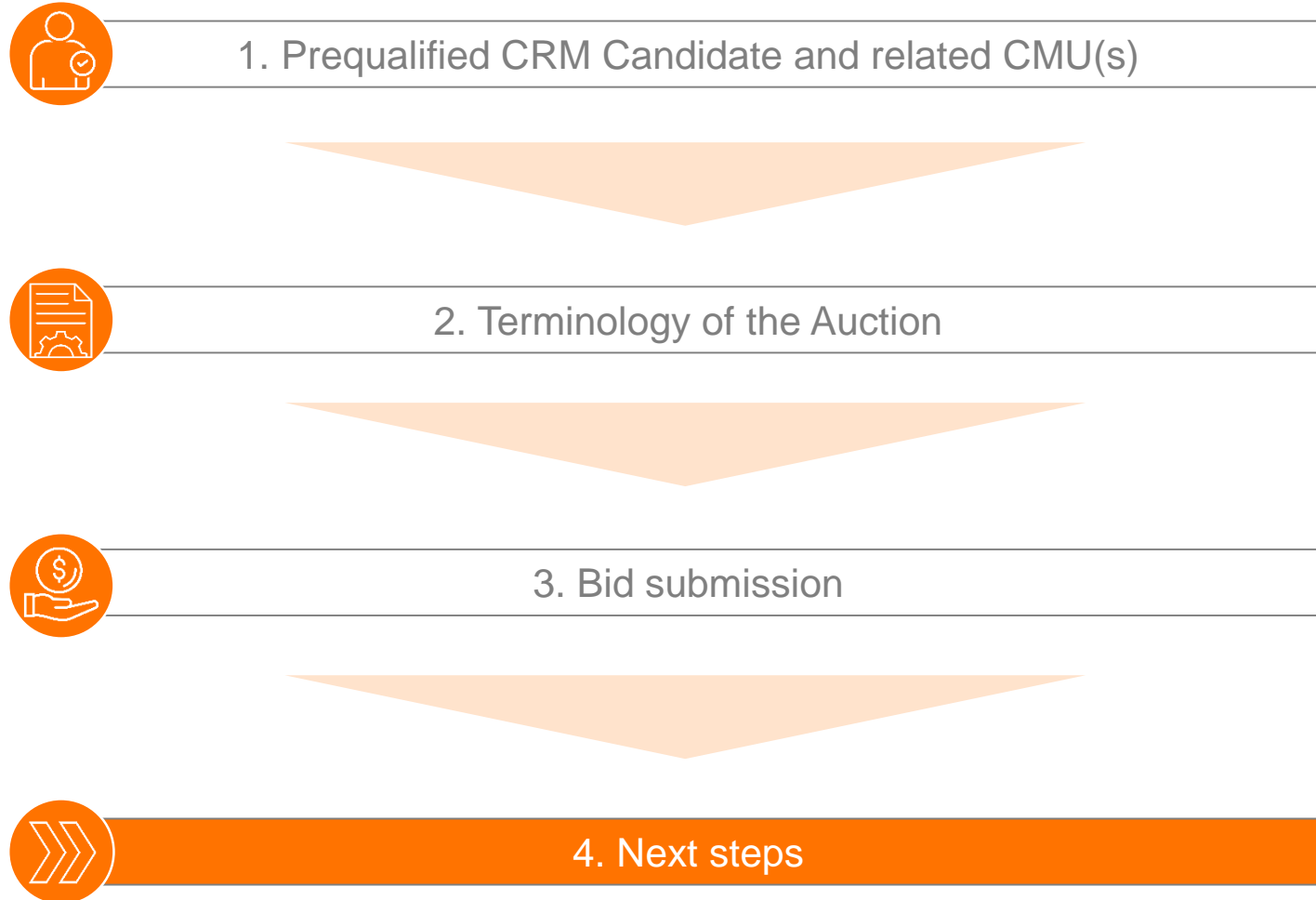
Save as draft

Compliance Check

Submit

Use case structure

The Auction will be described according to the following flow:





4. Next steps

Auction clearing

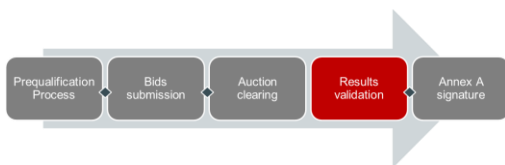


- Auction clearing as described in the Functioning Rules
- Y-4 2021 for 2025 Delivery Period = **pay-as-bid rule**
- As the all Bids/sets of bids were mutually exclusive, only one can be selected
- Capacity Remuneration will be set at 18€/kW/year for the 2025 Delivery Period

Bid 1 of AggregaTHOR is selected in the Auction

Auction results		
Selected bids		
	Selected Bid volumes	3,01 MW
	Related Price	17EUR/kW/year
	Capacity contract duration	1 year
	Remaining Eligible Volume	0 MW ¹
	Issuance date of the 1 st quarterly report	/

Results validation



- Result validation according to modalities set in Royal Decree Control
- Results communication to AggregaTHOR at latest on 31/10/2021

Capacity Remuneration will be set at 18€/kW/year for the 2025 Delivery Period

¹ The CMU Eligible Volume has been selected



4. Next steps

Capacity contract signature



- To officially become Capacity Provider, AggregaTHOR shall sign the Capacity Contract with the Contractual Counterparty

Once the Capacity Contract is signed, AggregaTHOR enters the pre-delivery phase

Thank you.

