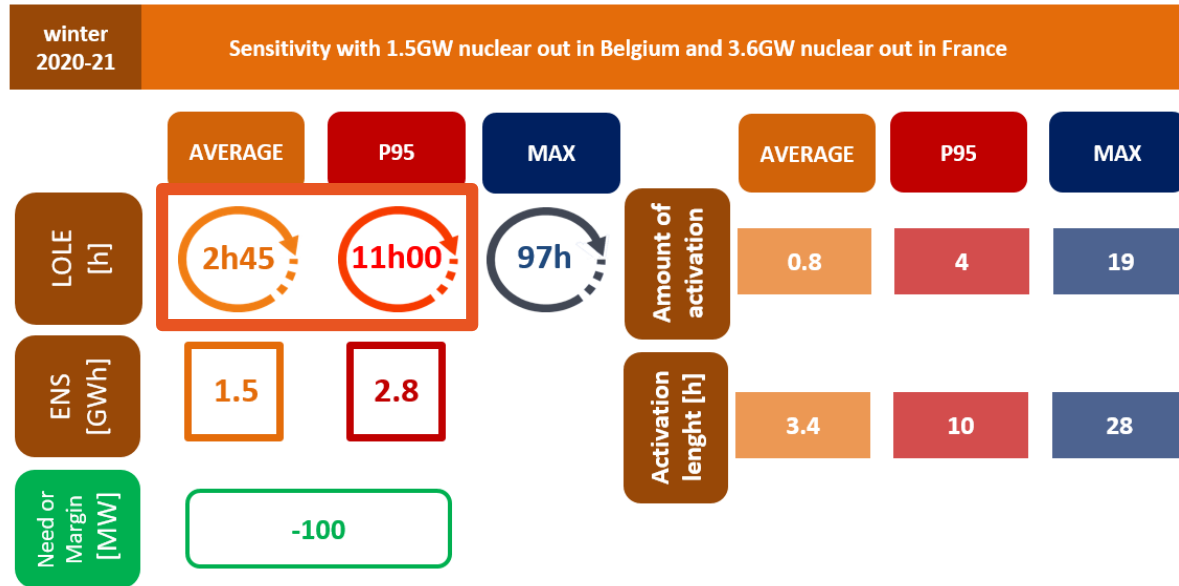


State of Play

TF iSR, TF CRM, WG SO&EMD and WG Balancing

TF iSR

A 100 MW margin is confirmed for winter 2020-2021 by means of the stochastic analysis



Legal criteria are respected in the HiLo case for winter 2020-2021:

- Average LOLE < 3h
- P95 LOLE < 20h

Planned BE nuclear outages:
Tihange 2 and Doel 2

Future winter need/margin for HiLo:

Winter	Margin/need
2021-2022	Margin of 200 MW
2022-2023	Need of 500 MW

Elia's annual study for the need of Strategic Reserves shows no need for winter 2020-2021



Updates on the Strategic Reserves functioning rules for winter 2020-2021:

Compliance with the Clean Energy Package:

- Removal of the “Economic Trigger” following Art. 22 §2, prohibiting the sale of Strategic Reserve volumes on wholesale markets

Routine changes:

- Make the document conform with the winter 2020-2021 timeline
- Inputs from the annual study on the need for SR:
 1. Maximum hours of activation
 2. Maximum number of activations
 3. Updated SDR availability requirements
 4. Equivalence factors for SDR

⇒ **Functioning Rules will be submitted to CREG within the first week of December**

⇒ **The Procedure for Tendering will be open for consultation between 13/12/2019 and 24/01/2020**

TF CRM

Status TF CRM

- Continuation of TF CRM design workshops (5 full-day meetings since summer)
- Two batches of public consultation on CRM design notes (Introduction + 7 design notes + 2 definitions lists) were organized by Elia
- Following to the received feedback, Elia proposed a number of modifications to the initial proposed design. These changes have been presented during the TF CRM meetings in October and November.
- Elia Deliverables (see next slide)
- Deliverables from CREG and FPS Economy
 - CREG : Royal Decree on Investment Threshold & Eligibility Criteria – public consultation finalized – information will be provided next TF CRM
 - CREG : design note on the parameters for determining the amount of capacity purchased under the CRM – public consultation currently ongoing
 - FPS Economy : first proposals already presented; updates will be presented during next TF CRM

Official notification to the European Commission still planned on 19 December 2019



Elia Deliverables

The updated design proposals have been transformed into two main deliverables for which Elia needs to make a proposal (*published on TF CRM website for information*)

- “Draft proposal for a **Royal Decree** setting out the methodology for calculating capacity and parameters for auctions under the capacity remuneration mechanism” (*submitted to CREG for formal advice*)
- “Draft proposal of a set of **Market Rules** for the capacity remuneration mechanism” (*submitted to Follow-Up committee for review*)

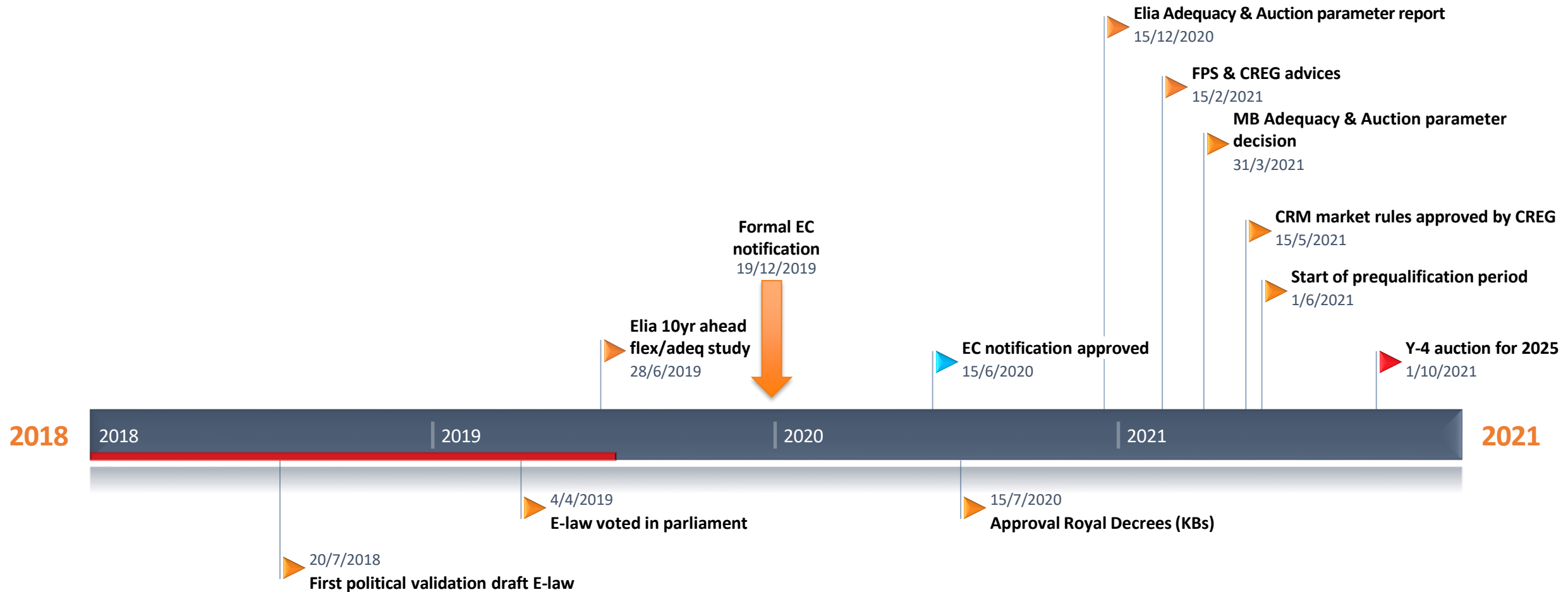
Some modifications may thus still be possible before providing them finally to the Belgian State as part of the notification procedure for state aid for the entire CRM to the European Commission, foreseen in the course of December.

- Early 2020, Elia will update the current design notes taking into account the applied modifications due to the public consultation.



Timeline until first auction in Q4/2021

Goal: Formal State Aid notification by the end of 2019 to be ready for the first auction in October 2021



* Exact moments of prenotification and notification will be defined in consultation with European Commission

Next steps/Workplan - 2020

- Q1/2020: Update Design notes
- Q1/2020: Public Consultation on Market Rules
- Q3-Q4/2020: Public Consultation on Contract
- Q1-Q4/2020: Implementation track & preparation for operations



WG System Operation & European Market Design (SO & EMD)

WG SO - update from discussions during last meeting (21st Oct)

Current status on implementation of Network Code Emergency and Restoration (NCER)

NCER document	To be approved by	Current Status
Terms & Conditions for Restoration Service Providers (black start)	Creg	V 1.01 submitted
Rules for suspension and restoration of market activities and rules imbalance settlement during market suspension	Creg	V 1.01 to be submitted
Test Plan	Minister	V 1.0 submitted
System Defense Plan (review of reddingscode/code de sauvegarde)	Minister	V 1.0 No decision, amendments required by Minister V1.01 submitted by ELIA and waiting for approval
Restoration Plan (review of heropbouwcode/ code de reconstruction)		
List of SGUs identified for defense and restoration plan (*)		
List of High priority SGUs for defense and restoration plan		

(*) Significant Grid Users (SGU) will be informed individually by ELIA about measures to implement and corresponding deadlines, as soon as the minister approves the NCER documents

WG SO - update from discussions during last meeting (21st Oct)

Core & Channel methodologies on Regional coordination for operational security (SOGL Art. 76)

- Important methodologies for the selection and activation of cross-border relevant remedial actions
 - Costly remedial actions: redispatching
 - Non-costly remedial actions: topological measures, PST taps
 - Core and Channel methodologies are widely similar
 - Methodologies will be submitted in the coming weeks
 - Strong link with the CACM methodologies Art. 35 & 74 which will determine the cost sharing of the costly remedial actions. 2 key principles for Elia:
 - Polluter pays
 - In line with CEP electricity regulation: cost of action plan is to be borne by Member States deciding for action plan
→ applies for Germany and very likely for Netherlands
-

WG EMD - update from discussions during last meeting (21st Oct)

CEP Electricity Regulation Art. 16 – 70% requirement

- Elia submitted a derogation request based on three foreseeable grounds:
 - Loop flows
 - Expected lack of redispatching potential to deal with weakened grid in case of outage situation
 - Operational security risk introduced by new tools and processes
 - In Core region, 10 countries opted for a derogation (out of 13 countries)
 - Approval by each NRA ongoing:
 - It appears that no NRA will oppose to any derogation (for this year), the approval process is then purely national
 - CREG consulted on the derogation early October – formal decision expected in December
 - In CWE region, the rules of the flow-based capacity calculation, and hence the capacity offered to the market, will remain as they are for the 3 first months for all countries (minRAM 20%)
 - After the end of the external parallel run, Elia will be the first TSO to effectively offer more capacity to the market
-

WG EMD - update from discussions during last meeting (21st Oct)

Nemo Link Intraday access – Long Term Capacity Calculation Methodology in Core & Channel

- **Nemo Link Intraday access**
 - Since 14th November, explicit allocation of capacity is available on Nemo Link – the first Channel interconnector with hourly nomination gates.
 - Elia encourages all market participants to take into account this option to hedge to deal with forecast errors and unexpected imbalances
- **Long Term Capacity Calculation Methodologies (LT CCM) in Core & Channel**
 - For different reasons, TSOs fail to agree to propose LT CCM methodology
 - FCA guideline foresees that EC takes the lead to identify appropriate steps
 - Main direction agreed in Channel region (some capacity released early during the year) – consultation on formal methodology planned to be started next week
 - Main direction still to be agreed in Core region – experimentation likely needed to identify way forward

WG Balancing

Several product upgrades in final implementation phase (1/3)

- LFC BOA/LFC means (Go live Feb 2020)
 - Scope: Fixation aFRR volumes (145 MW) & go live dyn. dimensioning mFRR together with new design mFRR
 - Public consultation finished => Most important change; R3 standard min 640 MW as of July 1st. Full phase out to be assessed
- T&C mFRR (Go live Feb 2020)
 - Scope; New design mFRR: contractual merge, daily procurement, merit order selection Rx, availability test,...
 - Public consultation finished => Several minor modifications
 - Demo environments available for BSPs (Star & BMAP)
- Balancing rules (Go live Feb 2020)
 - Scope; Consider T&C mFRR and compliancy new FTR & topics
 - Public consultation finished => Clarification on use of slow bids & other minor modifications

Several product upgrades in final implementation phase (2/3)

- T&C BRP (Go live January 15th)
 - Scope; Communication procedure between BRPs & Elia in case of storm risk
 - Public consultation finished => clarification on definition 'storm at sea', clarification obligations BRP with offshore park, clarification offshore process
- ToE rules (Go live TBD)
 - Already consulted & proposed to CREG
 - Regional concertation ongoing

Several product upgrades in final implementation phase (3/3)

Document	formal prop. Elia	Expected Decision	
		CREG	GO live
LFC BOA	20-Nov-19	05-Dec-19	03-Feb-20*
LFC means	20-Nov-19	05-Dec-19	03-Feb-20*
T&C BSP mFRR	<u>03-Dec-19</u>	20-Dec-19	03-Feb-20*
T&C BRP	<u>03-Dec-19</u>	20-Dec-19	15-Jan-20
Bal. Rules	<u>10-Dec-19</u>	23-Jan-19	03-Feb-20*
Toe rules	03-Oct-19	Feb. 2020	ASAP

** Provided timely (cf following point) regulatory approval and no unforeseen implementation issues. In the event that Elia has not obtained a positive decision from the CREG on the 4 first listed documents by December 20th, the Go-live date of the mFRR will have to be reviewed. A final confirmation of February 3rd as Go live date will be issued on December 20th.*