

# WG Adequacy #5

17.02.2022



# Agenda

- Welcome
- Potential Re-run Y-4 Auction 2025-26
- Next meetings

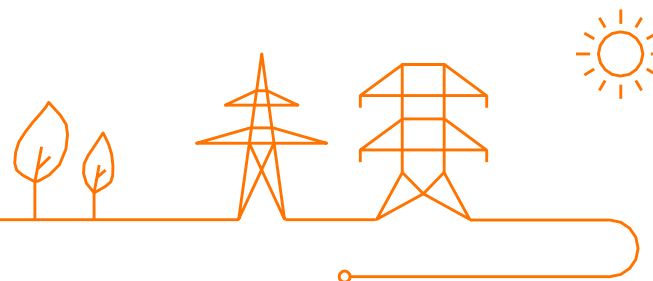


# Potential Re-run Y-4 Auction 2025-26



# Agenda

1. Introduction
2. Timeline
2. Operational steps
3. Auction Report update



## Introduction – Main contours

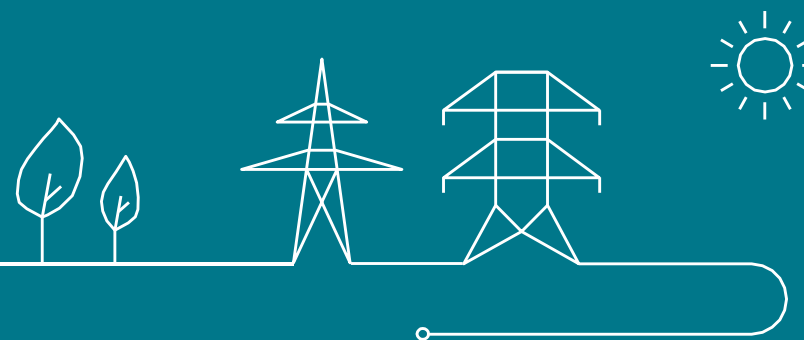
- An amendment to the Electricity Law is currently under discussion in the Federal Parliament
  - Available on the website of the Parliament: <https://www.lachambre.be/FLWB/PDF/55/2466/55K2466001.pdf>

*Based on this proposed amendment the main principles are:*

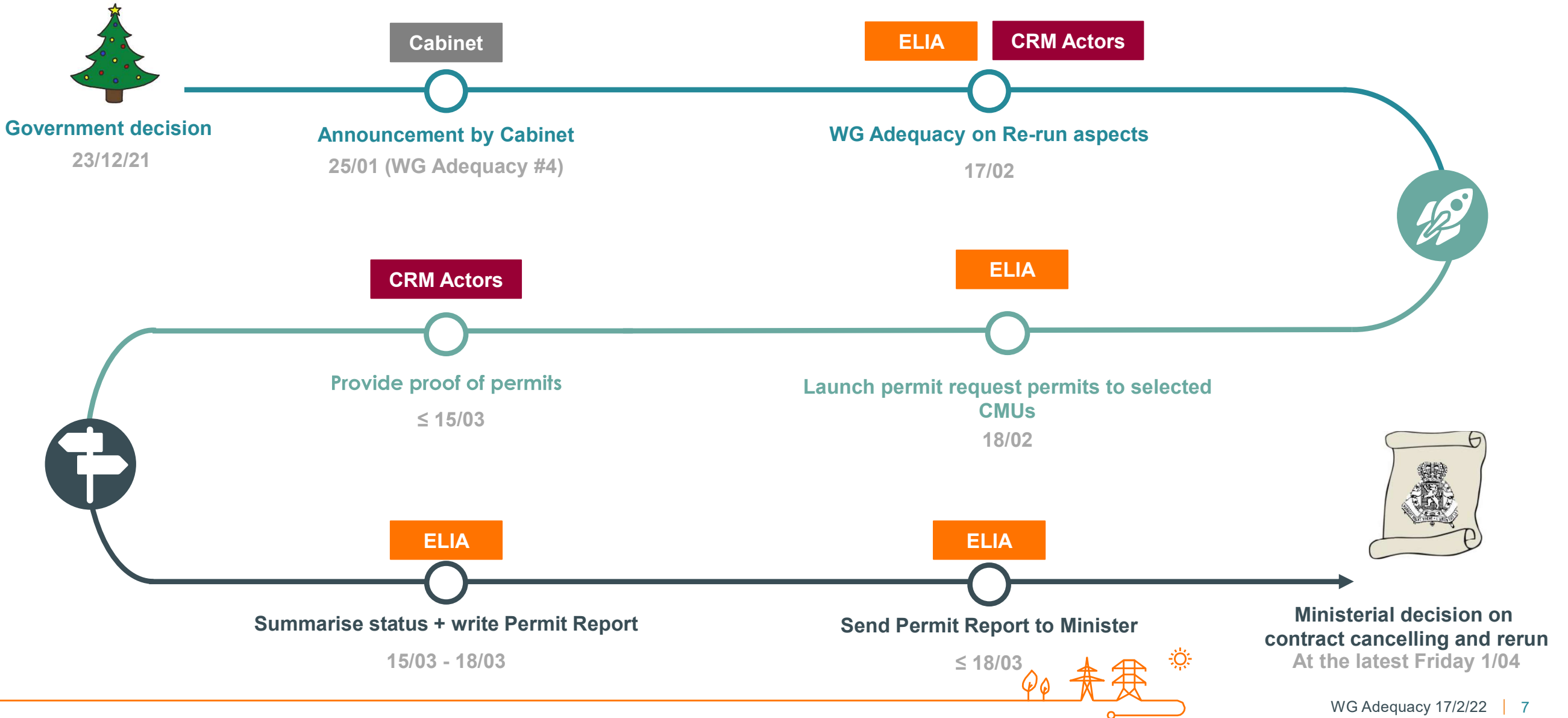
- A potential re-run of the October'21 Y-4 Auction for 2025-26 can be decided for in case capacity contracts would be cancelled upon instruction by the Minister following a check on the permit status and taking into account the impact on security of supply.
- Permit information to be provided by 15/3.
- The re-run does not impact any contracts that are not cancelled upon instruction by the Minister.
- Participation to the re-run is only open to non-selected CMUs in the Oct'21 auction
  - Participation is voluntary
  - Participation is subject to providing financial security and the relevant permitting info
  - The bids in the Oct'21 auction (volume, price, opt-out,...) remain unchanged.
- For those things not specifically arranged by the amendment, the functioning rules as applicable for the Oct'21 run apply (e.g. clearing rules, finsec levels,...)



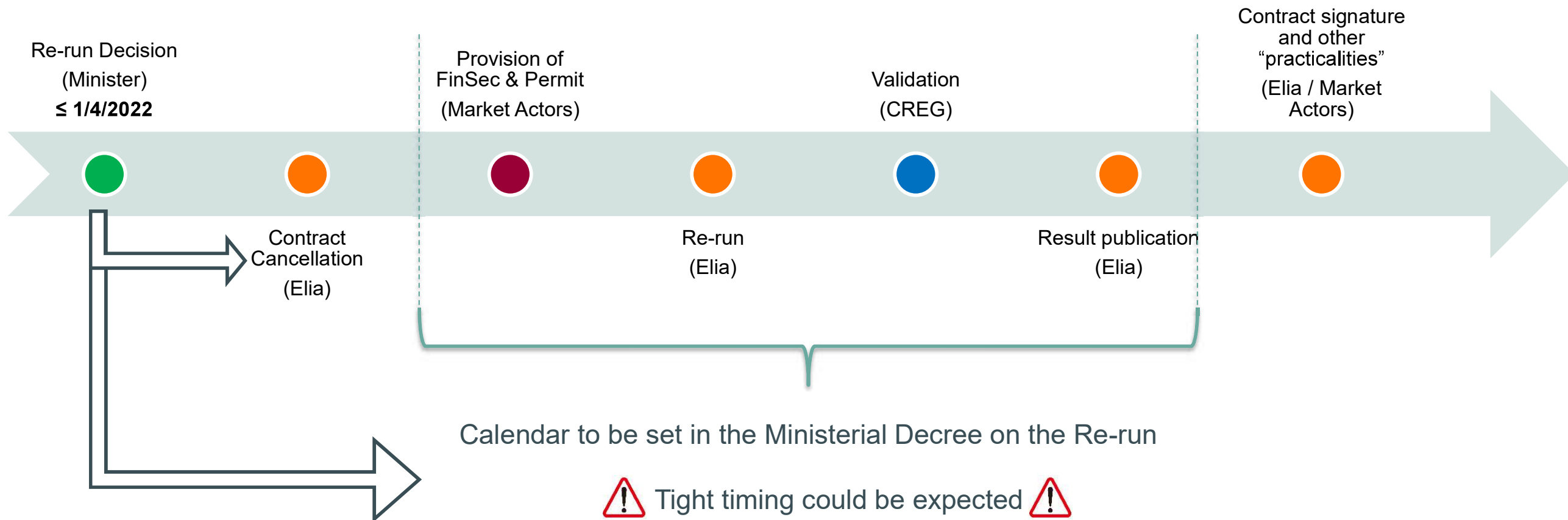
# Timeline



# STEP 1: Selected CMUs in the Oct'21 Y-4 Auction to provide the relevant information on the (status) of their permit

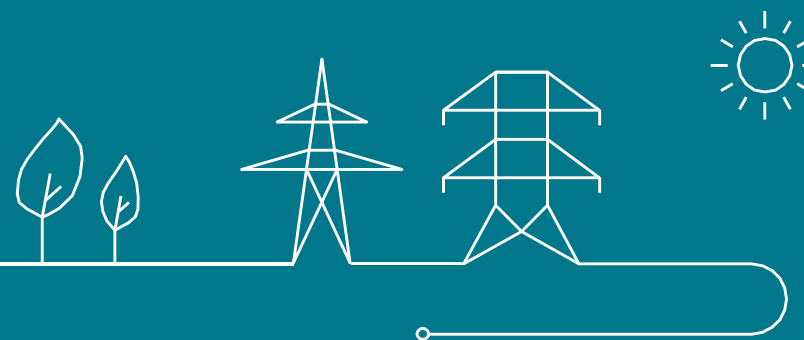


## STEP 2: if decided on a re-run, non-selected CMUs from the Oct'21 Y-4 Auction can participate





# Permit info by 15/3



# Capacity Providers of the selected CMUs will have to provide a proof on their permit

- ELIA will send a letter by email requesting the selected CMUs to provide the relevant proof of permit status
- The permitting scope is set by the (draft) law:

<b>(DRAFT) LAW</b>	
<i>[...] la preuve qu'il s'est vu octroyer en dernière instance administrative le(s) permis requis en vertu de la réglementation régionale pour sa construction et son exploitation. Au sens du présent article, il faut entendre par permis octroyé en dernière instance administrative un permis octroyé par une autorité administrative et contre lequel un recours administratif organisé n'est ni ouvert ni pendant.</i>	<i>[...] het bewijs dat hij beschikt over de in laatste administratieve aanleg afgeleverde vergunning(en) vereist krachtens gewestelijke regelgeving voor de bouw en uitbating. In het kader van dit artikel moet onder in laatste administratieve aanleg afgeleverde vergunning worden begrepen een vergunning afgeleverd door een administratieve overheid en waartegen een georganiseerd administratief beroep niet openstaat noch hangende is.</i>
<b>RECITALS OF THE (DRAFT) LAW</b>	
<i>[...] Il s'agit plus spécifiquement du permis d'environnement visé à l'article 6 du Décret du 25 avril 2014 relatif au permis d'environnement en Région flamande, le permis d'urbanisme visé au Code Bruxellois de l'Aménagement du Territoire et le permis d'environnement visé à l'Ordonnance relative aux permis d'environnement du 5 juin 1997 en Région bruxelloise, et le permis unique visé au Décret du 11 mars 1999 relatif au permis d'environnement en Région wallonne</i>	<i>[...] Het betreft meer bepaald de omgevingsvergunning, bedoeld in artikel 6 van het Decreet van 25 april 2014 betreffende de omgevingsvergunning in het Vlaamse Gewest, de stedenbouwkundige vergunning bedoeld in het Brussels Wetboek van Ruimtelijke Ordening en de milieuvergunning bedoeld in de Ordonnantie van 5 juni 1997 in het Brusselse Gewest, en de unieke vergunning bedoeld in het Decreet van 11 maart 1999 betreffende de milieuvergunning in het Waalse Gewest.</i>

- In the Parliamentary Commission, the Minister called upon Elia to seek a balance in terms of proof to be provided in view of the administrative burden it may cause and she provided some further explanations on the purpose and understanding of the amendment.



## Depending on the type of CMU and its NRP level, the proof to be delivered is differentiated

- The requirements are taken from the added Prequalification requirements added in the new version of the proposed Functioning Rules (§95)

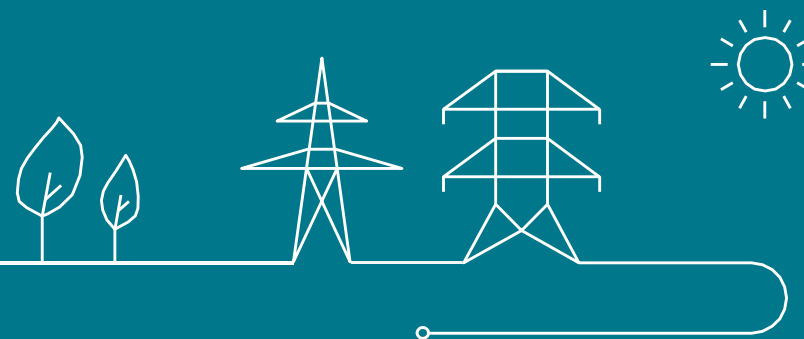
CMU		Proof to be provided	
Type	NRP level	Declaration of proof	Documents to be added
CMU Existing Or CMU Additional – Other	< 100 MW	To be provided	None, but to be kept available at first request
	≥ 100 MW	To be provided	To be provided
CMU Additional – New Built	(all)	To be provided	To be provided

- For ‘Existing’ and ‘Additional – Other’ CMUs proof on the permits applicable to today’s operation/situation are to be provided (hence, not yet related to the Delivery Period itself). However, the Capacity Provider commits to taking the necessary actions required to obtain in due time the permits for the Delivery Period

➔ In its invitation to provide the related proof for the permits to be launched on 18/2, Elia will also add a template to be used by the Capacity Provider



# Auction Report update



## Volumes can be safely updated, prices not

- The Rerun will impact the bid status<sup>1</sup> of CMUs which participated to the Y-4 Auction DY 2025-26
  - For each CMU contract canceled following instruction of the Minister → CMU to be taken out
  - For each new CMU selected in the re-run → CMU to be added

Note: Contracts that are not cancelled remain fully intact!

- All statistics and graphs computed from the list of selected (and non-selected) CMUs need to be updated as long as the update doesn't endanger bid confidentiality (*cf. draft Law amendment*)
  - “Volume” related statistics and graphs can be updated
  - “Price” related statistics can not be updated → Price per bid is sensitive information
    - Concerns the Weighted Average Bid Prices and Highest (Retained) Bid Price
    - Bid price for canceled and added CMUs could be mathematically deduced from their update
    - The updated report will clearly indicate that following the re-run these information are no longer up to date.



1. Bid status : selected / non-selected / canceled

## A mathematical formula could link the information available in the first auction report (public data) to the bid prices of the canceled and added CMUs (private data)

### ➤ Information in report

Symbol	Variable	Value
$V_{CMU}$	Selected volumes	Available in the Auction Report
$V_{tot}$	Total volume	4447.7 MW
$P_{max}$	Highest (retained) bid price	49,933.18 €/MW
$P_{avg}$	Weighted average bid price	31,671.57 €/MW

### ➤ If only one CMU is replaced by another, the old and new price values will be **mathematically linked**

$$P_{avg,new} = \frac{P_{avg,old} * V_{tot,old} - P_{CMU,canceled} * V_{CMU,canceled} + P_{CMU,added} * V_{CMU,added}}{V_{tot,new}}$$



## In all cases, a price update would lead to a breach in confidentiality regarding the bid price of both canceled and added CMUs

- The information regarding price will not be shared equally between market parties

$$P_{avg,new} = \frac{P_{avg,old} * V_{tot,old} - P_{CMU,canceled} * V_{CMU,canceled} + P_{CMU,added} * V_{CMU,added}}{V_{tot,new}}$$

Where

- **Green variables** are available to everyone
- **Orange variable** is available to the CRM Actor of added CMU<sup>1</sup> and everyone<sup>2</sup> depending on the bid price of added CMU
- **Red variable** is available only to the CRM Actor of canceled CMU or everyone<sup>3</sup> depending on whether CMU bid price corresponds to highest bid price

- In case of update to  $P_{avg}$  and to  $P_{max}$

1.  $P_{newCCGT} < P_{max,old}$  : **CRM Actors of canceled and added CMUs** are able to compute their respective bid prices
2.  $P_{newCCGT} > P_{max,old}$  : **All market parties** are able to compute the bid prices of both canceled and added CMU



1. In case where  $P_{CMU,added} < P_{max,old}$   
 2. In case where  $P_{CMU,added} > P_{max,old}$   
 3. In case where  $P_{CMU,canceled} = P_{max,old}$

# Next meetings





## Foreseen timeslots for next meetings

- Thursday 10 March 2022 am
- Thursday 21 April 2022 am
- Thursday 19 May 2022 pm
- Friday 17 June 2022 pm



**Thank you.**

