

# WG Adequacy #7 - Meeting report

## Friday 6<sup>th</sup> May 2022

<b>Meeting</b>	
<b>Date</b>	06.05.2022
<b>Organiser</b>	James Matthys-Donnadieu

<b>Participants</b>		<b>Attended</b>
Anciaux Pauline	FOD Economy	<input checked="" type="checkbox"/>
Baudhuin Serge	ENECO	<input checked="" type="checkbox"/>
Boisseleau François	ENGIE	<input checked="" type="checkbox"/>
Bruninx Julien	BASF	<input checked="" type="checkbox"/>
Catrycke Mathilde	ENGIE Benelux	<input checked="" type="checkbox"/>
Chafaqi Laïla	LUMINUS	<input checked="" type="checkbox"/>
Celis Chris	ODE	<input checked="" type="checkbox"/>
Clerbois Pierre	Inovyn	<input checked="" type="checkbox"/>
Coppin Xavier	ENGIE	<input checked="" type="checkbox"/>
De Waele Bart	CREG	<input checked="" type="checkbox"/>
Gerkens Benoît	CREG	<input checked="" type="checkbox"/>
Gillet Amelie	FOD Economie	<input checked="" type="checkbox"/>
Gorleer Wim	BASF	<input checked="" type="checkbox"/>
Harlem Steven	LUMINUS	<input checked="" type="checkbox"/>
Kone Aminata	Energy regulation consultant	<input checked="" type="checkbox"/>
Kormoss Aymeric	EOLY Energy	<input checked="" type="checkbox"/>
Labar Christophe	Planbureau	<input checked="" type="checkbox"/>
Rkiouak Laylla	FOD Economy	<input checked="" type="checkbox"/>
Strosse Tom	ENECO	<input checked="" type="checkbox"/>
Van Bossuyt Michaël	FEBELIEC	<input checked="" type="checkbox"/>
Van de Keer Lieven	T-POWER	<input checked="" type="checkbox"/>
Van den Bosch Sven	FLUVIUS	<input checked="" type="checkbox"/>
Van der Biest Piet	SIEMENS	<input checked="" type="checkbox"/>
Vandersyppe Hans	COGEN Vlaanderen	<input checked="" type="checkbox"/>
Van Gijzeghem Francies	ABDE	<input checked="" type="checkbox"/>
Vanneste Aron	Flexcity	<input checked="" type="checkbox"/>
Vercruyssen Luc	Haulogy	<input checked="" type="checkbox"/>
Verrydt Eric	BASF	<input checked="" type="checkbox"/>
Wagnier Jean-François	FEBEG	<input checked="" type="checkbox"/>
Walravens Guy	CREG	<input checked="" type="checkbox"/>

<b>Report</b>	
<b>Author</b>	Pauline Munten
<b>Function</b>	PMO Adequacy
<b>Date report</b>	17.06.2022
<b>Status</b>	<input type="checkbox"/> Draft <input checked="" type="checkbox"/> Final version

## 1. Agenda

- Welcome
- Approval Minutes Previous WG
- CRM Calibration: Scenarios, sensitivities and data for the CRM parameter calculation for the Y-4 Auction with Delivery Period 2027-2028
- Outcome of the public consultation on the techno-economic analysis to examine the bids and the result of the auction
- Use cases Evolution in Time
- Launch open call for participation in User experience (UX) session Secondary Market
- Feedback public consultation capacity contract
- CRM Newsletter
- Next meetings

## 2. Minutes of Meetings

*Disclaimer: The slides used as a support of the presentation are available [online](#). The minutes of meetings only cover the discussions that took place during the Working Group.*

### **Approval Minutes Previous WG**

No comments were received on the Minutes of Meeting of previous WG. These are considered as approved.

### **CRM Calibration: Scenarios, sensitivities and data for the CRM parameter calculation for the Y-4 Auction with Delivery Period 2027-2028**

Elia starts presenting the scenarios, sensitivities and data for the CRM parameter calculation. Seven topics are presented, as summarized below:

#### 1. **Planning**

Elia is launching a public consultation on the topic on Friday May 6, which will last 1 month. Elia plans to present the public consultation report as well as Elia's recommendation at the WG of June 17<sup>th</sup>, before sending the report to CREG/FOD in order for the Minister to select the reference scenario by September.

#### 2. **Context of Public consultation**

The organization of the public consultation on CRM calibration is conformed with article 7undecies, § 3, alinéa 3, of the law of 29 April 1999 and follows article 5 of the Royal Decree, which describes the minimum elements that need to be submitted in public consultation.

#### 3. **Scenarios & Sensitivities**

Elia explains how the scenarios are constructed, i.e. the reference scenario for 2027-28 is constructed based on the most recent ERAA complemented with additional events/sensitivities that will be selected by Belgian authorities after public consultation (in September) and integrated in the reference scenario. Hence, at the end of the process, only one reference scenario will be selected by the Minister and only one set of data and parameters will be stimulated. This information is confirmed by both Elia and the CREG.

Elia explains that the documents submitted to public consultation contain more details than for the previous Y-4 auctions, and include the feedback received during past processes. Elia also highlights the challenge of providing a relevant dataset for this auction due to the major evolutions in the electricity sectors and the geopolitical context, not included in ERAA 21 (e.g. Fit For 55 package, REPowerEU, lot of national

publications, fuel and carbon prices evolution, etc.). Elia generally invites the stakeholders to react and contribute to the public consultation, by providing additional input to strengthen the scenario and the sensitivities.

FEBELIEC questions the use of NECP/EnergyPact data knowing these studies were established in 2018. These data are considered as “history” by FEBELIEC who then questions the status quo scenario selected by Elia. In FEBELIEC views’, the world has changed since 2018 and embraces many other questions/variables (i.e., such as the crisis, the ambition to get away from gas, investment needs, etc.). If this year can be considered as exceptional, every upcoming year should not be considered as such, in their opinion.

Elia answers that AdeqFlex study was used as starting point for the different parameters, but most of the data were updated based on latest available information (incl. more electrification) and Elia suggests different sensitivities to take into consideration the different situations encountered last year (ex: high prices and impact on the demand). FEBELIEC further highlights that although the end of the war might come, the impact on the energy sector will last several months, and it cannot be affirmed that the industry will survive the crisis. Therefore, FEBELIEC suggests adding some sensitivities about the possibility that some actors will not be there to enhance the acceleration and the transition to electrification [this is sensitive information that FEBELIEC cannot share].

Elia then suggests to the stakeholders to react on the public consultation in order for the public authorities to take the market parties’ comments into account and adapt the final scenario hypothesis. Elia also points out the possibility to answer confidentially.

#### 4. Scenario dataset

-Overview of renewable generation installed capacities (cfr. slide 20)

With regards to this topic, COGEN asks if Elia can elaborate on the increase in biomass installed capacity between 2026 and 2027. Elia answers that the information is provided in the Excel file of the public consultation. Those files include both the individually modelled units and the units modelled through profile (which volume is estimated based on information available in Elia’s database, incl. all the projects currently installed in Belgium and the projects under development<sup>1</sup>). An increase in installed capacity of biomass towards 2028 (less for Waste) is observed; and the update between 26 and 27 is mainly explained by the assumption in the increase of small biomass projects (i.e. without daily schedule). COGEN explains that it would take two other assumptions into account: first that the EU rules for using biomass can become even more severe wrt. the use of biomass as material and not as an energy source, and second that the increase in small units might be a shift from gas to biomass changing source of capacity and not adding new capacity. Elia responds that they also observe an increase in gas unit without daily schedule which are modelled through profiles, meaning that Elia observes both an increase in biomass and profiled thermal capacities (i.e., CHP). Elia invites COGEN to provide insight through the public consultation if there is evidence that some biomass units could be closed and agrees to double check with the regions and SPF Economy if this trend is also observed in their respective datasets.

---

<sup>1</sup> Note that for units modelled through profiles, the volumes of biomass/waste mentioned in the MIX Scenario ([https://energy.ec.europa.eu/excel-files-mix-scenario\\_en](https://energy.ec.europa.eu/excel-files-mix-scenario_en)) derived from the Fit For 55 package was also considered.

-Overview of thermal generation installed capacities (cfr. slide 21)

*No question was raised on this topic.*

-Update of force-outage rates (cfr. slide 22)

*No question was raised on this topic.*

-Forced outage rate of nuclear (cfr. slides 23-24)

*No question was raised on this topic.*

-Overview of batteries installed capacities (cfr. slide 25)

*No question was raised on this topic.*

-Storage-Reservoir volumes and capacities (cfr. slide 26)

*No question was raised on this topic.*

-Overview of balancing capacities (cfr. slide 27)

*No question was raised on this topic.*

-Demand assumptions (cfr. slide 28)

With regards to this topic, FEBELIEC asks what are the assumptions Elia considers for the sensitivities on high prices and the impact on demand. Elia answers that the objective of the suggested sensitivity is to take into account the impact of high prices on the different macroeconomic numbers that are used by Climact in order to assess the impact on the demand for the delivery year. However this sensitivity is not quantified yet and will be performed in July once the Plan Bureau will have published its latest study. FEBELIEC also highlight the missing information on peak load that is more relevant than the yearly value for adequacy purpose. Elia explains that the information is available in the explanatory note of the public consultation and says that Elia proposed an estimate of this number based on the values from last year and integrating the latest information at disposal. Elia observes an increase in the peak demand of 700MW, explained by the increase in electrification. However, it should be noted that this estimation does not include yet the impact of out-of-market batteries (driven by the higher share of V2G, associated to the increase in electric vehicles) and the higher share of residual batteries (driven by the current trend observed, mainly in Flanders) and optimized charging (V1G) of electric vehicles (for which a higher share than in Adequacy & Flexibility study is proposed). Those parameters are optimized in the model and should therefore reduce the peak load. However, the total impact (additional electrification on one hand and additional flexibility means on the other hand) is not known yet.

According to FEBELIEC the key element is the impact of high prices on demand as it is difficult to imagine that people will charge their electric vehicles or use their heat pumps during peak prices or that industries will electrify their processes at 3000€/MWh; and regrets it is not included in the public consultation. Elia responds that they don't have the final numbers from Climact, but could provide this sensitivity to the Minister in order to select the reference scenario. In particular Elia calls upon FEBELIEC to share studies on the impact of

prices. On this FEBELIEC argues that Elia should look at his own data and observe company by company, access point by access point the impact of relatively high prices (not necessarily peak prices). Elia argues not to have sufficient data to derive a trend but takes the point.

ENGIE also comments the data comparing the year 26-27 and 27-28, and questions the delta in number of EV and heat pumps. First with regards to EV (450000 increase between delivery years), and looking at the numbers of cars sold in Belgium, this delta implies an assumption that 90% of new cars sold in Belgium will be EV. Elia explains that this delta should be understood slightly differently, since the values for 26-27 derived from previous AdeqFlex study are underestimated given the historical trend of the last 3 years. Besides, as from 2025, the expected policy measures will reinforce the vehicle electrification (one year later + increased electrification for all years). Second, with regards to heat pumps, the delta arises questions from a supply chain perspective. Elia again suggests the stakeholders to react to the public consultation with new/alternative input if they believe than the one taken by Elia are not correct, but Elia highlights that it trusts the other parties in their expertise or the politics in their ambitions and hence cannot systematically question the reliability of the external sources used.

#### -Overview of DSR capacities

FEPEG is asking whether the increase in DSR is due to an increase in electrification (i.e., bigger potential) or an increase in the share of DSR. Elia responds that the increase in DSR is mainly triggered by an increase in electrification (i.e., share of DSR shedding remains the same but more potential).

#### -Fuel and CO<sub>2</sub> prices

With regards to this topic, FEBELIEC asks whether Elia assumes that gas will be imported from Russia again in 2027. And if not, what will be the share of LNG in total import by then? More specifically FEBELIEC highlights the importance of this assumption for gas price determination, and questions the suggested price of 24.4€/MWh for gas in 27-28, while the price of gas today for 2025 is at 53€/MWh. Not importing gas from Russia would lead to a price difference certainly coming from LNG.

FEBELIEC also ask whether the IEA WEO forecasts was made before the invasion in Ukraine. Elia confirms and specifies that the different sensitivities proposed on the different cost parameters aims at capturing these kinds of uncertainties. And again, Elia calls the stakeholders to respond to the public consultations if they know other sources than Elia, with post-war data. As from known, and up to Elia knowledge, there is no post war forward for 27-28 existing, and assumptions needs to be taken on how the situation will evolve.

To conclude this topic, COGEN and T-POWER agree that if main scenario proposal for prices relies on IEA WEO outlook from before the war, Elia should look for another source as cost of energy can influence much of the scenarios; and suggest to look for investment companies or larger companies if they would have other scenarios. This is so far a feeling shared by the stakeholders that the scenario provided is not right without being able to prove it.

#### - Flow based perimeter and bidding zone definition

With regards to the topic of cross-border capacity, ENGIE asks Elia to be more explicit about the installed capacity that is assumed in neighboring countries; without discussing the reliability of ERAA. Elia responds by describing the sources that are taken into considerations (and the assumptions in the studies) to update for neighboring countries, compared to the ERAA 2021 (published in November 2021 based on a data collection in early 2021 but a lot of European publications have been published afterwards).

#### **4. Updates proposed based on latest policies**

With regards to the values proposed for neighboring countries, ENGIE questions the absence of gas. Elia responds that in that case the values are taken back from ERAA 21 with underlying assumption with respect to new built. FEBELIEC also asks some specifications on the value presented on slide 35. Elia specifies that those values are the ones Elia considers to take for delivery year 27-28, which consist on an estimate based on an interpolation from the data of ERAA 21 (that only provides data up to 24-25) and national policies as mentioned in the explanatory note. Independently of the interpolation, FEBELIEC questions the impact of the (partial) coal phase-out on the data provided and the absence of some countries. Elia invites the stakeholders to react on the public consultation if they have other data/evidence, in order to be able to adapt the value for coal and gas, in the case of Poland, Italy, or even Spain (bigger countries with specific energy mix – can have big impact on European Energy Mix). FEBELIEC suggests that Elia looks at the political ambitions – especially for Poland and Italy –, while Elia has already applied this methodology for other countries (f.i., April 2022 in Germany).

#### **5. Sensitivities**

Elia summarizes the different sensitivities proposed to cover the uncertainties in the scenario (i.e., French nuclear availability, FB CEP Rules, TJ closure, OCGT closure, high/low prices, and lower demand).

With regards to the sensitivities provided, T-POWER ask if it wouldn't be also common sense to add a scenario in the calculation where the prolongation of the BE nuclear would not be agreed. Elia answers that it is not the responsibility of Elia to decide on this, but the decision is expected from the Minister on September 15 in the reference scenario selected.

According to ENGIE, the focus on French Nuclear availability is important, but it would be interesting to have sensitivities including new built in neighboring countries, including Germany, UK, potentially the Netherlands. Elia also reminds, in terms of expectation management that at the end there is only one scenario selected and one scenario simulated. The quantitative impact of each sensitivity won't be evaluated; this is the kind of work that can be included in next AdeqFlex.

#### **6. Intermediate Price Cap parameters**

Elia present the elements that are subject to public consultation with regards to the IPC parameters (list of preselected capacity types, cost parameters, ect).

With regards to these parameters ENGIE suggests to Elia to make an update of the AFRY study, which dates back from 2020 and which relies on data from previous years. Having an updated study would help to have

an accurate view on the cost of those technologies, and integrate more clarity on the breakdown of the costs considered by AFRY, which is important in the current context and given the importance of the good calibration of the IPC. Elia answers that from a legal point of view Elia is obligated to update the study every three years, and that Elia is already in contact with AFRY to discuss the possibilities.

ENGIE specifically asks if the results could already be integrated in the computation of the IPC in December 2022. Elia confirms and invites ENGIE to share its expertise on this by including suggestions in the response to the public consultation.

## 7. Synthesis of specific questions to stakeholders

Finally, Elia concludes this topic by suggesting a summary of the questions for the stakeholders, as mentioned in the public consultation, on which inputs would be grandly appreciated.

### ***Outcome of the public consultation on the techno-economic analysis to examine the bids and the result of the auction***

Luc Vercuysen, consultant at Haulogy summarizes the process with regards to the “Technical and economic analysis of CRM auction bids and results”, before highlighting a set of 5 recommendations formulated by Haulogy as the results of their analysis, that have been subject to public consultation. Based on the public consultation report, Elia and the CREG will have to provide their opinion.

The following paragraphs are constructed as follow:

- (1) Recommendation formulated by Haulogy
- (2) Summary of the Reasoning behind the recommendation
- (3) Main comments received at the public consultation (3 candidates participated : FEBEG, FEBELIEC and 1 confidential response)
- (4) Haulogy's final decision on the recommendation
- (5) Summary of the questions and the discussions raised during the WG

### ***Recommendation #1: Extend the application of the Strike Price indexation method currently used for multiyear contracts from the 2<sup>nd</sup> delivery period onwards to the 1<sup>st</sup> delivery period for all contracts concluded in the Y-4 and Y-1 auctions, including one year contracts.***

- Reasoning : reflect as much as possible the market evolution
- Public Consultation Comments : supportive comment from the FEBEG, requesting a more dynamic formula; but risk of uncertainty due to time lag-effect highlighted by FEBELIEC
- Final decision : maintain
- Discussion :

FEBEG highlights that the issue with the recommendation with price indexation is that when the market evolution is not as expected, the price evolves unexpectedly as well, and the situation is worsening for generators contracted in the CRM. In that sense, the argument of technical neutrality is also according to FEBEG not correct. Yet, according to Haulogy the price is, independently of the marginal production of the unit and the mechanism forming the price on the market, the best indicator of the market condition. ENGIE supports FEBEG's comment by underlying that under current conditions the market has seen several times prices above the strike price without any adequacy issue; in other words,

if the CRM was set up this year, there would have been many pay-back obligations, also in some cases when units are not running because they are not “in the money”. ENGIE emphasizes this point by asking for a better design to avoid a payback on earned revenues and coherency between the strike price level and the evolutions in the electricity markets. Strike price indexation is according to ENGIE and T-POWER maybe good for long term evolution but is not a right solution in exceptional event.

On this argument, FEBELIEC recalls that the raison d’être for the CRM is not to cover Missing Money but is to ensure system Adequacy. The raison d’être du CRM is not to cover the Missing Money year by year but to ensure that on the lifetime of the assets the market parties can survive (including, good and bad years). Market parties are not obligated to participate to the CRM and can simply participate to the market, without payback obligations.

Haulogy also indicates that the goal of the recommendation is not to re-discuss the principle of the payback obligation that has been agreed but discuss about its implementation in order to reflect the market conditions in a fair manner, which is suggested to be done by basing the indexation on price and not on particular technologies, because the technologies that are driving price on the market today might not be the same in the future.

ENGIE finally highlights that the long-term impacts in the possible ups and down are not equally applied on every unit participating to the CRM, especially those below or above 25 MW (with or without declared market price and the possibility to make it evolve over time). Haulogy agrees to look at this point specifically, but says it was not raised at public consultation.

***Recommendation #2: Apply a lower IPC in the Y-1 auction for capacities that opted out of the Y-4 auction. The lower IPC only applies to existing capacities that delay their participation and that do not receive an IPC derogation in Y-1.***

- Reasoning : security of Supply
- Public Consultation Comments : not supportive (risk of forced participation, uncertainties for some entities of their presence 4 years later)
- Final decision : maintain
- Discussion :

COGEN comments on one of the feedback received during public consultation (first bullet on slide 65) and argues that some units do not have such visibility on the demand for heat from customers or an agreement with them to stay in the market, so these units might have to decide on Y-1. By reducing the Price Cap, you might jump to the conclusion that co-generation leads the market in Y-1, so less capacity offered. Haulogy does not agree with this analysis as it remains possible to participate in Y-1, but the candidate is on the edge of the IPC in Y-4 the CRM Candidate might go to a derogation process in Y-1. According to COGEN, given this measure lots of small CHP will then participate through an Aggregate, because if for 500kW a candidate have to go in the process of derogation, the system can create an administrative burden for these units – that might either stop the process or sell the volume on secondary market.

One additional comment of the formulated recommendation is the assumption that the IPC derogation process is effective and smooth, while FEBEG as highlighted through several comments that it is not as effective as it should. Haulogy agrees on that assumption.



According to ENGIE the diagnostic is wrong, and Haulogy should rather focus on understanding why participants don't have incentives to participate in Y-4, by leading discussions with actors that have not bid in Y-4 Auction of 2021. Many explanations are possible: low confidence in the IPC derogation process, not favorable de-ratings, complexity of the Functioning Rules, etc. Looking at the UK for instance, actors have strong incentives to bid in Y-4. If the goal is also to have a strong incentive to participate in Y-4 in Belgium, before applying solution, it should be understood what is the cause of low bid rate in Y-4 auction.

Haulogy however, concludes by emphasizing that despite this recommendation, candidates can still participate in Y-1. As an illustration, Haulogy takes an IPC of 20k€/MW in Auction 21, the difference that will be introduced will range about 10%, so that the IPC for Auction 2024 Y-1 will be the minimum between 18k€/MW and the actual IPC in Y-4. If a candidate is between the 18k€/MW and the 20k€/MW, he will go to a derogation process but if the IPC is also 18k€/MW in Y-1 the candidate will also need to go in a derogation process; making no difference, in that case. Haulogy wants to create an incentive for participants that have the possibility to participate in Y-4 auction to do so and not save MW for Y-1.

Stakeholders do not align with the proposed recommendations, as the incentive proposed to increase candidate participation in Y-4 is not linked to the understanding of the root cause of low participation in that Auction.

***Recommendation #3/1: Allow existing capacity operators to make a sworn statement that their opt-out of the Y-4 auction is, to the best of their knowledge at the time, an "OUT". The opt-out "OUT" in question will not be taken into account in the Y-4 auction and no dummy bids will be created for the volume of capacity concerned.***

- Reasoning : increase the visibility regarding overall available capacity, reduce uncertainty about the security of supply and the total cost of the CRM
- Public Consultation Comments : FEBEG and FEBELIEC are supportive of the argument provided in the public consultation + Proposition to conduct in depth analyses for each opt out " in order to avoid gaming (FEBELIEC)
- Final decision : maintain
- Discussion : *no question was raised on this topic*

***Recommendation #3/2: Advance the deadline for the announcement of a definitive (or temporary) shutdown (or structural reduction) to 30 April Y-1, if the shutdown/reduction concerns delivery period Y as defined in art. 4bis of the electricity law (01/11/Y –31/10/Y+1).***

- Reasoning : know the real reason for Opt-out OUT
- Public Consultation Comments : not supported by FEBEG
- Final decision : put on hold (maintained, subject to legal validation)
- Discussion : *no question was raised on this topic*

***Recommendation #3/3: Allow a capacity operator to indicate that their Y-1 bid should be considered a notification of definitive shutdown (or structural reduction) in the event that it is not selected in the auction.***

- Reasoning : earlier deadline to signal a shutdown
- Public Consultation Comments : FEBEG is supportive of the argument provided in the public consultation
- Final decision : maintained with the addition of the two points of clarification above
- Discussion : *no question was raised on this topic*

**Recommendation #4/1: Complete the methodology for determining the maximum bid price in order to ensure consistency between the lead times of the technologies chosen for the calculation and the timeframe of the auction (Y-4 or Y-1).**

- Reasoning : consistency between global price cap calculation and the lead time of technologies
- Public Consultation Comments : FEBEG is supportive of the argument provided in the public consultation
- Final decision : maintained
- Discussion : *no question was raised on this topic*

**Recommendation #4/2: Demand Side Response (DSR) should not be included in the list of technologies used to determine the maximum bid price.**

- Reasoning : The variability (step function) of annualized costs for DSR as a function of volume does not allow for the maximum bid price to be set based on the lowest DSR cost
- Public Consultation Comments : FEBEG is supportive of the argument provided in the public consultation, however FEBELIEC highlights the risk of excluding DSR from the CRM if the principle of technological neutrality is not respected
- Final decision : Maintain
- Discussion : *no question was raised on this topic*

**Recommendation #5: Set a criterion of 1 MW non-derated (vs 1 MWd) in order to facilitate the participation of smaller capacities or capacities for which the derating factor significantly impacts the derated capacity (e.g. renewables), as these would no longer necessarily have to resort to aggregation.**

- Reasoning : define in law and royal decree but not clear whether it is applied before/after the derating = unique threshold for all technologies
- Public Consultation Comments : FEBEG is supportive of the argument provided in the public consultation, but highlight the risk of administrative burdens compared to the potentially limited added value
- Final decision : maintained
- Discussion :

COGEN sympathizes with this measure. Yet, COGEN highlights that the reverse of this measure is that smaller capacities are obligated to prequalify. It is particularly the case of cogeneration without operational support (new situation in Flanders), for which every new installation above 1.4MW would be obligated to prequalify. Haulogy agrees that it is implicitly the case but justifies this new measure by highlighting that as it is now, 1MW can also lead to large expand aggregation (i.e., up to 25MW for solar to be able to participate) because if participants do not have any obligations under that threshold, they also cannot participate. COGEN agrees but insists that the reverse is that solar with 1.2 MW will be obligated to prequalify and follow a fast-track process.

FEBEG states that in their response to the public consultation they were rather neutral regarding this recommendation, but an important point was the possibility not to impose the obligation to prequalify, in order to limit the burden for a lot of units while the added value is not there. Therefore, FEBEG states that their statement should be modified if the recommendation is about an obligation since they are against that.

ENGIE insists on, at the very minimum, having the possibility to make a distinction between the possibility to participate in the CRM and the obligation to actually prequalify. At the end, the capacities which are not obligated to prequalify at

the moment are still considered non-eligible capacities. The objective is to avoid very heavy administrative mechanisms for small installations that do not want to participate to the CRM anyways.

COGEN insists that the most important is also to communicate transparently to the market about what they should do or not.

### **Clarification Linked Capacities Definition**

Haulogy suggests to clarify key terms contained within the definition of Linked Capacities.

*No question was raised on this topic*

Haulogy ends with the summary of the recommendations and their status. All recommendations are maintained except for recommendation 3.02 that is put on hold for legal reasons.

FEBEG highlights one question mentioned in their response to the public consultation but not discussed yet, with regards to the split in Y-1 and Y-4, and too much volume being reserved for the Y-1. Haulogy responds that the recommendation formulated about creating an incentive for participation in Y-4 could be resolved by lowering the volume reserved for Y-1. Yet, a lower volume reserved for Y-1 would not solve the issue – if considered as such – of large amount of opt out IN in Y-4. For this reason, Haulogy does not recommend adapting the volume repartition. ENGIE insists that, for this reason, there is a need to understand why people do not participate in Y-4, as previously suggested; and clarify whether the incentive suggested by Haulogy is useful or not.

FEBEG also asks about the next steps. Haulogy will finalize the report and send it to CREG and Elia, who can write an opinion to be sent to the minister. FOD confirms that further discussions will aim to decide whether the recommendations are taken in the design or next version of the Functioning Rules.

T-POWER concludes by saying that for them, there is a need for additional reflections and additional discussions to improve the CRM design so that it really provides what it is aiming for, and asks when there will be additional working sessions.

### **Use cases Evolution in Time**

Elia Presents the important aspects related to the renewal of the CMUs and the key principles that needs to be followed. First, Elia recalls that a CMU needs to adopt the latest version approved of the FR. Second, Elia explains that if a CMU is already contracted and the candidate does not wish to re-participate, the previous prequalification will not be put in doubt (with regards to FR v1 & FR v2).

Then Elia explains how the renewal of the CMUs will be realized from an operational perspective: the CMU from previous years will be copied in the tool. In addition, several uses cases are presented (slides 83-89).

Regarding the presentation of the case of the renewal of CMU participating to Auction Y-4 in 2022 and following a standard or specific prequalification process, but was not contracted following the Auction Y-4 in 2021, T-POWER asks whether the case is also valid for CMUs that have submitted an investment file to the CREG last year and want to re-qualify this year with small adaptations. Elia responds that there is no distinction made based on investment file.

The renewal process will be relaunched the same way, and the CRM Actor will receive again a code for the CREG investment file that will be automatically linked with the investment file<sup>2</sup>.

ENGIE asks clarification on the question asked by the tool: is it “do you want to participate to the auction” or “do you need to prequalify”. Elia answers that it is the CRM Actor’s responsibility to know if he/she has an obligation to prequalify or not. The sense of the question here targets the participation to the auction. Yet ENGIE wants additional clarification related to the case of a CMU for which the renewal is refused, which will be archived, though the CRM Actor needs to follow a Fast track procedure. Elia agrees to refine the question to make it clearer.

No additional question was raised on the other cases presented.

#### ***Launch open call for participation in User experience (UX) session Secondary Market***

Elia briefly explains the concept of the secondary market in order to introduce the launch of an UX design track, aiming at developing an easy to use tool. Therefore, a call for participation is launched for stakeholders to participate in a session on Monday May 23 at 1pm. The session is mainly target at stakeholders who will use the tool or who are susceptible to use the tool.

No question was raised on this topic.

#### ***Feedback public consultation capacity contract***

Elia presents the feedback of the public consultation on the Capacity Contract, particularly the comments received from FEBEG. The feedback will be published on Elia website and forwarded to the CREG.

ENGIE highlights that FEBEG’s answer on the public consultation was more nuanced, including also the question of retroactivity on the functioning rules. Elia answers that it is a summary out of the report sent by FEBEG and that the question of retroactivity concept is managed in the Capacity Contract and the Functioning Rules.

#### ***CRM Newsletter***

Elia explains that the communication channel for future communication about the different steps of the CRM (operational) processes and the (updated) information published on the Elia CRM webpage will be changed (definitively as of June 30). This communication was done last year through emails sent out via the mailbox of the TaskForce CRM and “CRM Elia customer’s relations” but will now take place via a specific CRM newsletter. Candidates must subscribe to this Newsletter via Elia Website.

### **3. Minutes of Meetings**

The next meeting is currently foreseen on May 19<sup>th</sup> but will probably be canceled.

---

<sup>2</sup> Note : Additionally, ELIA would like to precise that for the specific case of the CMUs linked to an Investment file and granted in 2021 by CREG with a Capacity Category bigger than 1 year and that were not selected in 2021 auction, a new CMU will have to be created in order to request a new Project ID and submit their 2022 Investment file to CREG with this new Project ID.



The meeting afterwards is planned on June 17<sup>th</sup>.