Cross Border CRM (XB CRM)

FUNCTIONING RULES

Design note

October 23rd 2023

TABLE OF CONTENTS

1 INTRODUCTION

This Design Note is provided for explanatory purposes only and does not confer any rights or permissions to the reader. The implementation and detailed design of the design concepts outlined in this document may vary based on specific constraints, or evolving design considerations. This document does not serve as a strict instruction manual.

This document does not constitute a legal or binding commitment by Elia Transmission Belgium to undertake any specific design or development activities. For the most accurate and up-to-date information, it is recommended that the reader always relies on the latest available information.

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This Design Note functions as an overview for Cross Border Participation to the Belgian CRM and covers both the process and the design of Cross Border Participation, with a focus on changes or additions to this process or the design. The document should be standalone for the Cross Border specific aspects, but is meant to be read in conjunction with the latest version of the Functioning Rules for all processes that do not differ between regular and Cross Border Participation. It should be noted that the Design Note represents Elia's current thinking on the elements related to Cross Border Participation. The final design of Cross Border participation will integrated into the CRM Functioning Rules as decided by the CREG on May 15th 2024 at the latest.

There are some important difference for participation of foreign CMUs (i.e. capacities in neighbouring countries which are willing to participate to the Belgian CRM), these are summarized in a non-exhaustive way below.

- Indirect Foreign Capacities are allowed to bid in as "Additional" and "Existing" capacities, not as "Unproven" Capacities.
- No Multi-Year contracts are allowed for Indirect Foreign Capacity Providers, only Single Year contracts. This is due to the nature of Cross Border Participation and its limitation to the Maximum Entry Capacity for each Delivery Period and for each border, which changes year-to-year and isn't known exactly beforehand.
- For the auctions organized in 2024, the participation of Foreign Capacity Providers will be restricted to the Y-1 auction and will thus not include the Y-4 auction.
- Furthermore, no Light Prequalification and Pre-Auction will be held for a certain border for a Delivery Period if the Maximum Entry Capacity is under a certain threshold, as it would not make sense to set-up and run the entire process for a (very) low Maximum Entry Capacity.
- Foreign Capacities that bid in to the Pre-Auction bind themselves unconditionally to participate in the Prequalification and bid in to the Auction with the exact bid that was selected during the Pre-Auction. Foreign capacities which fail the Prequalification process, do not bid in in the Auction with the same bid or have an NRP significantly below the bid volume are subject to penalties as described in Chapter 5 and 6.
- For the Secondary Market, even though trades in all directions (from each border towards each border) are possible, there are a number of additional restrictions related to the Maximum Entry Capacity (MEC) and Pre-Auctioned capacity as no trade can lead to the contracted capacity for a certain point in time exceeding the Maximum Entry Capacity at that point in time.
- For the Delivery Period, changes to both the Availability Monitoring and Payback Obligation processes are required due to differences in the availability and aggregation of data from the Foreign TSOs.

In terms of processes, two additional processes are added, to be followed by all Indirect Foreign Capacity Providers that wish to participate to the Primary Market: Light Prequalification and Pre-Auction. These processes function as a pre-selection of the (potentially) large pool of Indirect Foreign Capacities before they enter the Prequalification process. These processes are illustrated in Figure 1 - Additional processes for Foreign Capacities.

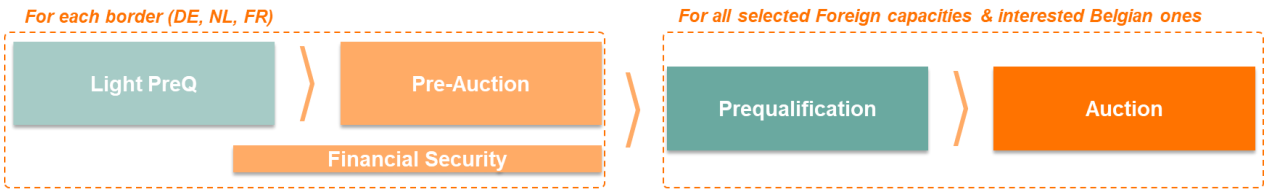


Figure 1 - Additional processes for Foreign Capacities

The following sections cover each of the Chapters of the latest version of the Functioning Rules (the version approved by the CREG and published on Elia's website on May 15th 2023)[1] and highlight the differences, additions or aspects of note in the context of Cross Border Participation and contain more details on the points raised in this introduction.

[1] English translation: https://www.elia.be/-/media/project/elia/elia-site/users-group/ug/wg-adequacy/2023/20230530_crm_functioning_rules_en_clean.pdf

French version: https://www.elia.be/-/media/project/elia/elia-site/users-group/ug/wg-adequacy/2023/20230511_crm_functioning_rules_fr.pdf

Dutch version: https://www.elia.be/-/media/project/elia/elia-site/users-group/ug/wg-adequacy/2023/20230511_crm_functioning_rules_nl.pdf

2 DEFINITIONS

The following abbreviations are added in the context of Foreign Capacity Participation. All other definitions can be found in the latest version of the Functioning Rules (the version approved by the CREG and published on Elia's website on May 15th 2023[2]).

Admissibility Conditions	As defined in Royal Decree on "Indirect Foreign Capacities"
Foreign Capacity Provider	As defined in article 2, 75° of the Electricity Act, but providing Indirect Foreign Capacity.
Foreign Capacity Market Unit (Foreign CMU)	An Indirect Foreign Capacity used in the consecutive phases of the Capacity Remuneration Mechanism to deliver the Service.
Foreign CRM Candidate	The Indirect Foreign Capacity Holder whose application form has been accepted by ELIA.
Indirect Foreign Capacity	As defined in article 2, 85° of the Electricity Act.
Indirect Foreign Capacity Holder	To be defined in the Royal Decree on "Indirect Foreign Capacities", established in accordance with article 7undecies, § 8, paragraph 1, 3° of the Electricity Act.
Light Prequalified CRM Candidate	A Foreign CRM Candidate that has been Light Prequalified.
Maximum Entry Capacity	Determined for each Delivery Period and each border, this value determines the maximum volume from Indirect Foreign Capacities that can be contracted for a specific border for a specific Delivery Period.

[2] https://www.elia.be/-/media/project/elia/elia-site/users-group/ug/wg-adequacy/2023/20230530_crm_functioning_rules_en_clean.pdf

3 SERVICE TIME SCHEDULE

This section summarizes the most relevant milestones and operational deadlines or timings an Indirect Foreign CRM Actor should keep in mind. It provides an overview of the key milestones specified in the Electrricity Act and/or other legal documents related to regular and Cross Border CRM. All specific operational process timings are illustrated in their respective Chapters.

3.1Key Milestones

PERIODS	Gate opening time	Gate closure time	Remarks in respect of the forthcoming Auction
MINISTERIAL DECREE	**NA**	**March 31, Y-4/Y-1**	Last date where Ministerial Decree on "Volume and Parameters" is officially published, which includes the MEC and instruction to organize the cross border auctions.
LIGHT PREQUALIFICATION PROCESS			
Light Prequalification File submission		April 12, Y-1	Last date by which the Foreign CRM Candidate may submit his Light Prequalification File in order to be able to participate to the forthcoming Pre-Auction.
Light Prequalification results notification		May 23, Y-1	Last date by which the Light Prequalification results are officially notified by ELIA to each Foreign CRM Candidate individually.

FUNCTIONING RULES PUBLICATION	NA	May 15, Y-4/Y-1	Last date where Functioning Rules for a related Auction are officially published.

PRE-AUCTION			
Bid submission	May 24, Y-1	May 25, Y-1	Period during which Bids may be introduced by Light Prequalified Foreign CRM Candidates.
Pre-Auction clearing	NA	June 12, Y-1	Period during which the Pre-Auction is cleared and results are validated.
Results notification	NA	June 12, Y-1	Date by which Pre-Auction results are notified to the Foreign CRM Candidates.

PREQUALIFICATION PROCESS[3]			
Prequalification File submission		June 15, Y-4/Y-1	Last date by which the CRM Candidate may submit his Prequalification File in order to be able to participate to the forthcoming Auction.

[3] A Prequalification File can not be introduced later than June 15 of the year of the forthcoming Auction provided that the capacity for which a Prequalification File is introduced has gone through the Light Prequalification Process and was selected during the pre-Auction. However and considering the yearly update of the Functioning Rules published every May 15, any Prequalification File initiated before such date, and to be submitted for the forthcoming Auction, is required to be updated for compliancy before June 15

Prequalification results notification		September 15[4], Y-4/Y-1	Last date by which the prequalification results are officially notified by ELIA to each CRM Candidate individually.
Opt-out Notification submission/adaptation		September 30 06:00, Y-4/Y-1	Last day by which a CRM Candidate is allowed to provide (or to adapt) an Opt-out Notification to ELIA. This deadline is not applicable for Foreign CRM Candidates.

AUCTION			
Bid submission	1 WD after September 15 9:00 , Y-4/Y-1	September 30 17:00 , Y-4/Y-1	Period during which Bids may be introduced by Prequalified CRM Candidates.
Auction clearing	October 1, Y-4/Y-1	October 31, Y-4/Y-1	Period during which the Auction is cleared and results are validated.
Results notification	NA	October 31, Y-4/Y-1	Date by which Auction results are published.

PRE-DELIVERY PERIOD	**November 1, Y-4/Y-1**	**October 31, Y**	

[4] In the event that the CRM Candidate submitted an Investment File to CREG, the prequalification results are notified to the CRM Candidate on September 1, Y-4/Y-1.

DELIVERY PERIOD	November 1, Y	October 31, Y+1	

4 LIGHT PREQUALIFICATION PROCESSES

The Light Prequalification Process is to be followed by all Indirect Foreign Capacities that wish to participate in the Primary Market. The purpose of a Light Prequalification Process is to determine whether and with which volumes an Indirect Foreign Capacity Holder is eligible to participate in the Pre-Auction. In this process, the "Admissibility Conditions" as defined in Royal Decree on "Indirect Foreign Capacities" are checked by Elia and the Foreign TSO in whose control zone the CMU of the Foreign CRM Candidate is located.

4.1Schedule

The Light Prequalification process starts after the Instruction of the Minister to organize the Auction(s) for that specific year.

The due date is the first WD after the due date mentioned (including the date itself) taking into account weekends and Belgian holidays.

Action	Due Date	Details
Application form submission date	April 1 + 1 WD	Once the Foreign CRM Candidate has submitted his application form, ELIA has 5 WD to approve or reject it. The Light Prequalification File cannot be submitted without an approved application form.
Light Prequalification File submission date	April 12	Last date by which the Foreign CRM Candidate may submit his Light Prequalification File in order to be able to participate to the forthcoming Pre-Auction.
Results of the Light Prequalification File first compliance check	May 3	The first Light Prequalification File submission is followed by a compliance check realized by ELIA by May 3. This may trigger a request for additional information, in such case the Light Prequalification File is provisionally "rejected".
Finalization of the Light-Prequalification File	May 15	In the event that ELIA requests for additional information, the Foreign CRM Candidate needs to come back to ELIA with this additional information by May 15.
Results of the final Light Prequalification File compliance check	May 23	Final results with respect to the compliance check of the Light Prequalification File are communicated to the Foreign CRM Candidate by May 23.

4.2Eligibility

Indirect Foreign capacities are subject to the same eligibility and admissibility criteria as Belgian Capacities. These admissibility criteria are also found in the Royal Decree on "Indirect Foreign Capacities".

- The Indirect Foreign Capacity is connected to a TSO network, a DSO network or to a CDS[5];
- the CO2 emissions of the Indirect Foreign Capacity fulfill the CO2 Emissions Cap;
- the Indirect Foreign Capacity does not receive any operating aid for the relevant Delivery Period;
- the Indirect Foreign Capacity fulfills all permit requirements;
- and the Indirect Foreign Capacity fills in the required templates and delivers the required data. These templates and the overview of the data to be delivered are specified in a separate document.

However, a few further specificities exist:

- To reduce operational and design complexity, for now only TSO-connected capacities, not connected to a CDS are eligible. This will be reevaluated at a later stage.
- An Indirect Foreign Capacity can only apply for a 1-year contract, no multi-year.

There are additional criteria for both Daily Schedule and Non-Daily Schedule Foreign capacities due to the specificities and availability of data from Foreign TSOs. These are defined below.

4.3Application Form

The Application Form that is normally filled in at the beginning of the Prequalification Process is also part of the Light Prequalification Process and its approval is required to become a CRM candidate. It can be filled in before the Light PQ tool has been opened (before April 1). ELIA has 5 WD to approve or reject the Application Form.

4.4Light Prequalification Process

The Light Prequalification Process is mainly based on declarations, where the Foreign Capacity Holder will commit to provide certain documentation or commit to a certain Expected and Declared Nominal Reference Power, which will both be fully verified during the Prequalification Process, after selection in the Pre-Auction. The former is indicated as "Declaration to provide <…>" in the table.

All data submitted by the CRM Candidate and approved by ELIA during the Light Prequalification Process will be transferred to the Prequalification Process and cannot be changed anymore except upon request by ELIA.

[5] At first, only TSO-connected capacities are eligible. This will be reevaluated at a later stage.

During Light Prequalification, a significant part of the requirements are to be provided as a "declaration to provide" a certain document or file during the full Prequalification Process.

Due to the difference in requirements and description, the requirements are split between those relevant for Dutch, German and French Foreign Capacity Holders.

A Foreign CMU consists of Delivery Points from the same border.

4.4.1 Light Prequalification File for a Dutch CMU

The following subsections provide an overview of all requirements for a Dutch CMU and a Dutch Delivery Point which is part of a Dutch CMU.

For each Dutch Delivery Point, part of a Dutch CMU:

			Delivery Point's status	
Requirements	**Type of data**	**Comments**	**Existing**	**Additional**
				***General information*:**
Delivery Point name	Name	The CRM Candidate chooses and communicates a Delivery Point's name. There is no requirement with respect to the choice of this name.	**X***	**X***
Technology	Name (drop-down list)	The technology of the Delivery Point is supplied according to the list provided by Article 13 §1 of the *Royal Decree on Methodology.* .	**X***	**X***
Type of Delivery Point	Name (drop-down list)	The CRM Candidate needs to inform ELIA about the fact that the Delivery Point is connected to the TenneT grid as in first instance, only TSO-connected capacities are allowed.	**X***	**X***
Single line diagram	Declaration to provide document	A single line diagram is a diagram with the specific identification of the exact location of the Delivery Point. It can include more than one Delivery Point. *Providing a single line diagram is mandatory for existing TenneT Grid-connected Delivery Points.	**X**	**X**
EAN code(s) of the Access Point	Number	The EAN code of the Access Point is the unique identification number used to identify the metering device of the Access Point that is related to the Delivery Point. (EAN-18)	**X***	**X**
EAN code(s) of the Delivery Point	Number	The EAN code of the Delivery Point is a unique identification number used to identify the metering device of the Delivery Point. (EAN-18)	**X***	**X**
CO_2 calculation module	Declaration to provide document	This is a calculation module provided by the Federal Public Service Economy on its CRM webpage and is filled in by the CRM Candidate as part of its Prequalification File. *This requirement is mandatory for Delivery Points that concern a production capacity using fossil fuels.	**X**	**X**
CO_2 emission	Number (in g/kWh)	*The CRM Candidate must provide a CO_2 emission of the Delivery Point if it concerns a production capacity using fossil fuels as detailed in Annex **Error! Reference source not found.**. Other capacities can provide CO_2 emission whenever relevant. Their value set by default is 0, with this parameter being used for the Auction in case tie-breaking rules are necessary (as per the Functioning Rules). The CO_2 emissions are the subject of a decision by ELIA based on an advice of Federal Public Service Economy during the Prequalification File review process as detailed in the Functioning Rules.	**X**	**X**
CO_2 emission additional documentation	Declaration to provide documentation	*Whenever desired by the CRM Candidate, or when explicity requested by the Federal Public Service Economy, additional specific CO_2 related documentation is provided via the CRM IT interface.	**X**	**X**
Grid User Declaration	Declaration to provide documentation	*The Grid User Declaration is a signed declaration to provide in case the Grid User differs from the CRM Actor. The list of the clauses that must at least be presented into this signed declaration can be found in annex to the Functioning Rules. A Delivery Point can be related to only one Grid User Declaration at a	**X**	

		time.		
Information related to production or energy storage permit	Declaration to provide documentation	If additionally required, the CRM Candidate provides: - the production or energy storage permit if the CRM Candidate already has it; or - proof that a production or energy storage permit request has been introduced at the latest fifteen days after the publication of the Ministerial Decree "Volume and Parameters", if the CRM Candidate does not yet have it. One production or energy storage permit can be valid for more than one Prequalification File as it may cover more than one CMU. For the CMU to be prequalified, such production or energy storage permit must be valid at least until the notification of the Auction results (defined in section **Error! Reference source not found.**) and must be obtained within twenty days before the deadline for submitting Bids in connection with the auctions, in accordance with article 7*undecies* §12 al. 3, 2 a).		**X**
Control zone	Dropdown	Indicate in which control zone the DP is located	**X**	**X**

***Nominal Reference Power related information – for Existing Delivery Points*:**				
Expected Nominal Reference Power	Number (in MW)	In case of an Existing Delivery Point, the CRM Candidate provides the Expected Nominal Reference Power of the Delivery Point.	**X***	
NRP based on injection data only	Name (drop-down list)	The CRM Candidate indicates to ELIA whether the NRP of his Delivery Point can be determined based on injection data only. This will have an impact on the methodology used to determine NRP.	**X***	
***Nominal capacity of production*/storage**	Number (in MW)	The sum of nameplate capacities of any production/storage units (given by the manufacturer of the production/storage unit – also called rated capacity, nominal capacity or installed capacity) installed with a direct or indirect electrical connection to the Delivery Point. The nameplate capacity does not influence the determination of the Nominal Reference Power and is not used by ELIA during the Prequalification Process. It is considered as a complementary information relevant for ELIA during the assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points that concern production capacity.	**X**	
Non-representative days for NRP determination	Y/N and declaration to provide if Y	In case the NRP of the Delivery Point cannot be determined based on injection data only, the CRM Candidate may provide a list of non-representative days of the past thirteen months, which will then be discarded from the period used to determine the NRP as described in the Functioning Rules. Non-representative days can only be exceptional holidays, strike days or closing periods that have an impact on the injection/offtake profile of the Delivery Point. This has to be justified as such by the CRM Candidate.	**x**	
Unsheddable Margin	Number (in MW)	The Unsheddable Margin cannot be lower than the negative of the Nameplate capacity of production and the negative of the maximal injection. *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
Full technical injection Capacity	Number (in MW)	This is the maximum possible injection of active power as measured at the Delivery Point. The term injection is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which Service is provided. The full technical injection capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according the Functioning Rules).	**X***	

Full technical offtake Capacity	Number (in MW)	This is the value indicating the maximum possible offtake of active power at a Delivery Point. The term offtake is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which the Service is provided. The full technical offtake capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
***Nominal Reference Power related information – for Additional Delivery Points*:**				
Declared Nominal Reference Power	Number (in MW)	In case of Additional Delivery Point, the CRM Candidate provides the Declared Nominal Reference Power of the Delivery Point.		**X***

***Grid constraint related information – for Additional Delivery Points part of a New Build CMU*:**				
Existing connection capacity	Number (in MW)	It is the connection capacity (as per the Detail Design). Such value is used by Elia and the Foreign TSO to determine the volume of additional connection capacity which will be subject to the grid constraints applicable to the forthcoming Auction. In this way, the additional connection capacity corresponds to the difference between the capacity agreed upon in the technical agreement and (if any) the sum of the existing connection capacity(ies) associated to this technical agreement. *This requirement is mandatory only for Additional Delivery Points that are part of a New Build CMU.		**X**

For each Dutch CMU:

			Status of the CMU	
Requirements	**Type of data**	**Comments**	**Existing**	**Additional**
CMU name	Name	The CRM Candidate chooses and communicates a CMU name. There is no requirement with respect to the choice of this name.	**X***	**X***
Project execution plan	Declaration to provide document	The project execution plan is the document that establishes the method(s) used to execute the project linked to the CMU. More information about this project execution plan can be found in annex to the Functioning Rules. A project execution plan can be linked to more than one CMU. In case of a New Build CMU, the CRM Candidate is required to use the template as provided in annex to the Functioning Rules.	**X**	**X***
Renouncing the operating aid	Declaration to provide document	The CRM Candidate provides to ELIA a declaration (according to the template provided by the General Direction of Energy of the Federal Public Service Economy) renouncing all operating aid during the Delivery Period(s) covered by a Capacity Contract.	**X***	**X***
Permit requirement	Declaration to provide (tick box)	In accordance with the Functioning Rules, in order to meet the permit requirements to be able to participate to the Primary (as the Buyer of an Obligation) Market, the CRM Candidate provides ELIA proof that it has been awarded, in the last administrative instance, all relevant permits that are required under regional regulations for the construction and/or the operation of the Capacit(y)(ies) included in the CMU in question.	**X***	**X***
Permitting Milestone status	Declaration to provide (tick box) document	For ELIA to be able to establish the Permitting Milestone status, which has an influence on the Financial Security obligation and which is monitored during the Pre-delivery Period via the quarterly reports, the CRM Candidates provides ELIA with all relevant permit information.		**X***
Derating Factor	Number (drop-down list)	The CRM Candidate selects the Last Published Derating Factor that corresponds to the category and, where appropriate, sub-category to which its CMU belongs. The chosen Derating Factor will lead to two values: one value valid for a Y-1 Auction and another one for a Y-4 Auction. The chosen Derating Factor allows ELIA to determine the Eligible Volumes and to define whether or not the CMU is an Energy-constrained CMU: - If the CMU selects a SLA, the CMU is considered as an Energy-constrained CMU; - If the technology of a CMU is declared as falling under Category III with Daily Schedule, in line with article 13 of of Royal Decree Methodology] the CMU is categorized as an Energy Constrained CMU with a number of hours in line with its SLA, or in absence thereof	**X***	**X***

		categorized as an Energy Constrained CMU with an SLA of 4 hours; If all other cases, the CMU is categorized as a Non-Energy Constrained CMU.		
Control zone	Dropdown	Indicate in which control zone the CMU is located	**X**	**X**
Schedule Forecast	Yes/No	Indicate whether or not the CMU is subject to an obligation to provide their Schedule Forecast.	**X**	**X**

All aspects to be provided by a Dutch CMU in addition to the aspects that are to be provided by a Belgian CMU:

- The Foreign TSO in which Control Zone the Foreign CMU is located in order to identify the Foreign TSO to be contacted for all the subsequent process steps and to obtain the correct data and t.

- The identifier (by Delivery Point) to which "Daily Schedule" unit this DP belongs, required to make sure the data is correctly obtained during Availability Monitoring. The equivalent to be used is based on the definition in the SOGL: "Generation Schedule".

- The identifier (by Delivery Point) to which "Balancing" unit this DP belongs, in the case the unit is not "Daily Scheduled", required to make sure that the metering data is corrected during Availability Monitoring.

Daily Schedule for Dutch CMUs

A Daily Schedule is obligated in Belgium for all Delivery Points of more than or equal to 25MW. Each Delivery Point of more than or equal to 25MW has to provide its own Daily Schedule, all other Delivery Points *can* provide their own Daily Schedule. Each Belgian CMU with a Daily Schedule can only consist of one Daily Schedule unit, i.e. one Delivery Point. The Daily Schedule is used during Availability Monitoring to determine the Available Capacity.

An equivalent is needed for the different neighbouring countries. In neighboring countries, according to the SOGL, this is defined as the "Generation Schedule". For uniformity, this "Generation Schedule" or the local equivalent will be used when participating in the Belgian CRM.

For The Netherlands, all "Generation Forecast" units consist of a single Delivery Point. All generation Delivery Points are obligated to declare their "Generation Forecast". As in Belgium, a Dutch "Generation Forecasted" CMU cannot consist of multiple Delivery Points.

"Generation Forecast" will henceforth be considered equivalent to the term "Daily Schedule" to reduce unnecessary complexity.

4.4.2 Light Prequalification File for a French CMU

The following subsections provide an overview of all requirements for a French CMU and a French Delivery Point which is part of a French CMU.

For each French Delivery Point, part of a French CMU:

			Delivery Point's status	
Requirements	**Type of data**	**Comments**	**Existing**	**Additional**
***General information*:**				
Delivery Point name	Name	The CRM Candidate chooses and communicates a Delivery Point's name. There is no requirement with respect to the choice of this name.	**X***	**X***
Technology	Name (drop-down list)	The technology of the Delivery Point is supplied according to the list provided by Article 13 §1 of the *Royal Decree on Methodology*. .	**X***	**X***
Type of Delivery Point	Name (drop-down list)	The CRM Candidate needs to inform ELIA about the fact that the Delivery Point is connected to the RTE grid as in first instance, only TSO-connected capacities are allowed.	**X***	**X***
Single line diagram	Declaration to provide document	A single line diagram (as defined in articles 366 and 367 of the Federal Grid Code) is a diagram with the specific identification of the exact location of the Delivery Point. It can include more than one Delivery Point. This is part of the Grid Access Contract (CART) and doesn't need to be provided separately if a Grid Access Contract is in place, up to the discretion of RTE.	**X**	**X**
EIC code(s) of the Delivery Point	Number	The EIC code of the Delivery Point is the unique identification number used to identify the metering device of the Delivery Point that is related to the Delivery Point. (Code GRC) EIC object type Z (Measurement Point)	**X***	**X**
CO_2 calculation module	Declaration to provide document	This is a calculation module provided by the Federal Public Service Economy on its CRM webpage and is filled in by the CRM Candidate as part of its Prequalification File. *This requirement is mandatory for Delivery Points that concern a production capacity using fossil fuels.	**X**	**X**
CO_2 emission	Number (in g/kWh)	*The CRM Candidate must provide a CO_2 emission of the Delivery Point if it concerns a production capacity using fossil fuels as detailed in Annex to the Functioning Rules. Other capacities can provide CO_2 emission whenever relevant. Their value set by default is 0, with this parameter being used for the Auction in case tie-breaking rules are necessary (as per the Functioning Rules). The CO_2 emissions are the subject of a decision by ELIA based on an advice of Federal Public Service Economy during the Prequalification File review process as detailed in the Functioning Rules).	**X**	**X**
CO_2 emission additional documentation	Declaration to provide documentation	*Whenever desired by the CRM Candidate, or when explicity requested by the Federal Public Service Economy, additional specific CO_2 related documentation is provided via the CRM IT interface.	**X**	**X**
Grid User Declaration	Declaration to provide documentation	*The Grid User Declaration is a signed declaration to provide in case the Grid User differs from the CRM Actor. The list of the clauses that must at least be presented into this signed declaration can be found in the Functioning Rules. A Delivery Point can be related to only one Grid User Declaration at a time.	**X**	
Information related to production or energy storage permit	Declaration to provide documentation	If required, the CRM Candidate provides: - the production or energy storage permit if the CRM Candidate already has it; or - proof that a production or energy storage permit request has been introduced at the latest fifteen days after the publication of the Ministerial Decree "Volume and Parameters", if the CRM Candidate does not yet have it. One production or energy storage permit can be valid for more than one Prequalification File as it may cover more than one CMU. Grid Access Contract (CART) covers all information related to the production or energy storage permits and can be used to verify the validity.		**X**

		For the CMU to be prequalified, such production or energy storage permit must be valid at least until the notification of the Auction results (defined in section **Error! Reference source not found.**) and must be obtained within twenty days before the deadline for submitting Bids in connection with the auctions, in accordance with article 7*undecies* §12 al. 3, 2 a).		
Grid Access Contract (CART)	ID	The Grid Access Contract (CART) contains a large potion of the information required. ID required to verify. Only mandatory for existing RTE-connected Delivery Points.	X	
Control zone	Dropdown	Indicate in which control zone the DP is located	**X**	**X**

***Nominal Reference Power related information – for Existing Delivery Points*:**				
Expected Nominal Reference Power	Number (in MW)	In case of an Existing Delivery Point, the CRM Candidate provides the Expected Nominal Reference Power of the Delivery Point.	**X***	
NRP based on injection data only	Name (drop-down list)	The CRM Candidate indicates to ELIA whether the NRP of his Delivery Point can be determined based on injection data only. This will have an impact on the methodology used to determine NRP.	**X***	
***Nominal capacity of production/*storage**	Number (in MW)	The sum of nameplate capacities of any production/storage units (given by the manufacturer of the production/storage unit – also called rated capacity, nominal capacity or installed capacity) installed with a direct or indirect electrical connection to the Delivery Point. The nameplate capacity does not influence the determination of the Nominal Reference Power and is not used by ELIA during the Prequalification Process. It is considered as a complementary information relevant for ELIA during the assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points that concern production capacity.	**X**	
Non-representative days for NRP determination	Y/N and declaration to provide if Y	In case the NRP of the Delivery Point cannot be determined based on injection data only, the CRM Candidate may provide a list of non-representative days of the past thirteen months, which will then be discarded from the period used to determine the NRP as described in the Functioning Rules. Non-representative days can only be exceptional holidays, strike days or closing periods that have an impact on the injection/offtake profile of the Delivery Point. This has to be justified as such by the CRM Candidate.	**x**	
Unsheddable Margin	Number (in MW)	The Unsheddable Margin cannot be lower than the negative of the Nameplate capacity of production and the negative of the maximal injection. *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
Full technical injection Capacity	Number (in MW)	This is the maximum possible injection of active power as measured at the Delivery Point. The term injection is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which Service is provided. The full technical injection capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according the Functioning Rules).	**X***	
Full technical offtake Capacity	Number (in MW)	This is the value indicating the maximum possible offtake of active power at a Delivery Point. The term offtake is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which the Service is provided. The full technical offtake capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
***Nominal Reference Power related information – for Additional Delivery Points*:**				
Declared Nominal Reference Power	Number (in MW)	In case of Additional Delivery Point, the CRM Candidate provides the Declared Nominal Reference Power of the Delivery Point.		**X***

***Grid constraint related information – for Additional Delivery Points part of a New Build CMU*:**				
Existing connection capacity	Number (in MW)	It is the connection capacity (as per the Detail Design). Such value is used by ELIA and RTE to determine the volume of additional connection capacity which will be subject to the grid constraints applicable to the forthcoming Auction. In this way, the additional connection capacity corresponds to the difference between the capacity agreed upon in the technical agreement and (if any) the sum of the		**X**

		existing connection capacity(ies) associated to this technical agreement. *This requirement is mandatory only for Additional Delivery Points that are part of a New Build CMU.		

For each French CMU:

Requirements	Type of data	Comments	Status of the CMU: Existing	Status of the CMU: Additional
CMU name	Name	The CRM Candidate chooses and communicates a CMU name. There is no requirement with respect to the choice of this name.	**X***	**X***
Project execution plan	Declaration to provide document	The project execution plan is the document that establishes the method(s) used to execute the project linked to the CMU. More information about this project execution plan can be found in annex to the Functioning Rules. A project execution plan can be linked to more than one CMU. In case of a New Build CMU, the CRM Candidate is required to use the template as provided in annex to the Functioning Rules.	**X**	**X***
Renouncing the operating aid	Declaration to provide document	The CRM Candidate provides to ELIA a declaration (according to the template provided by the General Direction of Energy of the Federal Public Service Economy) renouncing all operating aid during the Delivery Period(s) covered by a Capacity Contract. https://economie.fgov.be/sites/default/files/Files/Energy/CRM-Engagement-de-renonciation-a-l-aide-au-fonctionnement.docx	**X***	**X***
Permit requirement	Declaration to provide (tick box)	In accordance with the Functioning Rules, in order to meet the permit requirements to be able to participate to the Primary or Secondary (as the Buyer of an Obligation) Market, the CRM Candidate provides ELIA proof that it has been awarded, in the last administrative instance, all relevant permits that are required under regional regulations for the construction and/or the operation of the Capacit(y)(ies) included in the CMU in question. Permits that are part of the Grid Access Contract (CART) do not need to be provided separately.	**X***	**X***
Permitting Milestone status	Declaration to provide (tick box) document	For ELIA to be able to establish the Permitting Milestone status, which has an influence on the Financial Security obligation and which is monitored during the Pre-delivery Period via the quarterly reports, the CRM Candidates provides ELIA with all relevant permit information.		**X***
Derating Factor	Number (drop-down list)	The CRM Candidate selects the Last Published Derating Factor that corresponds to the category and, where appropriate, sub-category to which its CMU belongs. The chosen Derating Factor will lead to two values: one value valid for a Y-1 Auction and another one for a Y-4 Auction. The chosen Derating Factor allows ELIA to determine the Eligible Volumes and to define whether or not the CMU is an Energy-constrained CMU: - If the CMU selects a SLA, the CMU is considered as an Energy-constrained CMU; - If the technology of a CMU is declared as falling under Category III with Daily Schedule, in line with article 13 of of Royal Decree Methodology] the CMU is categorized as an Energy Constrained CMU with a number of hours in line with its SLA, or in absence thereof categorized as an Energy Constrained CMU with an SLA of 4 hours; If all other cases, the CMU is categorized as a Non-Energy Constrained CMU.	**X***	**X***
Control zone	Dropdown	Indicate in which control zone the CMU is located	**X**	**X**
Generation Schedule	Yes/No	Indicate whether or not the CMU is subject to an obligation to provide their Daily Schedule/Generation Schedule/Schedule Forecast.	**X**	**X**
EDC ID	ID	Identifies which EDC ID the CMU has in case it is Generation Scheduled.	**X**	**X**

All aspects to be provided by a French CMU in addition to the aspects that are to be provided by a Belgian CMU:

- The Foreign TSO in which Control Zone the Foreign CMU is located in order to identify the Foreign TSO to be contacted for all the subsequent process steps and to obtain the correct data.

- The identifier (by CMU) to which "Daily Schedule" unit this CMU belongs, required to make sure the data is correctly obtained during Availability Monitoring. The equivalent to be used is based on the definition in the SOGL: "Generation Schedule".

- The identifier (by CMU) to which "Balancing" unit this CMU belongs, in the case the unit is not "Daily Scheduled", required to make sure that the metering data is corrected during Availability Monitoring.

Daily Schedule for French CMUs

A Daily Schedule is obligated in Belgium for all Delivery Points of more than or equal to 25MW. Each Delivery Point of more than or equal to 25MW has to provide its own Daily Schedule, all other Delivery Points *can* provide their own Daily Schedule. Each Belgian CMU with a Daily Schedule can only consist of one Daily Schedule unit, i.e. one Delivery Point. The Daily Schedule is used during Availability Monitoring to determine the Available Capacity.

An equivalent is needed for the different neighbouring countries. In neighboring countries, according to the SOGL, this is defined as the "Generation Schedule". For uniformity, this "Generation Schedule" or the local equivalent will be used when participating in the Belgian CRM.

For France, a "Generation Scheduled" CMU should be exactly the same as its "Entité de Capacité" (EDC), which is the aggregation at which units provide their Daily Schedule. This means that all Delivery Points in the EDC need to be part of the CMU as well. A CMU cannot contain more than one EDC.

"Generation Schedule" will henceforth be considered equivalent to the term "Daily Schedule" to reduce unnecessary complexity.

4.4.3 Light Prequalification File for a German CMU

The following subsections provide an overview of all requirements for a German CMU and a German Delivery Point which is part of a German CMU.

For each German Delivery Point, part of a German CMU:

			Delivery Point's status	
Requirements	**Type of data**	**Comments**	**Existing**	**Additional**
***General information*:**				
Delivery Point name	Name	The CRM Candidate chooses and communicates a Delivery Point's name. There is no requirement with respect to the choice of this name.	**X***	**X***
Technology	Name (drop-down list)	The technology of the Delivery Point is supplied according to the list provided by Article 13 §1 of the *Royal Decree on Methodology*.	**X***	**X***
Type of Delivery Point	Name (drop-down list)	The CRM Candidate needs to inform ELIA about the fact that the Delivery Point is connected to the TSO grid as in first instance, only TSO-connected capacities are allowed.	**X***	**X***
Single line diagram	Declaration to provide document	A single line diagram (as defined in articles 366 and 367 of the Federal Grid Code) is a diagram with the specific identification of the exact location of the Delivery Point. It can include more than one Delivery Point.	**X**	**X**
EIC code(s) of the Access Point (Marktlokation (MaLo-ID))	Number (11-digit anumeric coding)	The EIC code of the Access Point is the unique identification number used to identify the metering device of the Access Point that is related to the Delivery Point.	**X***	**X**
EIC code(s) of the Delivery Point ("Messlokation (Zählpunktbezeichnung) des Netzanschlusspunktes")	Number (33-alphanumeric code)	The EIC code of the Delivery Point is a unique identification number used to identify the metering device of the Delivery Point.	**X***	**X**
CO_2 calculation module	Declaration to provide document	This is a calculation module provided by the Federal Public Service Economy on its CRM webpage and is filled in by the CRM Candidate as part of its Prequalification File. *This requirement is mandatory for Delivery Points that concern a production capacity using fossil fuels.	**X**	**X**
CO_2 emission	Number (in g/kWh)	*The CRM Candidate must provide a CO_2 emission of the Delivery Point if it concerns a production capacity using fossil fuels as detailed in Annex to the Functioning Rules. Other capacities can provide CO_2 emission whenever relevant. Their value set by default is 0, with this parameter being used for the Auction in case tie-breaking rules are necessary (as per the Functioning Rules). The CO_2 emissions are the subject of a decision by ELIA based on an advice of Federal Public Service Economy during the Prequalification File review process as detailed in the Functioning Rules).	**X**	**X**
CO_2 emission additional documentation	Declaration to provide documentation	*Whenever desired by the CRM Candidate, or when explicity requested by the Federal Public Service Economy, additional specific CO_2 related documentation is provided via the CRM IT interface.	**X**	**X**
Grid User Declaration (Bestätigungserklärung des Anschlussnetzbetreibers)	Declaration to provide documentation	*The Grid User Declaration is a signed declaration to provide in case the Grid User differs from the CRM Actor. The list of the clauses that must at least be presented into this signed declaration can be found in annex of the Functioning Rules. A Delivery Point can be related to only one Grid User Declaration at a time.	**X**	
Information related to production or energy storage permit	Declaration to provide documentation	If additionally required, the CRM Candidate provides: - the production or energy storage permit if the CRM Candidate already has it; or - proof that a production or energy storage permit request has been introduced at the latest fifteen days after the publication of the Ministerial Decree "Volume and Parameters", if the CRM Candidate does not yet have it. One production or energy storage permit can be valid for more than one		**X**

		Prequalification File as it may cover more than one CMU. For the CMU to be prequalified, such production or energy storage permit must be valid at least until the notification of the Auction results (defined in the Functioning Rules) and must be obtained within twenty days before the deadline for submitting Bids in connection with the auctions, in accordance with article 7*undecies* §12 al. 3, 2 a).		
Control zone	Dropdown	Indicate in which control zone the DP is located	**X**	**X**

***Nominal Reference Power related information – for Existing Delivery Points*:**				
Expected Nominal Reference Power	Number (in MW)	In case of an Existing Delivery Point, the CRM Candidate provides the Expected Nominal Reference Power of the Delivery Point. For a CDS-connected Delivery Point, the Expected Nominal Reference Power is included in the CDSO Declaration.	**X***	
NRP based on injection data only	Name (drop-down list)	The CRM Candidate indicates to ELIA whether the NRP of his Delivery Point can be determined based on injection data only. This will have an impact on the methodology used to determine NRP.	**X***	
***Nominal capacity of production/*storage**	Number (in MW)	The sum of nameplate capacities of any production/storage units (given by the manufacturer of the production/storage unit – also called rated capacity, nominal capacity or installed capacity) installed with a direct or indirect electrical connection to the Delivery Point. The nameplate capacity does not influence the determination of the Nominal Reference Power and is not used by ELIA during the Prequalification Process. It is considered as complementary information relevant for ELIA during the assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points that concern production capacity.	**X**	
Non-representative days for NRP determination	Y/N and declaration to provide if Y	In case the NRP of the Delivery Point cannot be determined based on injection data only, the CRM Candidate may provide a list of non-representative days of the past thirteen months, which will then be discarded from the period used to determine the NRP as described in the Functioning Rules. Non-representative days can only be exceptional holidays, strike days or closing periods that have an impact on the injection/offtake profile of the Delivery Point. This has to be justified as such by the CRM Candidate.	**x**	
Unsheddable Margin	Number (in MW)	The Unsheddable Margin cannot be lower than the negative of the Nameplate capacity of production and the negative of the maximal injection. *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
Full technical injection Capacity	Number (in MW)	This is the maximum possible injection of active power as measured at the Delivery Point. The term injection is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which Service is provided. The full technical injection capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according to the Functioning Rules).	**X***	
Full technical offtake Capacity	Number (in MW)	This is the value indicating the maximum possible offtake of active power at a Delivery Point. The term offtake is used to designate a certain sense of energy flow and does not exclusively refer to the technical means with which the Service is provided. The full technical offtake capacity is not measured by ELIA during the tests taking place during the Prequalification Process. It can be perceived as complementary information relevant for ELIA in the case of assessment of the information received during the Prequalification Process (according to the Functioning Rules). *This requirement is mandatory only for Delivery Points for which NRP cannot be calculated based on injection data only	**X**	
***Nominal Reference Power related information – for Additional Delivery Points*:**				
Declared Nominal Reference Power	Number (in MW)	In case of Additional Delivery Point, the CRM Candidate provides the Declared Nominal Reference Power of the Delivery Point.		**X***

***Grid constraint related information – for Additional Delivery Points part of a New Build CMU*:**				
Existing connection capacity	Number (in MW)	It is the connection capacity (as per the Detail Design). Such value is used by ELIA to determine the volume of additional connection capacity which will be subject to the grid constraints applicable to the forthcoming Auction. In this way, the additional connection capacity corresponds to the difference between the capacity agreed upon in the technical agreement and (if any) the sum of the existing connection capacity(ies) associated to this technical agreement.		**X**

		*This requirement is mandatory only for Additional Delivery Points that are part of a New Build CMU.		

For each German CMU:

			Status of the CMU	
Requirements	**Type of data**	**Comments**	**Existing**	**Additional**
CMU name	Name	The CRM Candidate chooses and communicates a CMU name. There is no requirement with respect to the choice of this name.	**X***	**X***
Project execution plan	Declaration to provide document	The project execution plan is the document that establishes the method(s) used to execute the project linked to the CMU. More information about this project execution plan can be found in annex to the Functioning Rules. A project execution plan can be linked to more than one CMU. In case of a New Build CMU, the CRM Candidate is required to use the template as provided in annex to the Functioning.	**X**	**X***
Renouncing the operating aid	Declaration to provide document	The CRM Candidate provides to ELIA a declaration (according to the template provided by the General Direction of Energy of the Federal Public Service Economy) renouncing all operating aid during the Delivery Period(s) covered by a Capacity Contract.	**X***	**X***
Permit requirement	Declaration to provide (tick box)	In accordance with the Functioning Rules, in order to meet the permit requirements to be able to participate to the Primary or Secondary (as the Buyer of an Obligation) Market, the CRM Candidate provides ELIA proof that it has been awarded, in the last administrative instance, all relevant permits that are required under regional regulations for the construction and/or the operation of the Capacit(y)(ies) included in the CMU in question.	**X***	**X***
Permitting Milestone status	Declaration to provide (tick box) document	For ELIA to be able to establish the Permitting Milestone status, which has an influence on the Financial Security obligation and which is monitored during the Pre-delivery Period via the quarterly reports, the CRM Candidates provides ELIA with all relevant permit information.		**X***
Derating Factor	Number (drop-down list)	The CRM Candidate selects the Last Published Derating Factor that corresponds to the category and, where appropriate, sub-category to which its CMU belongs. The chosen Derating Factor will lead to two values: one value valid for a Y-1 Auction and another one for a Y-4 Auction. The chosen Derating Factor allows ELIA to determine the Eligible Volumes and to define whether or not the CMU is an Energy-constrained CMU: - If the CMU selects a SLA, the CMU is considered as an Energy-constrained CMU; - If the technology of a CMU is declared as falling under Category III with Daily Schedule, in line with article 13 of of Royal Decree Methodology] the CMU is categorized as an Energy Constrained CMU with a number of hours in line with its SLA, or in absence thereof categorized as an Energy Constrained CMU with an SLA of 4 hours; If all other cases, the CMU is categorized as a Non-Energy Constrained CMU.	**X***	**X***
Control zone	Dropdown	Indicate in which control zone the CMU is located.	**X**	**X**
Generation Schedule	Yes/No	Indicate whether or not the CMU is subject to an obligation to provide their Generation Schedule.	**X**	**X**
GenerationSchedule identification (Daily Schedule Identification)	W-EIC Code (W-Code)	Provide the ID of the Generation Schedule block / Daily Schedule of the CMU.	**X**	**X**

All aspects to be provided by a German CMU in addition to the aspects that are to be provided by a Belgian CMU:

- The Foreign TSO in which Control Zone the Foreign CMU is located in order to identify the Foreign TSO to be contacted for all the subsequent process steps and to obtain the correct data.

- The identifier (by CMU) to which "Daily Schedule" unit this CMU belongs, required to make sure the data is correctly obtained during Availability Monitoring. The equivalent to be used is based on the definition in the SOGL: "Generation Schedule".

- The identifier (by CMU) to which "Balancing" unit this CMU belongs, in the case the unit is not "Daily Scheduled", required to make sure that the metering data is corrected during Availability Monitoring.

Daily Schedule for German CMUs

A Daily Schedule is obligated in Belgium for all Delivery Points of more than or equal to 25MW. Each Delivery Point of more than or equal to 25MW has to provide its own Daily Schedule, all other Delivery Points *can* provide their own Daily Schedule. Each Belgian CMU with a Daily Schedule can only consist of one Daily Schedule unit, i.e. one Delivery Point. The Daily Schedule is used during Availability Monitoring to determine the Available Capacity.

An equivalent is needed for the different neighbouring countries. In neighboring countries, according to the SOGL, this is defined as the "Generation Schedule". For uniformity, this "Generation Schedule" or the local equivalent will be used when participating in the Belgian CRM.

For Germany, a "Generation Scheduled" CMU should be exactly the same as its "Generation Block Unit" (aggregation unit for "Generation Schedule" in Germany), this means that all Delivery Points in the "Generation Block Unit" need to be part of the CMU. A CMU cannot contain more than one "Generation Block Unit". Generation units connected to the TSO network and above 10 MW are obligated to declare their "Generation Schedule".

"Generation Schedule" will henceforth be considered equivalent to the term "Daily Schedule" to reduce unnecessary complexity.

4.5Metering requirements

Specific metering requirements are to be added in Annex to the Functioning Rules for each of the Foreign countries (and/or control zones if needed).

4.6Volume determination

Opt-Out and all modalities related to Opt-Out are not relevant for Cross Border Participation, as there is no obligation to prequalify for Foreign Capacities, which means that there is no need for Opt-Out.

The Volume determination during Light Prequalification is purely declarative, with all CMUs declaring their Declared or Expected NRP, depending on whether it concerns an Additional or Existing CMU.

Starting from the Declared or Expected NRP, Elia determines the (Remaining) Eligible Volume as follows:

1. In case there are no Transactions yet with a Transaction Period that overlaps (partially) with the Delivery Period to which the Auction relates, Elia determines the Eligible Volume, as follows:

$$Eligible\ Volume = Derating\ Factor * Expected\ or\ Declared\ NRP$$

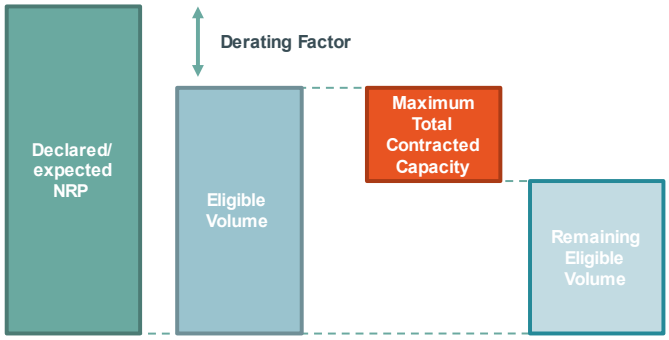
2. Otherwise, Elia determines the Remaining Eligible Volume, as follows:

For Non-energy Constrained CMUs:

$$Remaining\ Eligible\ Volume = Maximum\ \{0, Eligible\ Volume - maximum\ Total\ Contracted\ Capacity\ over\ the\ Delivery\ Period\ to\ which\ the\ Auction\ relates\}$$

The Remaining Eligible Volume is determined by subtracting the already contracted capacity during the Delivery Period from the Eligible Volume calculated previously. The Remaining Eligible Volume cannot be negative.

Figure 2 Remaining Eligible Volume calculation illustrates this calculation, obtaining the Eligible Volume by applying the Derating Factor to the Declared or Expected NRP. Further taking into account the capacity that was already contracted "Maximum Total Contracted Capacity", the Remaining Eligible Volume can be obtained.



For Energy Constrained CMUs:

$$Remaining\ Eligible\ Volume = Maximum\ \{0, Eligible\ Volume - maximum\ Total\ Contracted\ Capacity\ over\ the\ Delivery\ Period\ to\ which\ the\ Auction\ relates * \frac{Derating\ Factor}{Derating\ Factor\ (CMU, t)}\}$$

In case of an Energy Constrained CMU, the already Contracted Capacity during the Delivery Period to which the Auction relates is re-evaluated taking into account the improvement or deterioration of the Derating Factor over time.

Figure 2 Remaining Eligible Volume calculation

4.7Transfer of data to Prequalification file

The data that has been provided declaratively during Light PQ, will be transferred to the full Prequalification Process if the Foreign CMU has been selected in the Pre-Auction and cannot be changed without explicit request/approval by ELIA.

All data points where a "declaration to provide" a document, a file, … has been indicated by the Foreign Capacity Provider are to be completed with the respective document or file during full Prequalification according to the time schedules set out.

All of the checks that have occurred during Light Prequalification for which the information provided is not different between LPQ and PQ do not have to be repeated for the full Prequalification process.

5 PRE-AUCTION

The goal of the Pre-Auction is to select the most relevant Indirect Foreign Capacities for each border

and for each Delivery Period. For each Auction (both Y-4 and Y-1) and for each border, a Pre-Auction can take place, pre-auctioning at most a volume equal to the MEC, but other limitations apply as will be set out in "Volume to be procured".

5.1Schedule

The deadlines and milestones relevant to Pre-Auction will be as follows:

The due date is the first WD after the due date mentioned (including the date itself) taking into account weekends and Belgian holidays.

Action	Due Date	Details
Results of the Light Prequalification File Compliance Check	May 23	Final results with respect to the compliance check of the Light Prequalification File are communicated to the Foreign CRM Candidate by May 23.
Bid submission (gate open)	May 24	Period during which Bids may be introduced by Light Prequalified Foreign CRM Candidates.
Bid submission (gate close)	May 25	
Pre-Auction results notification	June 12	Date by which Pre-Auction results are communicated.

5.2Bid submission

The Light Prequalified CRM Candidate can submit a Bid volume and Bid price for of its Foreign CMUs into the Pre-Auction. If a specific bid is selected in the Pre-Auction, the Foreign CMU binds itself unconditionally to submit the same bid (same Bid volume and Bid price, subject to validation of the NRP and REV) in the Auction for that Delivery Period.

Within the same Pre-Auction for a single border, a Light Prequalified CRM Candidate can label a bid as being part of a set of mutually exclusive Bids.

There cannot be any dependencies between Bids across the different Pre-Auctions for the different borders.

Bid compliance

Contract duration is equal to one Delivery Period. Hence, the Bid price is less than or equal to the Intermediate Price Cap, as determined by the Minister on March 31 for the relevant main auction to which the Pre-Auction relates, except in the event that an application is made for an Intermediate Price Cap derogation. In case this application is approved by the CREG, the Bid Price is less than or equal to the missing money included in the derogation application.

As there is no Opt-OUT, the Foreign CMU is allowed to choose their Bid Volume freely, as long as it is lower than their Remaining Eligible Volume. The difference between the Bid Volume and the Remaining Eligible Volume is not accounted for in the auction or towards adequacy. Thus, the volume of a bid must be lower than or equal to the Eligible Volume, Remaining Eligible Volume or the Volume to be procured

in that specific Pre-Auction (see further). A penalty shall be applied if the Remaining Eligible Volume determined during Prequalification is lower than the bid volume after the bid has been selected in the Pre-Auction.

The Bid Volume must be higher than the minimum bid volume of 1 MW derated.

5.3 Auction clearing

5.3.1 Volume to be procured in the pre-auction

For a specific Delivery Period, the total volume to be procured for a specific border is limited to the Maximum Entry Capacity.

This volume to be procured is divided between the different Pre-Auctions and Auctions based on a certain percentage of the Maximum Entry Capacity assigned to each of the Pre-Auctions and Auctions. It should be noted that for the auctions organized in 2024, cross border participation will only be possible for the Y-1 auction for delivery year 2025-2026.

In Y-1, the volume to be procured is determined based on the MEC that has been decided on by the Minister in the Ministerial Decree of the 15th of March, decreased with the volume that was already contracted for that specific border and that specific Delivery Period.

$$\begin{aligned} &\textit{Pre auction Volume to be procured}_{Y-1,\ \textit{border},\ \textit{Delivery Period}} \\ &\quad = \textit{MEC}_{\textit{border},\ \textit{Delivery Period}} - \textit{Volume Already Contracted}_{\textit{border,Delivery Period}} \end{aligned}$$

Figure 3 Pre-Auction volume to be procuredillustrates the formula above, starting from the MEC in Y-1 and the volume that was already contracted to obtain the Pre-Auction volume to be procured.

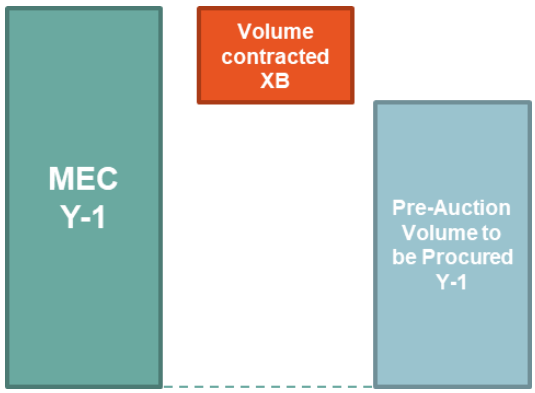


Figure 3 Pre-Auction volume to be procured

5.3.2 Grid constraints

ELIA accommodates in the Pre-Auction the grid constraints imposed by the foreign TSOs where they are notified by the Foreign TSO within the required time period following the format specified below.

The Foreign TSOs submit the grid constraints as soon as possible after May 15 but no later than Gate Closure for Bid Submission of the year in which the Pre-Auction takes place.

ELIA shall not be liable for the correctness of the content of these external grid constraints, nor for their calculation. ELIA does not bear any liability for the calculation methodology, the calculated results or

their application in the Auction algorithm during the application phase. ELIA is only responsible for the correct application of the received information.

An external grid constraint shall take the form of a combination of a number of defined CMUs that would lead to an unacceptable Pre-Auction result. The table below illustrates the case, listing the non-acceptable combinations for three CMUs:

CMU 1	CMU 2	CMU 3	Reason for non-acceptability of combination
1	1	0	For example, no connection possibility for CMU1 and CMU2 at the same time
1	0	1	For example, no sufficient space at substation X

Table: Illustration which summarizes 2 grid constraints for 3 CMUs in a table format

The grid constraints presented in this table are combined into a combination matrix with Light Prequalified infeasible CMU combinations in the smallest set possible in order to avoid redundant information.

5.3.3 Pre-Auction clearing methodology

The Pre-Auction clearing methodology consists of two phases: the "optimization phase", which is performed in any case, and the "tie-breaking" rules in case multiple combinations of bids results from the optimization phase.

In a year where several Pre-Auction are organized, ELIA first applies the Pre-Auction clearing methodology for the in the order of the Delivery Periods to which the Auction relates, from earliest to latest.

In a Pre-Auction, ELIA pursues the combination of Bids with minimal cost with a penalty for missing volume compared to the volume to be procured, for which the sum of the Bid volumes of all Bids considered in the combination does not exceed the volume to be procured. The cost is calculated as the Bid volume multiplied by the Bid Price, summed over all Bids considered in the combination, increased by the missing volume multiplied by a certain penalty. The combination of bids that minimizes this total cost is chosen:

$$\min \left(\sum_i (P_i \cdot Q_i \cdot x_i) + \ y \cdot penalty\right)$$

with

$$\sum_i Q_i \cdot x_i = Volume\ to\ be\ procured - y$$

$$y \geq 0$$

$$x \in [0,1]$$

- P_i is the price per MW of bid i
- Q_i is the volume of bid I in MW
- x_i indicates whether or not bid i is selected

- penalty is the penalty for missing volume/non-procured volume and to be set at 1 EUR above the Global Auction Price Cap

Figure 4 - Cost Minimization with Penalty illustration illustrates this algorithm. The algorithm selects the bids 1 through x that minimize the total area under the curve. The total area under the curve consists of the sum of the different bids, as well as the penalty incurred for the volume of the selected bids being smaller than the volume to be procured, which is penalized at the Auction Price Cap + 1 EUR.

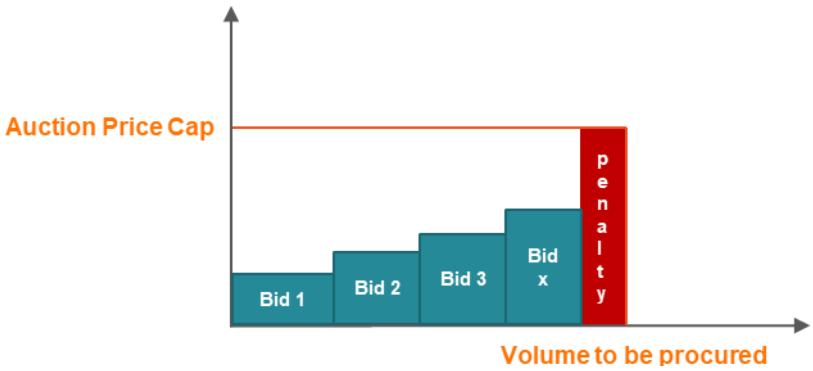


Figure 4 - Cost Minimization with Penalty illustration

In case multiple combinations of Bids are equivalent in terms of cost, ELIA pursues the combination of Bids that results in the highest capacity volume calculated as the sum of the volumes of all Bids retained in the combination.

The following tie-breaking rules apply sequentially, until one unique combination of Bids is retained. When a unique combination is found, the Pre-Auction clearing is finished and all Bids within this combination of Bids are selected.

1. Tie-breaking rule 1: Carbon dioxide emissions

Preference is given to the combination of Bids that is characterized by the lowest carbon dioxide emissions (CO2), calculated as the Bid volume weighted average of the emission factors (in gCO2/kWh) of the CMUs to which the Bids considered in the combination relate.

2. Tie-breaking rule 2: First come, first served

The "first come, first served" rule applies as follows:

a) all unique Bids within all remaining combinations of Bids are sorted according to their Bid submission time;

b) based on the sorted list of Bids, from the first submitted Bid to the last submitted Bid:

   i. ELIA discards the combination(s) of Bids that do not include the first submitted Bid.

   ii. ELIA continues the process of discarding combinations of Bids with the next submitted Bids until only one combination of Bids remains.

5.3.4 Pre-Auction results

The results of the Pre-Auction (Bids selected) are final. In the case his offer is selected in the Pre-Auction, the Foreign Capacity Providers engages itself unconditionally to bid in to the Auction with an identical bid. The only reasons a bid could change are:

1. The CMU fails their Prequalification. In this case the entire Bid cannot be entered in the Auction.

2. The (Remaining) Eligible Volume for the CMU determined during Prequalification is lower than the Bid Volume. In this case, the CMU can choose to lower their Bid Volume or withdraw their

bid from the Auction.

In case the bid volume or bid price into the Auction is different from the Pre-Auction, a penalty is applied.

In order to enable the CREG to effectively exercise its power of validation of results of the Auction, in accordance with the Royal Decree of 30 May 2021 on the determination of the detailed monitoring rules for the proper functioning of the Capacity Remuneration Mechanism, ELIA shall send to the CREG, no later than three Working Days after the Bid submission deadline for the Pre-Auction, all of the required information relating to the Bids submitted, including the same information as for Belgian CMUs in the Auction.

Upon finalization of the Pre-Auction clearing, ELIA submits the list of selected Bids to the CREG for information, which also the same information as the list of selected bids for Belgian CMUs in the Auction.

6 PREQUALIFICATION PROCESS

The Prequalification Process can only be followed by all Indirect Foreign Capacities that have been selected in the Pre-Auction. Any Indirect Foreign Capacity that has successfully been selected in the Pre-Auction must provide all remaining documents that are required for Prequalification and which the CMU declared to provide during the Light Prequalification.

For Foreign CMUs, there is only a single Prequalification process to follow: the Standard process.

6.1 Prequalification Schedule

There is a slightly different schedule for Foreign CMUs during Prequalification: the deadline for Prequalification File submission remains in order to participate to the Primary Market[6], but only the transfer of the Light Prequalification File to the Prequalification File should be done by this point. A deadline 30 June is applicable for Foreign CMUs for the submission of all further documents required.

6.2 Application form

Foreign CMUs that have been Light Prequalified have already submitted their application form and received an approval. Hence, it is not necessary to provide the application form again, nor will it be validated again.

6.3 Prequalification file

The Prequalification file consists of the same fields as during Light Prequalification, adapted on a per country basis. All data provided during Light Prequalification will be automatically filled in in the final Prequalification File and cannot be changed anymore by the Foreign Candidate. For all fields where a declaration "to provide document/…" has been agreed to by the Foreign Capacity Provider during Light PQ, the Capacity Provider should provide the required documents/input.

[6] Both Foreign & domestic capacities willing to participate to the Secondary Market can prequalify themselves outside of the specific timing foreseen for the Prequalification Process according to the timing foreseen in section 5.3.2.

6.4 Volumes Determination

The Volumes Determination calculation will occur in the same way as during Light Prequalification, with the main difference being that the Nominal Reference Power for Foreign Existing CMUs is now calculated based on metering data in the same way this is done for Belgian Existing CMUs. This new value for the NRP is final and supercedes the declaration-based approach during Light Prequalification.

The Eligible Volumes, Remaining Eligible Volumes and the Secondary Market Remaining Eligible Volume are calculated based on the calculated Nominal Reference Power in the same way as described in the Light Prequalification chapter.

For Foreign Additional CMUs, a Declared NRP is still used, so there is no need for a new calculation during Prequalification.

6.5 Penalties for Foreign CMUs during Prequalification

Since the Foreign Capacity Provider has made a binding commitment to bid in the same bid during Auction as the one that was selected during the Pre-Auction , any downward impact on this bid volume is potentially subject to a penalty. Two situations where this leads to a penalty:

1. The NRP Determination and subsequent Remaining Eligible Volume calculation lead to the conclusion that the Bid Volume of the Foreign CMU selected in the Pre-Auction is higher than the final Remaining Eligible Volume. Here, the Capacity Provider has two options.

    a. Reduce their Bid Volume to the Remaining Eligible Volume, keeping the same Bid Price/MW but reducing their total compensation. In this case, a penalty is applicable that is proportional to the reduced Bid Volume. (E.g. 20% reduction leads to 20% of the Maximum Penalty for a failed Prequalification) The penalty is only applied starting from a required correction of the Bid Volume of more than 10%.

    b. Withdraw their Bid and fail the Prequalification, incurring the full penalty.

2. The CMU fails their Prequalification incurring the full penalty, unless the failure is the fault of ELIA.

Size of the penalties

The penalty is applied according to the Missing Volume and is set to 3 000€/MW of Missing Volume.

The level of this penalty has been chosen to be equal to the lowest possible penalty during the Pre-delivery period for Missing Volume, which is in-line with the firmness expected from the bid between Pre-Auction and Auction. This is a compromise between the penalty being too low, which would allow for gaming in the Pre-Auction and lead to less firm bids, and the penalty being too high, which in turn would lead to a higher risk for the Foreign CMUs.

Timing of the penalties

Both penalties will be applied at the moment the results and final NRP are notified (15 September).

7 AUCTION PROCESS

The Auction process is identical to the Auction process for Belgian CMUs. When bidding in to the Pre-Auction, the Foreign CMU binds themselves unconditionally to bid in at the same Bid Price and Bid Volume as the bid that was selected in the Pre-Auction. In case the (Remaining) Eligible Volume , as

determined during the Prequalification Process, is lower than the Bid volume in the Pre-Auction, only the lower (Remaining) Eligible Volume is allowed as Bid volume in the Auction and a penalty is applied.

Additional checks are required to verify whether or not the Bid Price and Bid Volume are the same in the Auction as the Bid that was selected in the Pre-Auction.

In case the bid volume into the Auction is different from the Pre-Auction and wasn't penalized for this during the Prequalification process, a penalty is applied in the same way as during Prequalification, at 3000€/MW.

No grid constraints are to be taken into account for Foreign CMUs, as these have already been taken into account during the Pre-Auction. Hence, no grid constraints across borders are possible.

7.1 Adaptations and corrections of the Demand Curve

If during the Y-1 Pre-Auction, the entire maximum volume to be procured was not filled (can be either due to lack of volume bid in to the Pre-Auction or incompatibility of the bids or bid volumes), the remainder of this volume is assumed to be implicitly present. Hence, a downwards volume correction of the Demand Curve with this implicitly present volume is required.

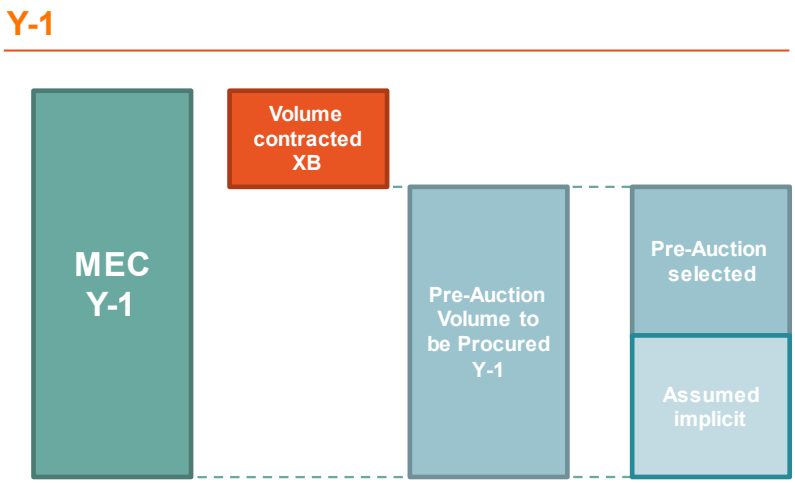


Figure 5 - Correction of Demand Curve with Implicit Volume

Figure 5 - Correction of Demand Curve with Implicit Volumeillustrates this. During the Y-1 Pre-Auction, not the entire MEC was procured. Hence, the difference between the remaining MEC and the volume selected during Pre-Auction is counted on as being implicitly present. This volume is used to correct the Demand Curve.

8 CAPACITY CONTRACT SIGNATURE

When a Transaction is confirmed, either consecutive to a selection of a Bid in the Auction or following a validation of a transaction on the Secondary Market, a Capacity Contract needs to be signed between the CRM Actor and ELIA. If a Capacity Contract has already been concluded for this CMU, the confirmation of a Transaction subsequent to the date of the conclusion of the contract will require that the Contract be amended.

The Capacity Contract to be signed corresponds to the latest version of the capacity contract, approved by the CREG and published on the Transaction Validation Date.

9 PRE-DELIVERY CONTROL

9.1 Pre-delivery period definition

A Pre-delivery Period always relates to one Delivery Period. A Pre-Delivery Period starts with the publication of the Y-4 Auction results for the corresponding Delivery Period and ends with the start of the Delivery Period.

Each Pre-delivery Period contains two phases. Phase 1 starts with Delivery Period Y-4 auction result notification and ends on August 31 Y-2. Phase 2 starts with the end of Phase 1 and ends at the start of the Delivery Period, on October 31 of year Y.

The CMUs for which a Capacity Contract is concluded following a Y-1 Auction or upon validation of a Transaction on the Secondary Market are subject to all control modalities that still remain for the Pre-delivery Period linked to the Delivery Period concerned.

9.2 Pre-delivery modalities for Existing Foreign CMUs

Similar to Belgian CMUs, at both moments of control (i.e. at August 31 Y-2 or October 31 Y), Foreign CMUs will need to prove their Pre-delivery Obligation by means of a calculation based on either historical data or a dedicated test, where the latter is only carried out at the request of the Capacity Provider. Moreover, in case of a test, the foreign TSO can request to modify the timing in case of grid stability and/or congestion issues.

The permit report needs to be provided at the first moment of control. These permit reports contain all relevant information for the country or area in question. The analysis of the permit report takes place with support of the foreign TSO.

9.3 Pre-delivery modalitites for Additional CMUs

Similar to Belgian CMUs, at the first moment of control (i.e. at August 31 Y-2), the verification of the Pre-delivery Obligation takes place based on the submitted quarterly report. The information that needs to be included for Foreign CMUs, as well as the template that needs to be followed, are identical to those for Belgian CMUs.

The information with regards to permits in the quarterly reports provide all necessary elements for the country or area in question. The analysis of the elements related to the permits takes place with support of the foreign TSO.

At the second moment of control (October 31 Y), the Additional CMU needs to have become Existing and the verification of its Pre-delivery Obligation takes place as described above.

The procedure to change from Additional to Existing is identical to the one for Belgian CMUs.

9.4 Delays in Infrastructure Works

In case of an Additional Foreign CMU, similar to Belgian CMUs, if the Capacity Provider becomes aware of delays in Infrastructure Works when these have been duly notified during the Prequalification Process and said delay has an impact of more than 2 months on the start of the delivery of capacity, he can notify Elia by means of its quarterly reports.

ELIA may request additional information from the Capacity Provider or the foreign grid operator in

question.

Upon a correct notification of delays in Infrastructure Works, the same operational procedure as for Belgian CMUs is applied.

9.5 Pre-delivery control penalties

In case Missing Volumes are determined, penalties are applied in the same way as for Belgian CMUs.

9.6 Processes to follow prior to the start of the Transaction Period

Identical to the process for Belgian CMUs, Capacity Providers of foreign CMUs must provide ELIA with their initial Declared Day-ahead Price as well as their initial NEMO. For the latter, the choice can be any NEMO in the respective bidding zone of the CMU.

10 AVAILABILITY OBLIGATION

The Availability Obligation process makes the distinction between Daily Schedule and Non-daily Schedule CMUs on the one hand, and Energy Constrained and Non-energy Constrained CMUs on the other.

With regards to Daily Schedules CMUs, ELIA considers a Foreign CMU to be (Non-)daily Schedule when it has been identified as such in the Prequalification Process.

With regards to Energy Constrained CMUs, ELIA considers a Foreign CMU to be (Non-)energy Constrained when it has been identified as such in the Prequalification Process.

10.1 Unavailable Capacity and Scheduled Maintenance

Identical to Belgian CMUs, foreign CMUs have to notify ELIA of any Unavailable Capacity that he becomes aware of during the Delivery Period.

The notification of Unavailable Capacity, as well as whether the Capacity Provider wants to apply the notification as Announced Unavailability or Unannounced Unavailability and whether or not it should be counted as Scheduled Maintenance, takes place via the CMR IT interface for all Foreign CMUs whether they are Daily Schedule or not.

The announced unavailabilities are subsequently used in the remainder of the Availability Obligation process, identical to the ones for Belgian CMUs.

Identical to Belgian CMUs, foreign CMUs have the ability to notify ELIA about any Scheduled Maintenance that is planned during the Delivery Period. This notification is submitted through the CRM IT Interface for all foreign CMUs. Finally, all Foreign CMUs, irrespective if they have a Daily Schedule obligation or not, that notify Scheduled Maintenance to ELIA submit this notification following the modalities set out for CMUs without Daily Schedule.

10.2 AMT Moments

AMT Moments take place when the Belgian Day-ahead Market Price exceeds the AMT Price, regardless

of the country/bidding zone in which the foreign CMU is located.

10.3 Declared Price(s) and Required Volume

Identical to Belgian CMUs, Capacity Providers of foreign Non-daily Schedule CMUs need to provide ELIA with the Declared Price(s). Along with the selection of NEMO, the initial declaration of Declared Price needs to take place before the end of the Pre-delivery Period (cfr. supra), but these can be adapted throughout the Delivery Period via the CRM IT interface.

The Declared Price(s) is (are) compared to the price level at the selected NEMO in order to determine the Required Volume as well as the Declared Market Price.

The figure below illustrates the difference between the application of the Belgian Day-ahead Market Price on the one hand and the NEMO that has been selected by the foreign Capacity Provider on the other.

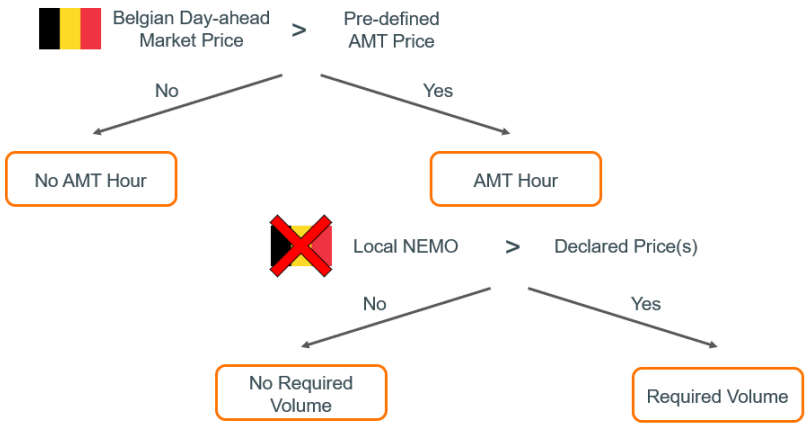


Figure 6 - Flowchart to determine the Required Volume

10.4 Availability Monitoring

Determination of the Obligated Capacity

Obligated Capacity is determined identically to Belgian CMUs.

For Energy-constrained foreign CMUs during the determination of the SLA Hours, in case of equal amounts of average Measured Power, ELIA selects the set of AMT Hours that contains the hour with the highest observed Belgian Day-ahead Market Price.

Determination of the Available Capacity

Available Capacity for Daily Schedule foreign CMUs is determined identically to Belgian CMUs. Corrections on the initial Proven Availability (in case of Daily Schedule CMUs) or Active Volume (in case of Non-daily Schedule CMUs) only take place insofar data with regards to frequency-related ancillary services and redispatching services can be made available by the foreign TSO

During the determination of Available Capacity for Non-daily Schedule Foreign CMUs, initial Active and initial Passive Volume is calculated based on metering data provided by the Foreign TSO on Delivery Point level. Corrections on the initial Active and initial Passive Volume only take place insofar data with regards to frequency-related ancillary services and redispatching services can be made available by the foreign TSO.

10.5 Availability Testing

Foreign CMUs are subject to the same classified methodology testing regime based on the indicators in section 9.5.1.1 in the Functioning Rules.

When a Foreign CMU is selected for an Availability Test the relevant TSO is notified. In case of grid stability and/or congestion issues, the foreign TSO can request an alternative day for the Test.

Determination of the Obligated Capacity

Obligated Capacity is determined identically to Belgian CMUs.

Determination of the Available Capacity

The initial Available Capacity is calculated based on metering data provided by the foreign TSO on Delivery Point level. Corrections on the initial Available Capacity only take place insofar data with regards to frequency-related ancillary services and redispatching services can be made available by the foreign TSO.

10.6 Missing Capacity and Unavailability Penalty

Missing Capacity is determined identically to Belgian CMUs.

In case of Missing Capacity, Unavailability Penalty and penalty escalation procedures are determined and carried out identically to Belgian CMUs.

11 SECONDARY MARKET

The Secondary Market is fully available for Foreign CMUs as of the moment they are Prequalified. Secondary Market transactions are possible between all "borders", but are subject to a few additional specific limiting factors.

A Light Prequalified CRM Candidates has no access to the Secondary Market, as a full Prequalification is required. On the other hand, the Light Prequalification process is not required for a Foreign Capacity Provider to participate in the Secondary Market, only a Prequalification process.

All practical and process aspects are the same for all transactions.

Additional requirements and limitations for Secondary Market transactions including a Foreign Buyer

In addition to the regular Secondary Market provisions, if a Buyer of an Obligation notifies a transaction for a Foreign CMU and if the transactions occurs across a border (from a Seller in a certain country to a Buyer in another country), the Secondary Market Capacity is limited to the available share of the Maximum Entry Capacity on the border of that Foreign CMU. As part of the Secondary Markt transaction approval process, ELIA verifies if sufficient Remaining Maximum Entry Capacity is available on the border of that Foreign CMU.

$$Secondary\ Market\ Capacity \leq Minimum(SMREV(CMU, TP, t_{notif}); Remaining\ Maximum\ Entry\ Capacity(CMU, TP, t_{notif}))$$

Where:

- $SMREV(CMU, TP, t_{notif})$ is calculated in accordance with the formulas of this section **Error! Reference source not found.**.

- $Remaining\ Maximum\ Entry\ Capacity(CMU, TP, t_{notif})$ is the minimum Remaining Maximum Entry Capacity for the border of the Foreign CMU over the Transaction Period at moment t_{notif}, calculated as mentioned below.

11.1 Calculation of the Remaining Maximum Entry Capacity

For each border, the calculation of the Remaining Maximum Entry is calculated in accordance with the following formulas: Remaining Maximum Entry Capacity between Y-4 and Y-1

Between the Y-4 and Y-1 Auction for a Delivery Period, the Remaining Maximum Entry Capacity is the positive result of the Pre-Auctioned Volume during the Y-4 Auction for that border reduced by the Total Contracted Capacity for Foreign CMUs on that border.

This is represented by the following formula:

$$\boldsymbol{RMEC(border, TP, t_{notif})}$$

$$= \boldsymbol{Max(0;\ Pre - Auctioned\ Volume_{Y-4} - Total\ Contracted\ Capacity}_{\ max}\ \boldsymbol{(border, TP, t_{notif})}$$

Where:

- $border$ is the border of the Foreign CMU of the Buyer of an Obligation of the Secondary Market transaction;
- TP is the Transaction Period of the Secondary Market transaction according to section **Error! R eference source not found.**;
- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to section **Error! Reference source not found.**.
- $Pre - Auctioned\ Volume_{Y-4}$ is the Pre-Auctioned Volume during the Y-4 Auction for the Delivery Period covered by the Transaction Period of the Secondary Market transaction.
- $Total\ Contracted\ Capacity_{\ max}\ (border, TP, t_{notif})$ is the maximum of the border's Total Contracted Capacity over the Transaction Period at t_{notif}.

Remaining Maximum Entry Capacity after Y-1

After the Y-1 Auction for that Delivery Period, the Remaining Maximum Entry Capacity is the positive result of the Total Contracted Capacity on that border before the Y-1 Auction, increased with the Pre-Auctioned volume during the Y-1 Auction and reduced by the Total Contracted Capacity for Foreign CMUs on that border.

This is represented by the following formula:

$$\boldsymbol{RMEC(border, TP, t_{notif})}$$
$$= \boldsymbol{Max(0;\ Total\ Contracted\ Capacity_{Y-1} + Pre - Auctioned\ Volume_{Y-1}}$$
$$\boldsymbol{- Total\ Contracted\ Capacity}_{\ max}\ \boldsymbol{(border, TP, t_{notif})}$$

Where:

- $border$ is the border of the Foreign CMU of the Buyer of an Obligation of the Secondary Market transaction;

- TP is the Transaction Period of the Secondary Market transaction according to section **Error! R eference source not found.**;

- t_{notif} is the moment at which ELIA acknowledges reception of the notification according to section **Error! Reference source not found.**.

- $Total\ Contracted\ Capacity_{Y-1}$ is the Total Contracted Capacity on the border before the Y-1 Auction for the Delivery Period covered by the Transaction Period of the Secondary Market transaction.

- $Pre-Auctioned\ Volume_{Y-1}$ is here the Pre-Auctioned Volume during the Y-1 Auction for the Delivery Period covered by the Transaction Period of the Secondary Market transaction.

- $Total\ Contracted\ Capacity_{\ max}\ (border, TP, t_{notif})$ is the maximum of the border's Total Contracted Capacity over the Transaction Period at t_{notif}.

In addition to the regular provisions, for a Foreign Buyer of an CMU's Obligation, the Transaction Period can only cover multiple Delivery Periods if

1. The Secondary Market Capacity does not exceed the Remaining Maximum Entry Capacity for each Delivery Period that is (partially) covered by the Transaction Period; and
2. The Remaining Maximum Entry Capacity is already calculated for each Delivery Period that is (partially) covered by the Transaction Period.

The Transaction Period shouldn't cover one or more full Delivery Periods as long as the Y-1 Auction results have not been validated by the CREG for all Delivery Periods that are part of the Transaction Period.

The Secondary Market will only open after the validation and publication of the Auction results in 2024 for Foreign CMUs.

12 FINANCIAL SECURITIES

The Financial Security modalities for Foreign CRM Actors are the same as for Belgian CRM Actors, but are to be provided earlier in the process, in-line with the timings of Light Prequalification and Pre-Auction.

Since the bid that is submitted into the Pre-Auction is final, a Financial Security is to be submitted and verified before the bid submission in the Pre-Auction. The deadline for the submission of the Financial Security is 10 May.

The Foreign CRM Candidate is free to anticipate the Secured Amount required to participate in the Pre-Auction, i.e. the Secured Amount that must be covered on the Bid submission deadline in Pre-Auction.

For Foreign CMUs, the Financial Security can also be called upon by ELIA as of the selection of the CMU in the Pre-Auction and only when the penalties related to Foreign CMUs during Prequalification or Auction (see Chapter 6 and 7), remain unpaid.

12.1 General Provisions regarding the Financial Security Obligation

Foreign CRM Actors are subject to the same Financial Security provisions. The Financial Security obligation applies for both a Primary and Secondary Market transaction.

12.2 Validity Period

The Validity Period for a transaction on the Primary Market (Pre-Auction in case of a Foreign CRM Candidate) starts on Pre-Auction Gate Closure. The Validity Period for a transaction on the Secondary Market is the same as for Belgian CMUs.

The end date of the Validity Period is the same as for Belgian CMUs and also depends on the status of the CMU (Existing or Additional).

12.3 Types of Financial Securities

The same types of Financial Securities are permissible for Foreign CMUs as for Belgian CMUs, being a bank guarantee, an Affiliate guarantee or a cash payment. For these types of Financial Security, the same requirements are applicable as for Belgian CMUs.

12.4 Secured Amount

For any moment which is part of one or more Validity Period(s) of a CMU, the Secured Amount for a CMU (expressed in €) is calculated by multiplying the Required Level (expressed in €/MW) with the Volume to be Guaranteed (expressed in MW).

Required Level

The Required Level, determined at CMU level, in function of the status of the CMU, is the same as for Belgian CMUs.

Volume to be Guaranteed

The Volume to be Guaranteed is calculated based on the Maximum Expected Contracted Capacity for a moment and is calculated in the same way as for Belgian CMUs.

12.5 Call upon the Financial Security

The Financial Security can only be called upon by ELIA as of the Transaction Validation Date and when the following penalties remain unpaid:

- the financial penalties resulting from the pre-delivery control; or
- the penalty due in the event of the non-signature of the Capacity Contract; or
- for Foreign CMUs, in case of financial penalties resulting from a failure to Prequalify or not bidding in at the same bid price and volume in the Auction after being selected in the Pre-Auction.

The procedure to be followed to call upon the Financial Security is the same as for Belgian CMUs, but with an additional case:

- in the case of financial penalties resulting from a failure to Prequalify or not bidding

in at the same bid price and volume in the Auction after being selected in the Pre-Auction and the credit note or the invoice remains unpaid at the due date, ELIA sends a reminder to the Capacity Provider via the CRM IT Interface within ten Working Days starting from the due date. In this reminder, ELIA informs the Capacity Provider of:

- the Transaction(s) and associated Financial Security(ies) that relate to these unpaid credit notes or the aforementioned invoice;
- that it will call upon the Financial Security within ten Working Days starting from the date of this reminder in case the credit note or the aforementioned invoice remains unpaid;

12.6 Additional moment of release

A full or partial release of a Financial Security is possible at certain defined moments, identical to the moments for Belgian CMUs. However, there is an additional moment of release for Foreign CMUs, namely after the Pre-Auction. Two processes can occur here:

1. The Foreign CMU has been selected, but with a lower Volume than their Maximum Expected Contracted Capacity. Here, a partial release can occur to bring the Volume to be Guaranteed in line with the selected Bid Volume.
2. The Foreign CMU has not been selected in the Pre-Auction. A full release is will occur.

13 PAYBACK OBLIGATION

The Payback Obligation modalities for Foreign CMUs are identical to those for Belgian CMUs, with a few aspects to be highlighted.

The Payback Obligation applies to all Foreign CMUs when their Reference Price exceeds the Strike Price. It is calculated based on (among others):

- The Reference Price, in €/MWh; and
- the Strike Price, in €/MWh.

Reference Price

For Foreign CMUs, the Reference Price used to determine the Payback Obligation is based, similar to Belgian CMUs, on the NEMO active in their own country which in turn is chosen by the Foreign CMU. These NEMO's can be different compared to the NEMO's active in Belgium (in line with § 826 of latest version of the CRM Functioning Rules). Thus, for Foreign Capacities participating to the BE CRM, their chosen NEMO and thus Reference Price might differ from a NEMO active in the BE Market. As such, it does not influence in any way the calculation of the Payback Obligation.

Strike Price

The Strike Price on the other hand is applicable in the same way to Belgian and Foreign CMUs and does not change depending on the region to make sure that a level playing field is kept between Belgian and Foreign CMUs. It is used to calculate the Payback Obligation in the same way as for Belgian CMUs.The determination of the Strike Price (or its replacement by the DMP) which will be used for the determination of the Payback Obligation depends on the status of the CMU having a Daily Schedule or not. Foreign CMUs are considered with or without a Daily Schedule in function of their input in the Prequalification process.

The actualization of the Strike Price takes place based on the evolution of the BE Day-Ahead Market and does not differ between the different countries for which capacities participate to the CRM. The modalities for all of these aspects remain the same leading de facto to the same strike price used for

the calculation of the Payback Obligation (when it is not replaced by the DMP).

Both of these are used in the following formulas of the Payback Obligation determination (depending on the status of the CMU):

- For a Non-energy Constrained CMU:

$$\begin{aligned} &Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) \\ &= \big(Reference\ Price\ (CMU_{id}, t) - \ Calibrated\ Strike\ Price(CMU_{id}, Transaction_{id}, t)\big) \\ &* Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) * Availability\ Ratio\ (CMU_{id}, t) \end{aligned}$$

- For an Energy Constrained CMU's ex-ante Transaction:

$$\begin{aligned} &Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) \\ &= \big(Reference\ Price\ (CMU_{id}, t) - Calibrated\ Strike\ Price(CMU_{id}, Transaction_{id}, t)\big) \\ &* \frac{Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)}{Derating\ Factor(\ Transaction_{id}\ )} * Availability\ Ratio\ (CMU_{id}, t) \end{aligned}$$

- For an Energy Constrained CMU's ex-post Transactions:

$$\begin{aligned} &Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) \\ &= \big(Reference\ Price\ (CMU_{id}, t) - Calibrated\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)\big) \\ &* Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) * Availability\ Ratio\ (CMU_{id}, t) \end{aligned}$$

14 LIABILITY AND FORCE MAJEURE

No changes required to Liability and Force Majeure. Belgian law is also applicable for Cross Border Participation.

15 DISPUTE RESOLUTION

No changes required to Dispute Resolution as this was already written to work in a Cross Border Participation context.

16 FALLBACK PROCEDURES

Next to the Design changes already mentioned in this design note, there are a number of Fallback Procedures that are to be added or changed in the context of Cross Border Participation, both due to the involvement of the Foreign TSO, as well as the additional processes required (Light Prequalification & Pre-Auction). Furthermore, all applicable Fallback Procedures are valid by sending an e-mail to the appropriate mail address of the applicable Foreign TSO or ELIA.

Light Prequalification Process

For Light Prequalification, the same fallback procedures are to be used as described for the Prequalification process applicable to domestic capacities.

Pre-Auction

For Pre-Auction, the same fallback procedures are to be used as described for the Auction process. However, the Grid Constraints fallback procedure will be different as all of the timings will be adapted to the Pre-Auction timings, as well as the Foreign TSO being the responsible party in communicating the potential Grid Constraints.

For the Pre-Auction results issues, the timings will also be adapted to the Pre-Auction timings.

Prequalification Process

For Foreign CMUs, the same fallback procedures are to be used as described for the Prequalification process applicable to domestic capacities.

Auction Process

No changes to the fallback procedures during the Auction Process.

Pre-delivery Control

For the Pre-delivery test fallback procedure, the pre-delivery test is to be requested through the Foreign TSO by e-mail instead of through the CRM IT interface.

Availability Monitoring

For the Pre-delivery test fallback procedure, the availability test is to be requested through the Foreign TSO by e-mail instead of through the CRM IT interface.

Secondary Market

No changes required to the fallback procedures for Secondary Market.

Financial Securities

No changes required to the fallback procedures for Financial Securities.

17 TRANSPARENCY AND MOTIVATION

There are no major changes to the Transparency and Motivation in the context of participation of Foreign CMUs. However, there are additional processes and data points that are included to comply with the transparency obligation. Furthermore, there are certain aspects that are not relevant for Cross Border Participation, such as the "Opt-out Volumes" for Foreign CMUs in the Auction report.

Pre-Auction Results

For each conducted Pre-Auction, ELIA publishes a Pre-Auction report on its website by October 31 at the latest. The Pre-Auction Report only contains the results of the Pre-Auction, with the same information as the results of the Auction:

- Submitted Bids: bid and capacity volume information
- Selected Bids: bid, Pre-Auction price and Capacity Volume information

All others

The Prequalification Results, Auction Report, Pre-delivery Activity Report and the Yearly Report before the start of the Delivery Period do not require any adaptations and will also include all of the Foreign CMUs.