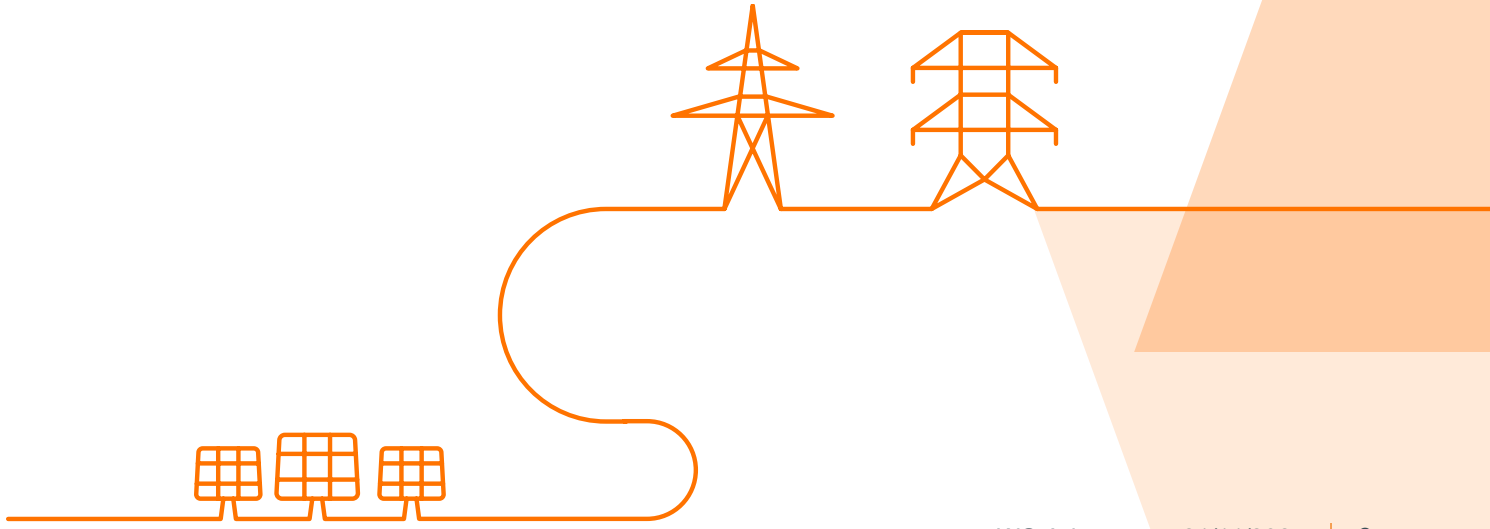
WG Adequacy #43

21/11/2025

Agenda

- Welcome
- Validation Meeting Minutes
- Feedback FPS Economy Royal Decrees public consultation
- RTE & FR CRM
- Auction results 2025
- Design changes Functioning Rules V6
- AOB & Next meetings



Welcome

Validation meeting minutes

Validation Meeting Meeting Minutes

- Validation of the meeting minutes of WG 42 on 13/10/2025
  - No comments were received

Feedback FPS Economy Royal Decrees public consultation

FPS Economy, S.M.E.s, Self-employed and Energy

– Consultation reports –
– Royal Decrees receivability and CO2

– FPS Economy – November 21st , 2025

Royal Decree receivability - contributions

- **1. FEBELIEC**
  - Supports limiting participation of companies in financial difficulty (reduces risk of contractual capacity unavailability).
  - Requests that bank guarantees required by Elia also be reduced.
  - Opposes exclusion of companies subject to State aid recovery because:
  - Recovery is not always linked to their actions in the electricity market.
  - Exclusion could increase CRM costs, contrary to electricity law.
  - Cannot accept exclusion until the European Commission has issued a final decision on the recovery.

- **2. FEBEG**
  - **Prequalification**: High administrative burden and operational cost, especially for capacity holders not intending to participate in auctions.
  - Keep auction participation threshold at 1 MW.
  - Introduce higher threshold (e.g., 5 MW) for mandatory prequalification.
  - **Aid cumulation – storage**: Requests confirmation that aid cumulation ban does not cover exemption from network tariffs (transport charges).
  - **Eligibility criteria – fixed date**: Finds it inconsistent to verify capacity holder status only on 15 June when prequalification is continuous, including in the secondary market.

Royal Decree receivability – FPS responses

1. **FEBELIEC**
   - Exclusion of companies in difficulty or under State aid recovery is a direct European Commission requirement (Decision SA.114003, 17 Sept 2024, recital 18).
   - Belgium has explicitly committed to applying this restriction, based on the State aid rescue/restructuring guidelines.

2. **FEBEG**
   - Mandatory prequalification is necessary to accurately calibrate the demand curve and contract the optimal volume at lowest cost.
   - Data exchange with Regions will improve monitoring, but some units (e.g., storage) are not yet systematically tracked.
   - The 1 MW threshold will be reassessed in a techno-economic report by May 2026 (five years after the 21 May 2021 AR entered into force).
   - Ministerial position: CRM is complex (400+ pages), over 1,000 units prequalified, 55% declare they don't intend to participate → consider exemption for units repeatedly confirming non-participation, reducing ~550 files.
   - Storage network tariff exemption is not considered State aid by CREG → compatible with CRM.
   - Fixed 15 June date is coherent as it matches the bid submission deadline; secondary market actors already have the required authorizations.

Royal Decree control and CO2 - contributions

1. **FEBELIEC**
   - No stricter ("gold-plating") CO_2 thresholds than EU law; align CRM with EU rules to avoid extra costs without real CO_2 impact.
   - Keep admin obligations minimal to ensure CRM accessibility.

2. **Elia**
   - **Art. 16**: Replace "average" in 306 kg CO_2/kWe limit — should be a strict max.
   - **Art. 19**: Adjust prequalification decision deadlines:
     - Pluriannual: ≤5 working days before 1 Sept.
     - Non-pluriannual: ≤5 working days before 15 Sept.
     - Flagged that an exception only appears in Dutch version — harmonize.
   - **Art. 26**: Clarify all parties (operator, aggregator, capacity holder) must sign energy transition commitment in aggregated prequalification.
   - **Art. 30**: Clarify if formal notice is required before sanctions.

3. **Confidential stakeholder**
   - Endorses FEBEG comments; requests a Q&A session to clarify complex points.
   - Supports "one measure – one objective" principle: CRM should secure supply, not push decarbonization.

4. **FEBEG**
   - **Art. 22**: Monthly CO_2 reporting unnecessary — based on annual assessment per EU Reg. 2019/943.
   - Align ex-ante and ex-post CO_2 calculation formulas; extend 30-day report deadline (ETS docs come only early next year).
   - Sanction method unclear, arbitrary, discriminatory (factor A — intent/guilt; factor B — size; factor D — history).
   - Penalty formula ignores some prequalified thresholds (e.g., 600 g/kWh); unclear €/kWh calculation; should be annual.
   - Differentiate rules for existing vs future multi-year contracts; respect non-retroactivity.
   - Express CO_2 reduction in tons/year, consider hours-of-operation reductions; clarify "indicative" 2030/35/45 targets.
   - CO_2 reports should show actual reductions, not just ISO efficiency; 31 Dec deadline unrealistic.
   - Account for uncertainties in decarbonization tech rollout (e.g., hydrogen infrastructure).
   - Confirm €50k sanction cap applies to all CO_2 penalties.

Royal Decree sanctions and CO2 – FPS responses

1. FEBELIEC

- Thresholds already aligned with EU regs (Reg. 2024/1747); emission reduction path approved by EU decision SA.104336 (2023) & CEEAG.
- FEBELIEC has supported the trajectory in previous work; aligns with their role as low-carbon capacity representative.
- Administrative obligations are essential for fairness: CO_2 thresholds, transition commitments, prequalification, subsidy-cumulation ban.

2. Elia

- "Average" term is intentional — 3-year mean required by ACER Opinion 22/2019; ex-post uses single-year data.
- Will amend deadlines as proposed; harmonize FR/NL versions.
- All three parties (operator, aggregator, capacity holder) must sign transition commitment.
- Sanctions: multi-step process —constatation → sanction → execution; formal notice possible at final stage (FPS FIN).

3. Confidential stakeholder

- CRM's main goal is security of supply, but EU & academic guidance see capacity mechanisms also serving environmental objectives; aligns with many actors' decarbonization plans.

4. FEBEG

- Monthly reporting kept — needed for proportionate, month-specific sanctions since CRM payments are monthly; annual average still calculated.
- ETS report deadline extended to 31 March Y+1.
- Sanction method: Factor A (reactivity), Factor B (size) for proportionality, Factor D (history) clarified; formula to include both 306 $kgCO_2/kWe/year$ and 600 gCO_2/kWh thresholds.
- No retroactive application, but EU decision SA.114003 (2024) requires transition commitment for any existing capacity seeking multi-year contract.
- Measuring in g/kWh preserves precision; hours-of-operation not a neutral metric.
- Interim targets mandatory to report but non-binding; only 2050 goal is binding with sanctions if unmet.
- CO_2 cuts can come from emission factor, design efficiency, or carbon capture; uncertainty in tech rollout being studied with CLIMACT
- €50k cap applies, but separate %-of-turnover penalty possible for subsidy-cumulation breaches; subsidies recovered regardless.

RTE & FR CRM

Le réseau de transport d'électricité

French CRM General Design & XBorder FR-BE

21/11/2025

1 Design of the French CRM

The current CRM is reaching the end of its authorisation by the European Commission

- The CRM aims at **steering French security of supply in the long term**, by awarding a capacity remuneration to all assets contributing to peak load reduction during winter

- The French CRM was given authorisation by the European Commission in 2016 (**which expires in 2026**).

- In 2021, RTE has conducted a comprehensive feedback analysis on the first functioning delivery years of the CRM, which underlined the following points:

  - The CRM is **economically relevant to ensure security of supply**

  - Its initial decentralized design (in opposition to the Belgian CRM) is complex and could be **significantly simplified** to enhance its efficiency and lead to **better price formation**

- The French State wants to continue the CRM after 2026 and has given **mandate to RTE in 2022 to conduct a public consultation** with the objective of overhauling the CRM

Towards a new French CRM

The transition toward a centralized mechanism leverages the feedback and experience gained from the decentralized CRM currently in place

- **Concentration of supply and demand around auctions organized by RTE,** which contracts on behalf of the community for the capacity needed to ensure security of supply, thereby improving the transparency and clarity of the price signal.
- **Centralization of the mechanism's financial flows.**
- **Operational simplification of the current system,** whose complexity has been repeatedly highlighted by stakeholders.

The adoption of the new CRM is ongoing, with a first Delivery Period set for the winter 2026 - 2027

- ❑ **The new CRM was enshrined in law in the beginning of 2025.** The government succeeded in adopting the Finance Bill the 5th of February 2025, and the French capacity mechanism is considered as a tax by the supreme court
- ❑ The Ministry expects the **regulatory framework to be established by beginning of December** and the Market Rules to be consulted by the end of December.
- ❑ At European level, discussions with the DGCOMP and DGENER are ongoing, and the **European Commission's authorisation is expected in the end of the year**

General design set up by the law

Capacity Providers

Capacity Income

Rte

Contribution (tax)

Suppliers

- **Capacity providers must be available for the electric system during Peak Periods hours (PP).** The certification conducted by DSO and TSO must reflect the expected availability of the capacity during those PP hours.
- The regulator defines capacity need for each DP based on RTE's proposals. RTE is responsible for contracting Capacities through centralised Auctions.
- Auctions can include multi-year contracts.
- RTE pays capacity providers at the end of the delivery period, then proceeds to applying penalties the following year if the capacity providers have not fulfilled their commitments.

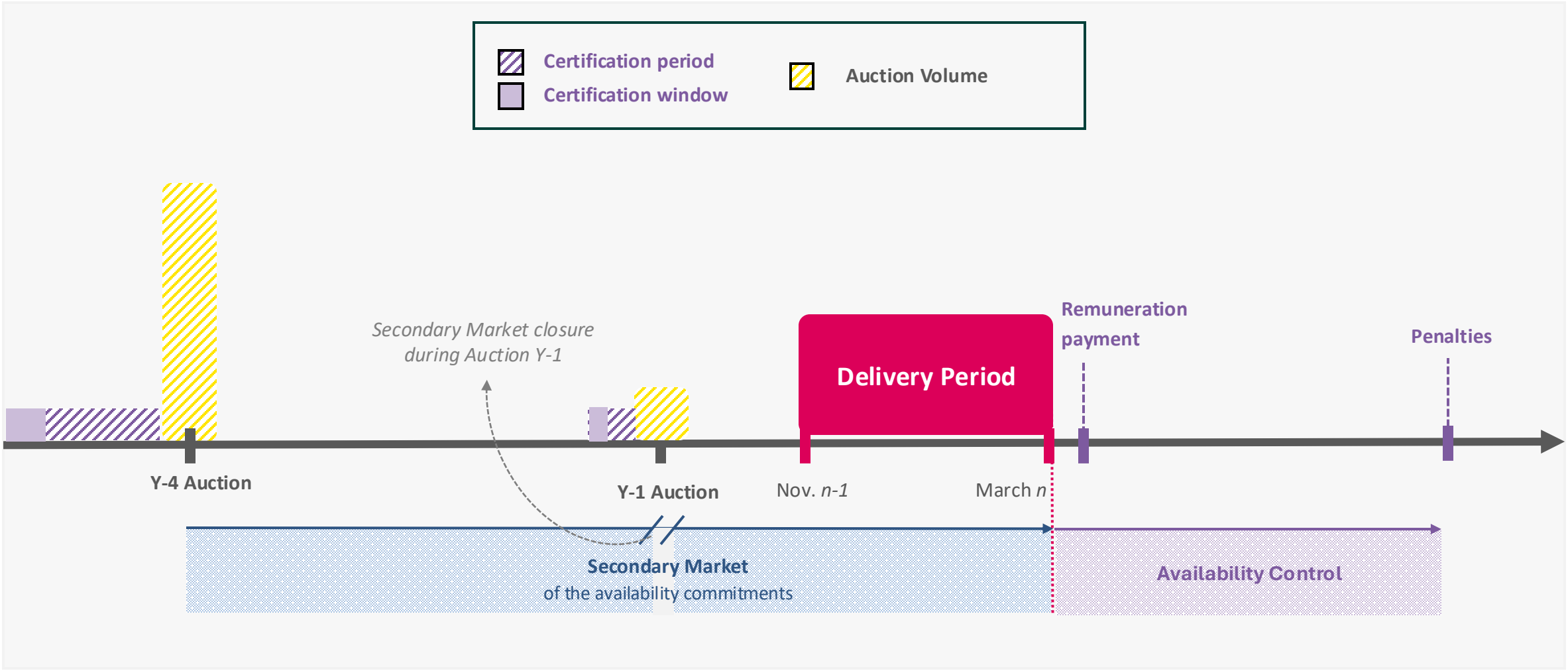
- The tax paid by Suppliers is calculated based on **the estimated consumption of their portfolio during Peak Periods hours (PP)**
- Suppliers have the responsibility to freely passed on the tax to consumers
- The tax amount is established before each Delivery Period (DP) by the regulator on RTE's proposal, collected during the DP, and adjusted the following year based on actual portfolio consumption.

Peak Period (PP) days during Delivery Period

Availability commitments and tax for Contribution are calculated taking only into account data from announced PP days

Delivery Period	**1st November to 31st March** (working days only)
Time range	**[7 a.m. – 10 a.m.[and [5 p.m. – 8 p.m.[**
Number of PP days announced	**22**
Trigger	**Residual consumption threshold** (Total consumption minus PV/wind production)
Announcement	**Day ahead at 9:30 a.m.**

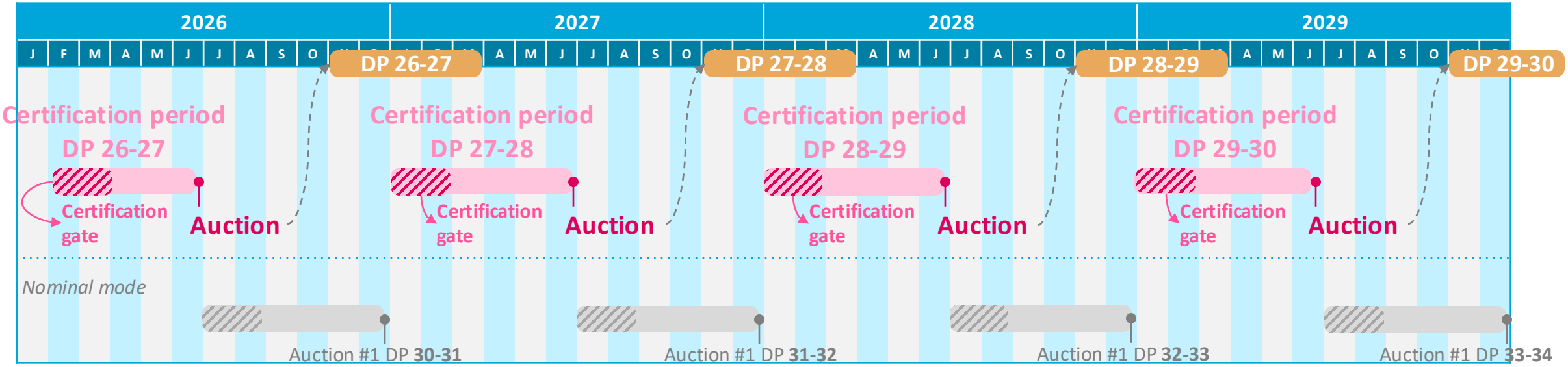
Timeline



*<u>In nominal mode</u>, **2 auctions are held per Delivery Period** (in Y-4 and Y-1) each preceded by a Certification period (no certification on an ongoing basis).*

Timing of certification in relation to the delivery period

There will be 2 Auctions organized per year for the next 4 years : one for the single auction mode (related to DP 26-27, DP 27-28, DP 28-29 and DP 29-30), one for the nominal mode (effective starting DP 30-31). All of these Auctions are open* to Belgian capacities.



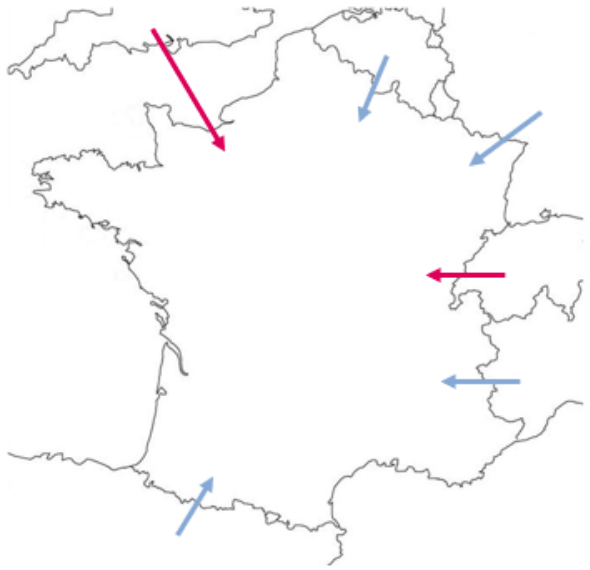
The proposed schedule for auctions of delivery periods after 2026/2027 is provisional: their timing is not fixed (nor will it be set in the rules) and may evolve based on feedback from the first auction(s) and stakeholders' preferences.

** within MEC (Maximum Entry Capacity) allowances. In nominal mode, MEC should only be offered for Xborder capacities in the Y-4 auction.*

2 XBorder

Participation of Cross-Border Capacities in the French CRM

Implicit contribution	Explicit contribution
UK, Switzerland	EU border countries (Belgium, Germany, Spain, Italy, Ireland)

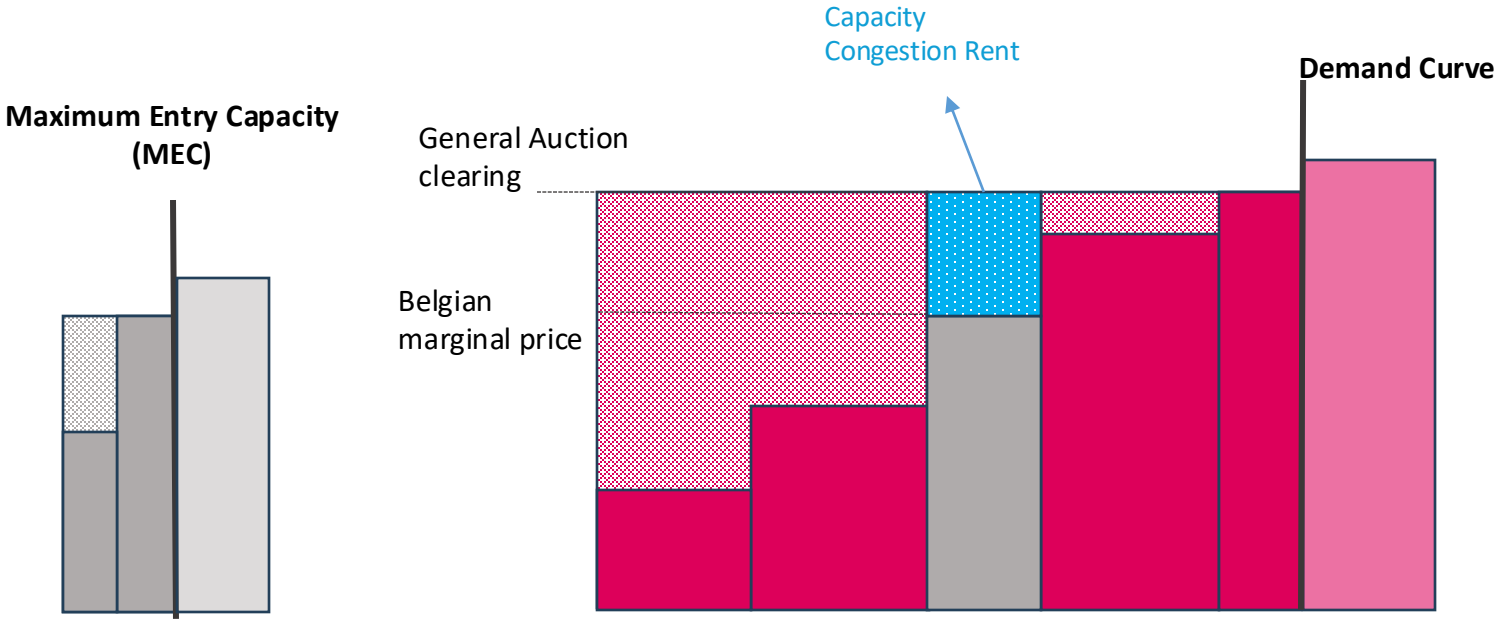


- For States concerned by Explicit participation, in the absence of a TSO-TSO agreement with RTE, the border's contribution would be **implicitly considered in the demand curve.** This option remains **subject to approval by the European Commission.**
- **Belgium would be the first open border** for direct capacity participation, with a TSO-TSO agreement currently been drafted with ELIA.
- Explicit contribution should be limited to borders for which the **Maximum Entry Capacity (MEC)** exceeds an Explicitation threshold.
- The **MEC for the Delivery Period 26-27** will be presented in RTE's Configuration Report to be published early 2026.

Cross-Border Participation Model – Price Applicable to Belgium

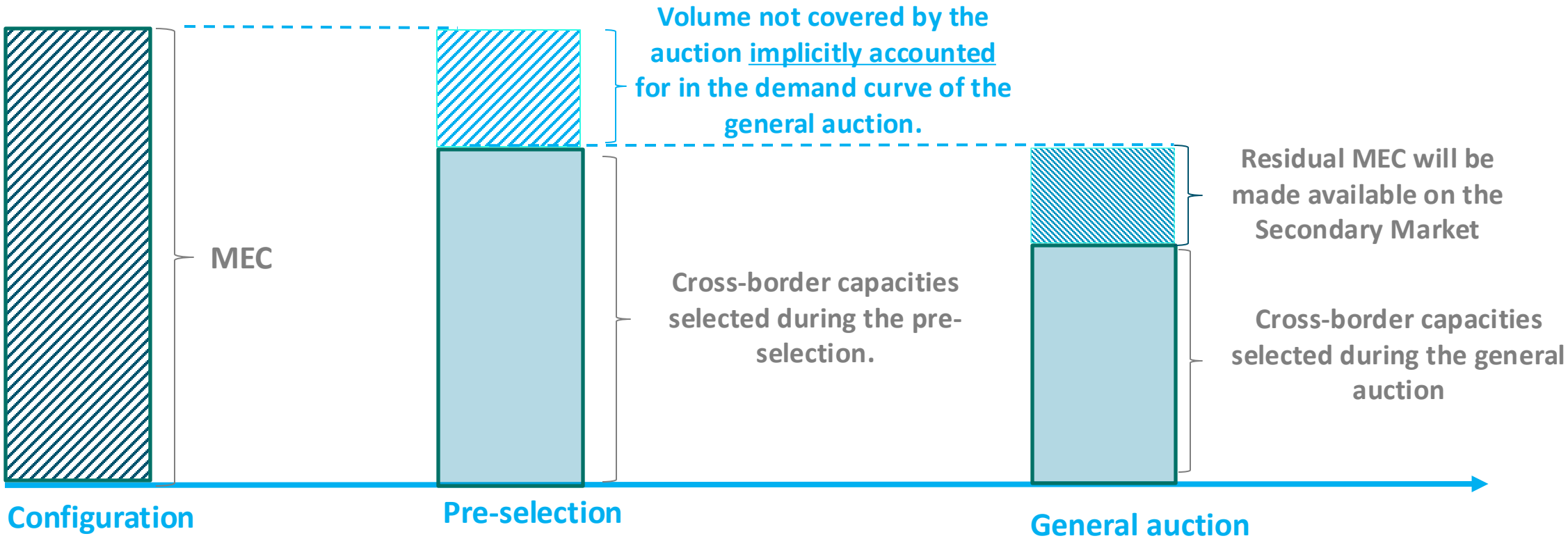
The design is <u>not fully frozen</u> by the public authorities. Still, some basic principles seem to reach consensus :

- Belgian capacities would take part in a **pre-selection process** simultaneous to the general auction, reserved for capacities located within Belgium, for which the demand expressed by RTE amounts to the defined *Maximum Entry Capacity* (MEC).
- The Belgian capacities selected in the main auction would be remunerated in pay-as-clear at the minimum of the following: **(i) the clearing price of the general auction, (ii) the intermediate price cap (IPC), and (iii) the Belgian marginal price.**
- **To ensure effective competition in the pre-selection process, additional measures may be implemented**



Cross-Border Participation Model – Volume Retained in an Auction

- The pre-selection of a capacity does not guarantee it any remuneration under the mechanism.
- The selected capacities are automatically transferred to the general auction at the price offered during the pre-selection.
- The algorithm **differentiates between foreign and domestic capacities solely based on economic merit.**

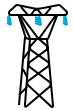


Participation framework for Belgian capacities

- **The European framework** (*Article 26 of Regulation (EU) 2019/94*) **allows capacities to participate in several CRMs at the same time.**

- For a given Delivery Period, **to directly participate in the French Capacity Mechanism, a Belgian Capacity must :**

Comply with the general **Certification** process set out in the **French CRM Functioning Rules**



Be connected to ELIA's grid

Comply with the CO_2 limit emissions

Be registered as an **« Existing » Prequalified CMU in the Belgian CRM for the same Delivery Period**.

- Belgian Capacities cannot benefit from multi-year contracts.

Le réseau
de transport
d'électricité

Merci !

Information & Contact

A page dedicated to the new CRM is available to Capacity Providers on RTE's Service Portal.

On this page, you will find a **set of supporting documents (in French)** for the deployment of the new CRM:

- Frequently Asked Questions – FAQ
- Educational Sheets on Certification

These documents will be updated, and new ones will be added over time.
> Don't hesitate to check the page regularly to stay up to date.

Se préparer au nouveau mécanisme de capacité - RTE Portail Services

You can also reach out to us by email with your questions related to the design of the French CRM

rte-nouveaumecapa-reglementaire@rte-france.com

Auction results 2025

2025 Auctions – Results Y-1 2026-2027

Step 1: Setting the demand curve

The volume to be procured is determined by Ministerial Decree:

Demand curve	Volumes 26-27	Volumes 25-26
Average consumption during simulated scarcity	13 719 MW	13 473 MW
Balancing needs	1 127 MW	1 125 MW
Average unserved energy during simulated scarcity	- 930 MW	-443 MW
Target volume	**13 916 MW**	**14 155 MW**
Non-eligible capacity (including nuclear prolongation)	-4 386 MW	-4 393 MW
Reservation for foreign indirect contribution (GB & FR)	- 746 MW	-709 MW
Already contracted capacity	-1 658 MW	-4 457 MW
Y-1 Auction volume (point B)	**7126 MW***	**4 596 MW ***

* Of which a reservation for XB participation for NL & DE was subtracted from the target volume in the Royal Decree

Reminder for all slides: volumes are derated unless otherwise mentioned

Step 2: Correcting the demand curve

Downward correction: All known volume that will contribute to adequacy, but does not/may not participate in the CRM

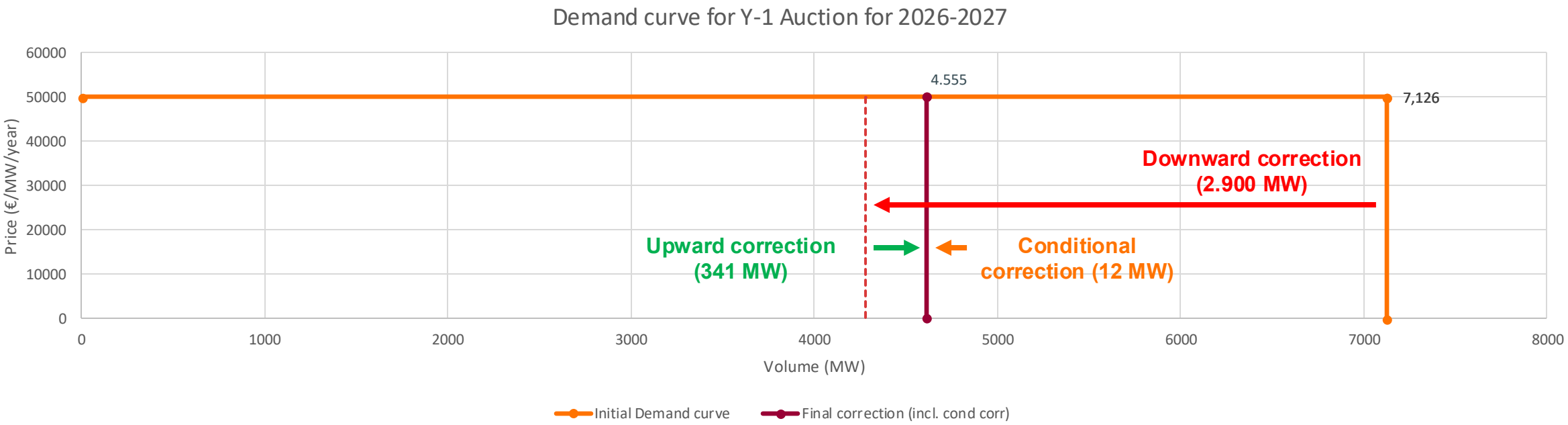
- example: Existing capacity that does not participate to the auction

Upward correction: Volume that was subtracted during the calibration, but participated anyway

- example: Non-eligible capacity (capacity with other subsidies)

Conditional correction: Volume of new build capacity that is only considered to be contributing if the capacity is selected

→ After corrections, the demand curve is reduced to **4555 MW**.



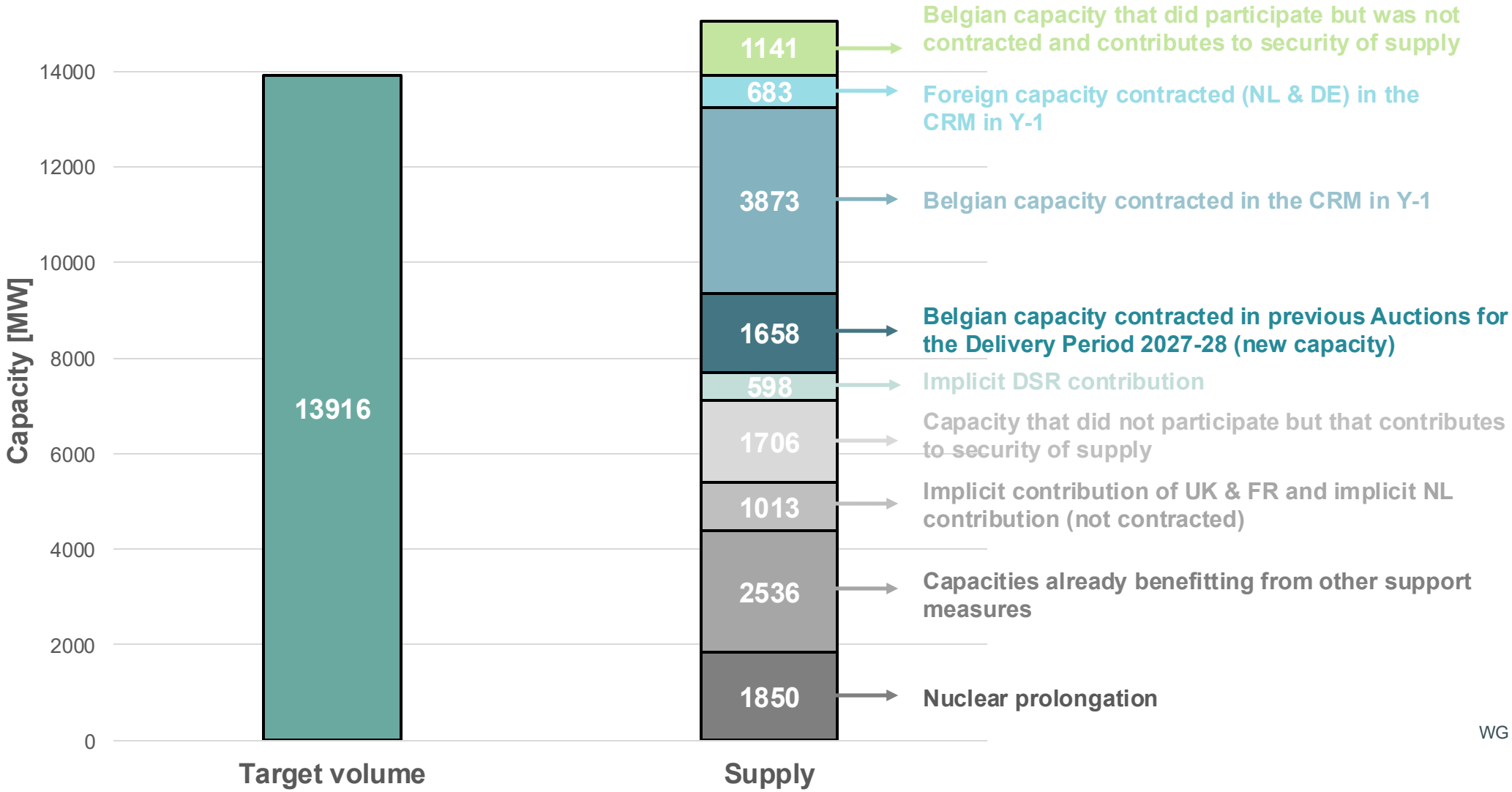
Summary Y-1 2026-27 auction results:

- **Security of supply for the delivery period 2026-27 is safeguarded**
  - The cost of the CRM for delivery year 2026-27 amounts to >125,4 M€ (excl. extra re-run cost) or about 20,2 k€/MW, which is lower than last year (>182,9 M€ (excl. extra re-run cost) or about 25,7 k€/MW).
  - Based on the auction outcome, there is an excess in the system of about 1,1 GW.

- **High liquidity and a competitive Y-1 auction**
  - Offered volume (5.697MW) exceeded the demand by 1.141 MW. 4.556 MW of capacity has been contracted in this auction.
  - Weighted average price well below intermediate price cap (IPC): 14,01 k€/MW/yr (⇔ IPC: 22,7 k€/MW/yr)
  - No need for new build capacity, nevertheless 397 MW new-build capacity contracted in earlier Y-4 auction for later delivery periods now also secures a 1yr contract for 2026-27

Total view on Security of Supply for Delivery Period 2026-2027

- **Total cost of the CRM for 2026-2027 : 125,4 M€** (based on public info, excl. cost increase because of re-run 2021)
- Average cost of the CRM for 2026-2027 : 20,2 k€/MW (idem)



2025 Auctions – Results Y-2 2027-2028

Step 1: Setting the demand curve

The volume to be procured is determined by Ministerial Decree:

Demand curve	Volumes 27-28 (Y-2)	Volumes 27-28 (Y-4)
Average load during simulated scarcity	14 201 MW	14 071 MW
Balancing needs	1 127 MW	1 250 MW
Average unserved energy during simulated scarcity	- 438 MW	-453 MW
Target volume	**14 890 MW**	**14 868 MW**
Non-eligible capacity (including nuclear prolongation)	- 4 220 MW	-4 386 MW
Volume reserved for later Auctions (Y-1)	- 643 MW	-1 285 MW
Reservation for foreign indirect contribution (GB & FR)	- 783 MW	- 672 MW
Reservation for foreign indirect contribution (NL & DE)	- 640 MW	- 262 MW
Already contracted capacity for the delivery period	-3 234 MW	-1 658 MW
Y-2 Auction volume (point B)	**5 370 MW**	**6 605 MW**

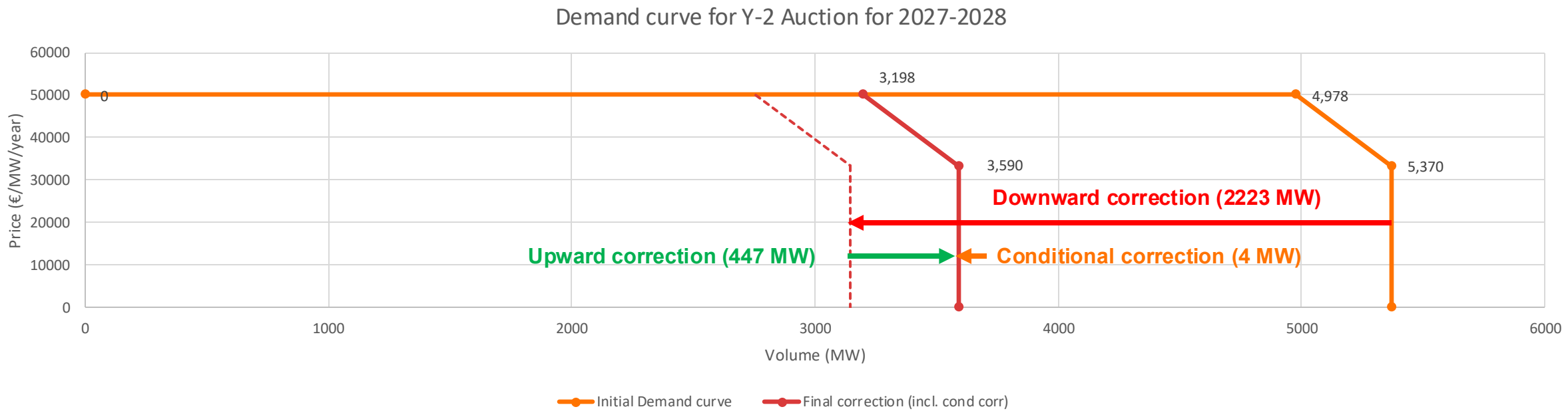
Step 2: Correcting the demand curve

Downward correction: All known volume that will contribute to adequacy
- example: Existing capacity that does not / may participate to the auction

Upward correction: Volume that was subtracted during the calibration, but participated anyway
- example: Non-eligible capacity (capacity with other subsidies)

Conditional correction: Volume of new build capacity that is only considered to be contributing if the capacity is selected

→ After corrections, the demand curve is reduced to **3590 MW** (point B).



Summary Y-2 2027-28 auction results

- First Y-2 Auction
- **A significant (second) step has been taken in terms of security of supply for the delivery period 2027-2028:**
  - 3.238 MW of capacity has been contracted in this Y-2 auction.
  - In previous auctions, the CRM has already contracted 3.234 MW of capacity for the Delivery Period 2027-2028.
  - Hence, for the Delivery Period 2027-28 already 6.472 MW is contracted, of which 2.177 MW new capacity
    - New capacity consisting of 1.617 MW of CCGTs and 560 MW (1.146 MW nominal) of batteries

- The contracted volume consists of **3.076 MW of existing capacity** (of which 40 MW obtained a multi-year contract), **102 MW** (225 MW nominal) **of batteries that were already contracted in an earlier Y-4 for later delivery periods** and **60 MW** (123 MW nominal) **of New Build capacity** (all batteries) are contracted.
  - Despite lower liquidity, weighted average price below intermediate price cap (IPC): 25,1 k€/MW/yr (⇔ IPC: 28,6 k€/MW/yr)

- **A net volume of 353 MW is transferred to the Y-1 auctions for 2027-28 as a consequence of lower offered liquidity.**
  - A lot of BESS which could participate in Y-2 and Y-4 opted for the later. Hence, it is expected that a certain volume will contribute to SoS in the Y-1 auction for 2027-28 Delivery Period.

2025 Auctions – Results Y-4 2029-2030

Step 1: Setting the demand curve

The volume to be procured is determined by Ministerial Decree:

Demand curve	Volumes 29-30	Volumes 28-29	Volumes 27-28	Volumes 26-27
Average load during simulated scarcity	15 268 MW	15 453 MW	14 071 MW	14 089 MW
Balancing needs	1 127 MW	1 127 MW	1 250 MW	1 179 MW
Average unserved energy during simulated scarcity	-687 MW	-478 MW	-453 MW	-577 MW
Target volume	**15 708 MW**	**16 102 MW**	**14 868 MW**	**14 691 MW**
Non-eligible capacity (including nuclear prolongation)	-4 290 MW	-4 420 MW	-4 386 MW	-3 948 MW
Volume reserved for later Auctions (Y-2 / Y-1)	-778 MW	-1 461 MW	-1 285 MW	-1 249 MW
Reservation for foreign indirect contribution (GB & FR)	-566 MW	-389 MW	- 672 MW	- 657 MW
Reservation for foreign indirect contribution (NL & DE)	-645MW	-629 MW	- 262 MW	- 796 MW
Already contracted capacity for the delivery period	-2 432 MW	-2 247 MW	-1 658 MW	-1 658 MW
Y-4 Auction volume (point B)	**6 997 MW**	**6 957 MW**	**6 605 MW**	**6408 MW**

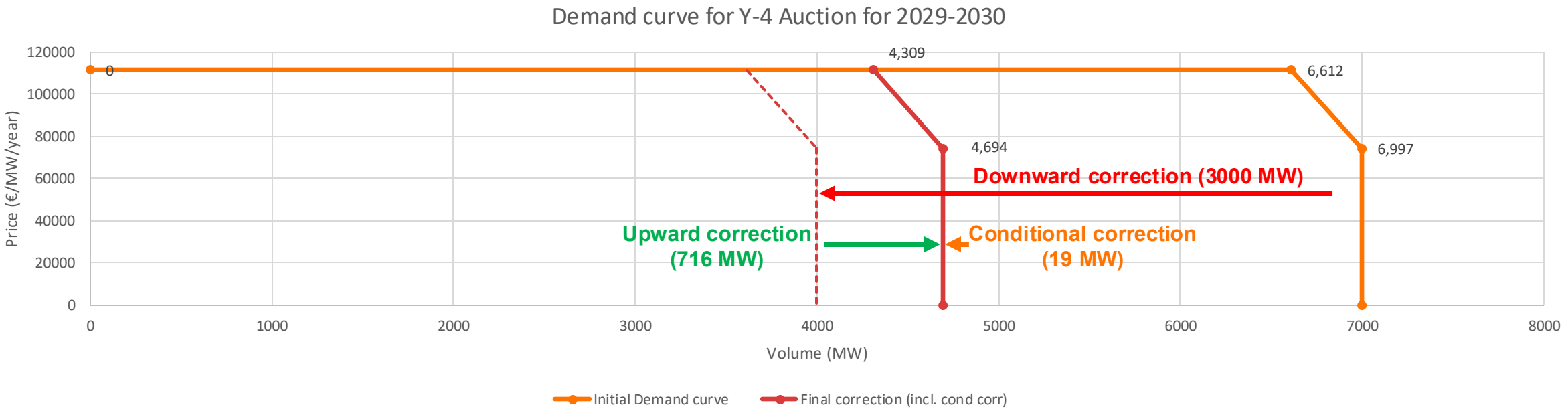
Step 2: Correcting the demand curve

Downward correction: All known volume that will contribute to adequacy
- example: Existing capacity that does not / may participate to the auction

Upward correction: Volume that was subtracted during the calibration, but participated anyway
- example: Non-eligible capacity (capacity with other subsidies)

Conditional correction: Volume of new build capacity that is only considered to be contributing if the capacity is selected

→ After corrections, the demand curve is reduced to **4694MW** (point B).



Summary Y-4 2029-30 auction results

- **A significant step has been taken in terms of security of supply for the delivery period 2029-2030:**
  - 4.690 MW of capacity has been contracted in this Y-4 auction.
  - In previous auctions, the CRM has already contracted 2.509 MW of new capacity for the delivery period 2029-30. This includes 77 MW contracted during the Y-2 auction of this year.
  - Hence, **for 2029-30 already 7.199 MW is contracted**, of which 2.403 MW of new capacity and 2.034 MW of existing capacities with a multi-year contract
    - New capacity contracted in previous auctions: 1617 MW of CCGTs, 772 MW of batteries, …
    - Existing capacity with multi year contract : 1568 MW of Refurbished CCGTs, 172 MW of Pump-Storage, 285 MW of Refurbished OCGTs,…

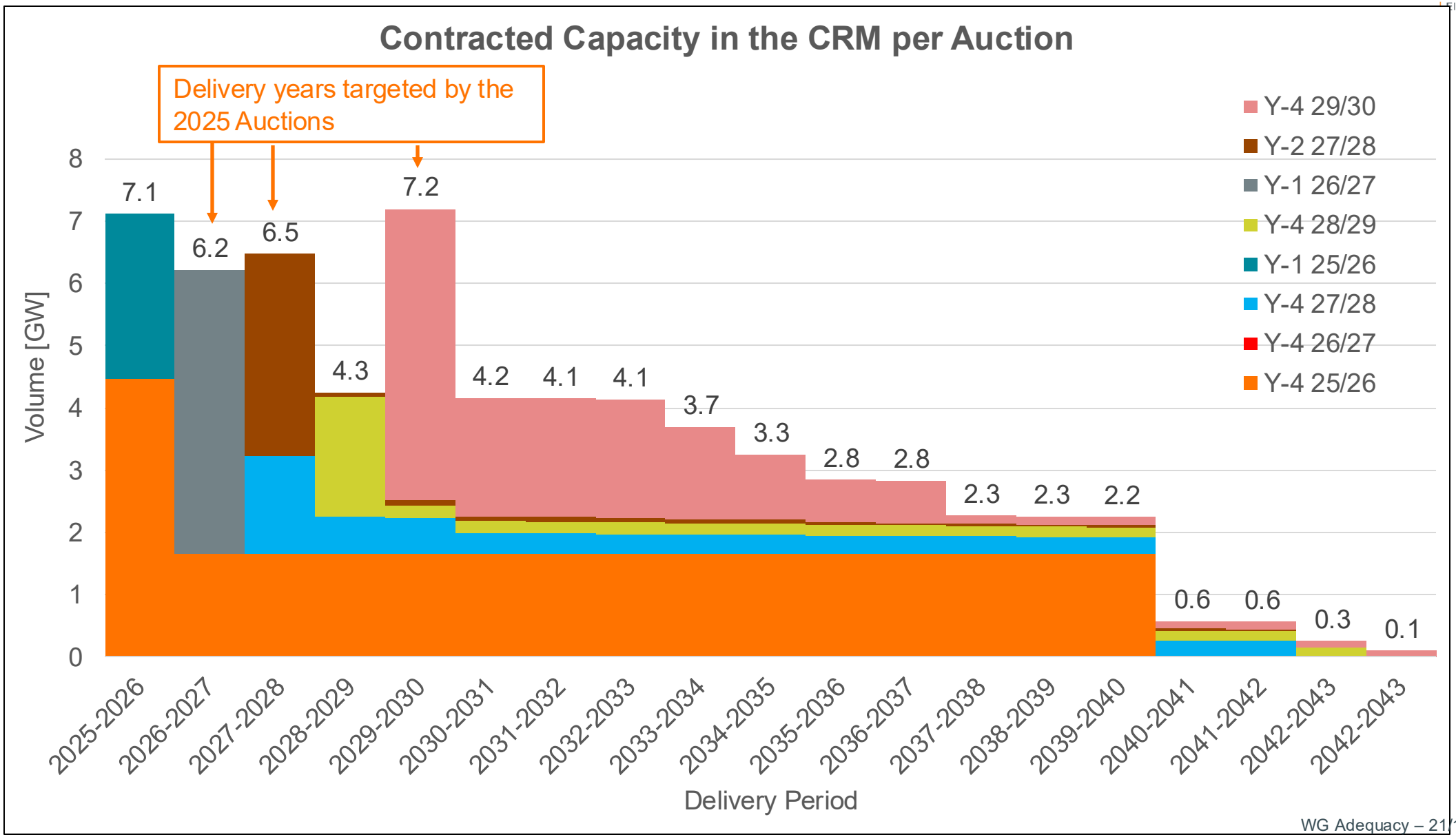
- There was **sufficient liquidity in the auction, high volume of existing capacity contracted**.
  - **1749 MW of existing capacities have obtained a multi-year contract** in this Y-4 auction. **2762 MW** of existing capacity with one year contracts was selected. This is an increase of 1039 MW compared to last year's auction.

- Like last year, a significant volume **(179 MW derated, 525 MW nominal) of different (11) new batteries**, offered by different capacity providers (10), is contracted in this Y-4 auction. Also, a share of 239 MW (derated) of demand response is contracted.

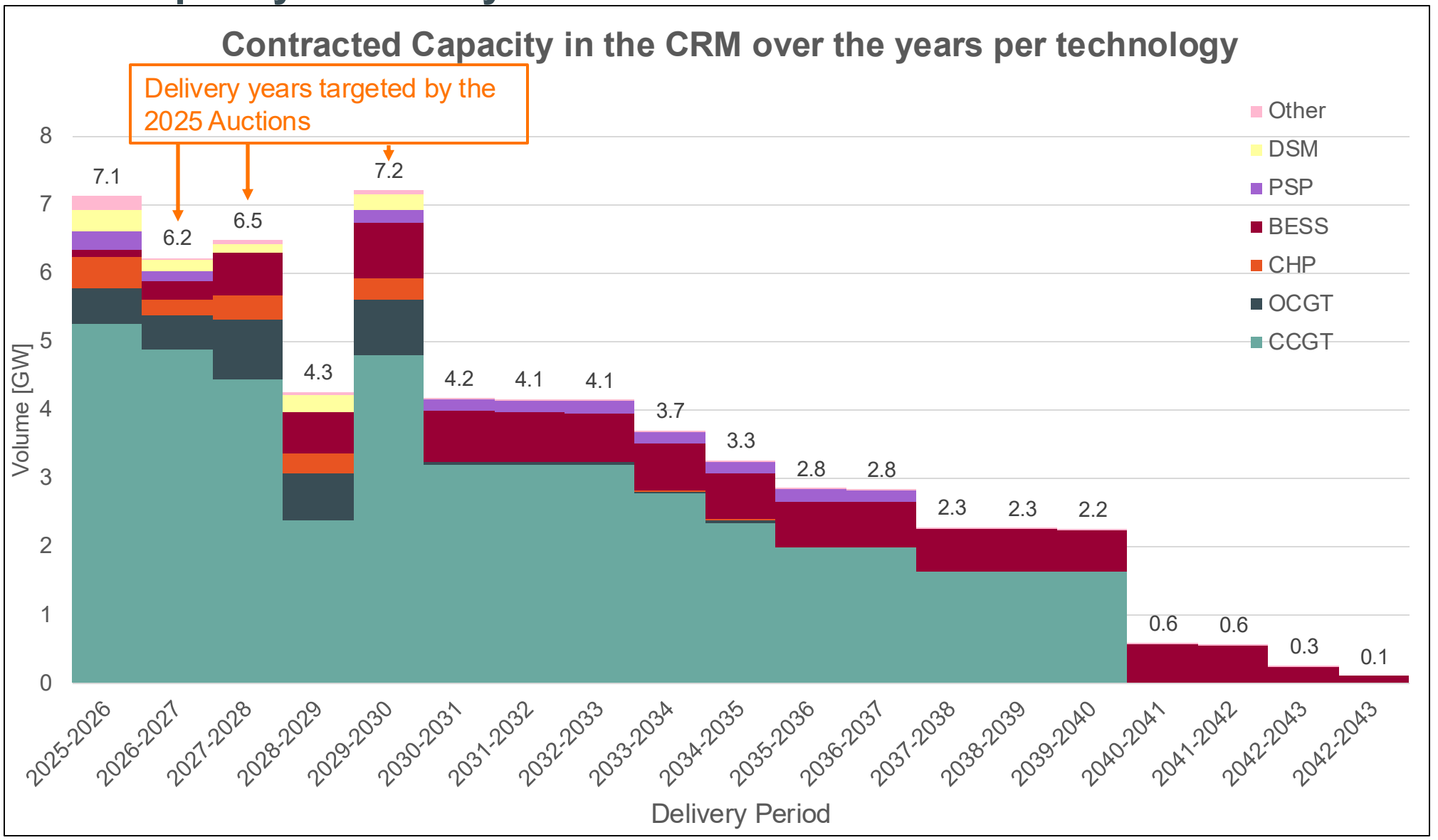
- The weighted average price (27,3 k€/MW/y) is similar to last year's auction (28,0 k€/MW/y).

2025 Auctions – over the year

Contracted Capacity over the years



Contracted Capacity over the years



Public consultation Functioning Rules V6

Public consultation on CRM FRv6

Today, Elia launches the public consultation on the CRM Functioning Rules v6. Elia would like to highlight:

1. This presentation summarizes the main changes Elia has put up for public consultation but is by no means exhaustive.

2. The latest decision of the EC with regards to the CRM has been integrated (removal of Declared Market Prices). Subject to an amendment of the RD Methodology.

3. Elia has focused on simplifications and clarification throughout the CRM FR.

The public consultation runs from 21/11/2025 until 05/01/2026.

Public consultation on CRM FRv6

21/11
WG Adequacy

05/01:
Deadline PC

Jan 2025:
WG on consultation report

1/02:
Elia submission FR v5

6 weeks public consultation

What is being consulted

CRM Functioning Rules v6

Supporting documents

Cover note CRM FR v6

CRM design notes (based on FR v5)

Definitions

Presented in previous WG

Reordering of the definitions

- At present, definitions are ordered alphabetically in each language separately
  - The same definition is located someplace entirely different when looking at different languages
  - Troublesome to find the same definition in a different language
  - Potential confusion when carrying out the translation
- Many ‘linked’ definitions are scattered due to the alphabetic order
  - E.g. Eligible Volume, Associated Eligible Volume, Remaining Eligible Volume, …
  - The fact that these are not right next to each other decreases understandability

Presented in previous WG

Proposal to reorder the definitions

Number		Term	Def
113		(…)	(…)
114		Nominal Reference Power (NRP)	(…)
114	i	Aggregated Nominal Reference Power	(…)
114	ii	Declared Nominal Reference Power	(…)
114	iii	Expected Nominal Reference Power	(…)
114	iv	Fast Track Nominal Reference Power	(…)
115		Nominated Electricity Market Operator (NEMO)	(…)
116		(…)	(…)

Number		Term	Def
113		(…)	(…)
114		Puissance Nominale de Référence (NRP)	(…)
114	i	Puissance Nominale de Référence Agrégée	(…)
114	ii	Puissance Nominale de Référence Déclarée	(…)
114	iii	Puissance Nominale de Référence Attendue	(…)
114	iv	Puissance Nominale de Référence Fast Track	(…)
115		Opérateur Désigné due Marché de l'Electricité	(…)
116		(…)	(…)

Number		Term	Def
113		(…)	(…)
114		Nominaal Referentievermogen (NRP)	(…)
114	i	Geaggregeerd Nominaal Referentievermogen	(…)
114	ii	Aangegeven Nominaal Referentievermogen	(…)
114	iii	Verwacht Nominaal Referentievermogen	(…)
114	iv	Fast Track Nominaal Referentievermogen	(…)
115		Benoemde Elektriciteitsmarktbeheerder	(…)
116		(…)	(…)

- A uniform order for the definitions is proposed across the three languages
  - Based on alphabetical order in English
- "Clusters" of definitions are identified so that linked definitions stand together
- A numbering is introduced that allows for much easier referencing to FR definitions in other documents related to the CRM

Prequalification

Changes for FR v6
Prequalification

- After identification of improvement areas, the foundations are set towards adaptation of further simplification through regulatory framework for changes in the next iterations;

Cluster	Proposal	Description
Documents for PQ	Single Line Diagram	Requirement becomes a “declaration to provide” – shall be provided 10 WD after request if needed.
	Project Execution Plan	Removal of the signature and use of already provided document (in PDM) if (Additional) CMU already contracted.
Simplification	Grid User Declaration	Pre-filling of the template, use of the validity period for the document.
	Transfer of a non-contracted CMU to another CRM Actor	Transfer of a CMU from one entity to another aligned with Contracted CMUs.
	Removal of “Associated Delivery Point”	The concept has never been used since its introduction in the FR and reveals additional complexity.
Clarification & Refinements	Overview of Auctions to send to CREG & FPS Economy	Information to be transmitted for the forthcoming Auctions only.
	Unsheddable margin for offtake-only Linked CMUs	The methodology of NRP calculation for Linked CMUs aligned for offtake.
	Classification of “Full Opt-Out” for New-Build CMUs	The discrepancy of Opt-Out treatment between Auctions is treated.
	NEW: Timing for article 4bis & motivational letter	Proposal to set the deadline to submit such documents on 31/08

Auction

Changes for FR v6
Auction

Proposal	Description
Clarification volume corrections	Clarify more in detail how some of the volume corrections are carried out by Elia

Financial Securities

Changes for FR v6
Financial Securities

Proposal	Description
NEW: Removal of Financial Security obligation for Existing CMUs	**Considering the stable nature of Existing CMUs and the administrative burden the obligation creates, ELIA proposes to remove the obligation for Existing CMUs (excl. XB CRM participants)**
Validity Period	Harmonization of the validity periods of Financial Securities related to the status of the CMU
Cash Payment replacement	Suggestion to close the process concerning the replacement of the “Cash Payment” FS
Financial Security template amendment	Templates are amended so as to remove the need to choose between Primary or Secondary Market

Pre-delivery Monitoring

Changes for FR v6

Pre-delivery Monitoring

Proposal	Description
NRP Determination when evolving to Existing	The rules have been reformulated in order to clarify the process of determining the NRP of a CMU when it's evolving from Additional to Existing.
Simplification	Other provisions are also suggested by ELIA: - Clarification on when to pay pre-delivery penalties when there isn't any moment of control left - Timing of the reminder by ELIA for a late permit / quarterly report

Availability Obligation

Presented in previous WG

AS corrections

- In the FR v5, Elia proposed and adopted a methodology for the allocation of contracted capacity volumes
  1. A scaling is made for all contracted capacity bids $$V_{energy,UP,p,scaled}(Bid,t) = V_{capacity,UP,p}(BSP,t) \cdot \frac{V_{energy,UP,p}(Bid,t)}{\sum_{b \in B} V_{energy,UP,p}(b,t)}$$
  2. For every bid, the volume is allocated to the Delivery Points $$V_{capacity,UP,p}(DP,t) = V_{energy,UP,p,scaled}(Bid,t) \cdot \frac{\sum_{t \in T} V_{energy,UP,p}(DP,t)}{\sum_{DP \in BSP} \sum_{t \in T} V_{energy,UP,p}(DP,t)}$$

!! It is not included explicitly that for the final correction, the sum must be taken over all the bids that include the Delivery Point

➢ Elia will rectify this

Presented in previous WG

Derating Factor in the Availability Obligation

- Officially defined in chapter 3 of the Functioning Rules
  - Non-energy Constrained CMUs: based on Derating Factor of most recent Transaction
  - Energy Constrained CMUs: weighted average over all Transactions

- Some Derating Factors used in the formulas of the Availability Monitoring do not fully comply with this definition and [illegible] CMUs:

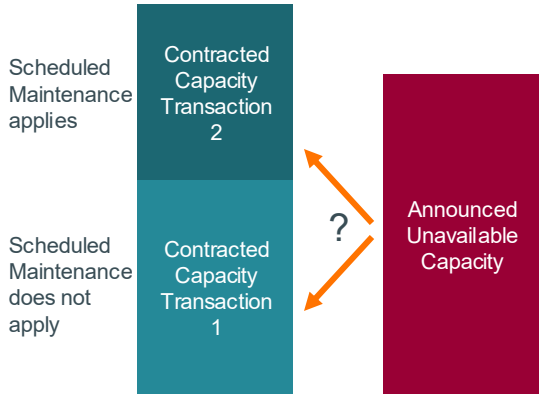
  - $Derating\ Factor(CMU, t)$ is the weighted average Derating Factor of all Transactions in annex A of the CMU's Capacity Contract that constitute the $Total\ Contracted\ Capacity_{ex-ante}(CMU, t)$ during AMT MTU t, calculated in accordance with the definition in chapter 3.

➢ Elia will correct the usage of the Derating Factor when necessary to fully align with the definition

Scheduled Maintenance and retroactivity

- Scheduled Maintenance is not retroactive, i.e. only newer Contracts can make use of it
- Via the Secondary Market a CMU can have Transactions to which the Scheduled Maintenance is (not) available
- Seeing as Scheduled Maintenance is calculated on a CMU basis, it must be allocated to a CMU's Transactions
  - Depending on the type of Transaction, it can then be seen whether the Scheduled Maintenance is applied
- Elia suggests to do this allocation based on the Contracted Capacity of the CMU:

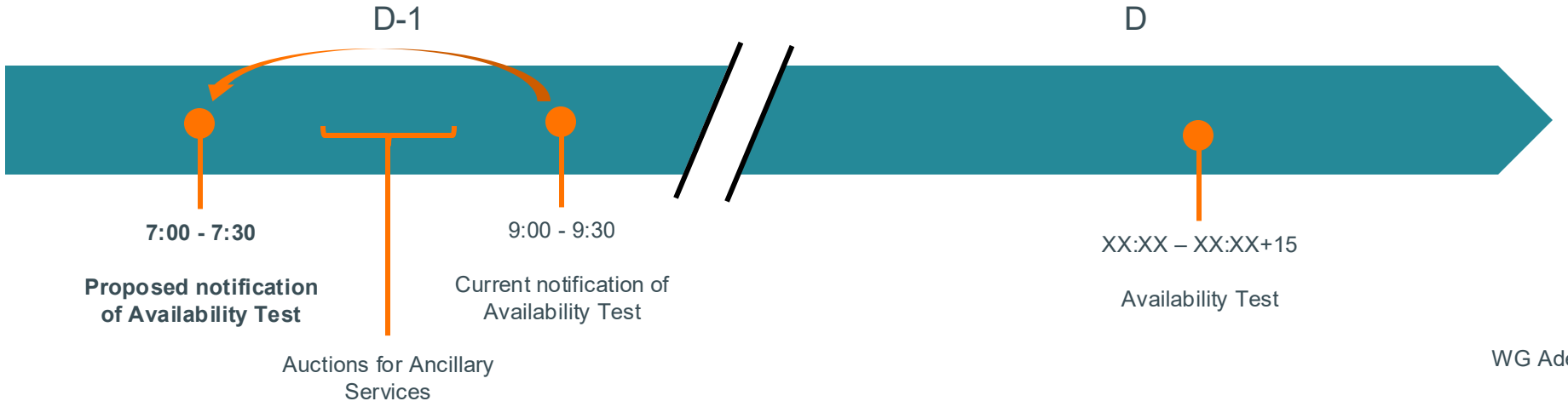
$$P_{Announced,Unavailable}(Transaction) = P_{Announced,Unavailable}\frac{Contracted\ Capacity(Transaction)}{Total\ Contracted\ Capacity}$$



Notification of the Availability Test

- At present, when selected for a Test Market parties are notified in D-1 between 9:00 and 9:30
- This timing is quite inconvenient for units contributing via the Ancillary Services
  - The auctions for these products take place right before the Test notification
  - Units could be “stuck” in a service, thereby not fully able to demonstrate availability
  - For Energy Constrained CMUs the problem is even more complex with the EMS

➢ Elia suggests to move the notification of the Test between 7:00 and 7:30



Overcapacity

- The current formula for Overcapacity would wrongly penalize units that reacted to an activation for Ancillary Services
- Two possible way forward:
  - Developing yet another type of correction for ancillary services
  - Exempt MTUs where an activation took place from the Overcapacity penalty

Obligated Capacity

- The formulas for Obligated Capacity have been slightly modified to avoid an exotic case where Obligated Capacity would be zero

Payback Obligation

At present, the Functioning Rules include no less than 4 different formula for the Payback Obligation

Non-energy Constrained	$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = \\ = \left(Reference\ Price\ (CMU_{id}, t) - \ Actualized\ Strike\ Price(CMU_{id}, Transaction_{id}, t)\right) \\ * Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) \\ * \frac{NRP\ (CMU_{id}, Transaction_{id}) - \sum_{i=1}^{n} NRP\ DSR, STORAGE\ DP_i\ (CMU_{id}, Transaction_{id})}{NRP(CMU_{id} Transaction_{id},)} \\ * Min\left(Availability\ Ratio\ (CMU_{id}, t), Activation\ Ratio(CMU_{id}, t)\right)/4$$
Energy Constrained Ex-ante, SLA MTU	$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = \\ \left(Reference\ Price\ (CMU_{id}, t) - Actualized\ Strike\ Price(CMU_{id}, Transaction_{id}, t)\right) \\ * \frac{Contracted\ Capacity\ (CMU_{id},\ Transaction_{id}, t)}{Derating\ Factor(\ Transaction_{id}\ )} \\ * \frac{NRP(CMU_{id}, Transaction_{id}) - \sum_{i=1}^{n} NRP\ DSR, STORAGE\ DP_i\ (CMU_{id}, Transaction_{id})}{NRP(CMU_{id}, Transaction_{id})} \\ * Min\left(Availability\ Ratio\ (CMU_{id}, t), Activation\ Ratio(CMU_{id}, t)\right)/4$$
Energy Constrained Ex-ante, Non-SLA MTU	$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = 0$$
Energy Constrained Ex-post	$$Payback\ Obligation\ (CMU_{id}, Transaction_{id}, t) = \\ \left(Reference\ Price\ (CMU_{id}, t) - Actualized\ Strike\ Price\ (CMU_{id}, Transaction_{id}, t)\right) \\ * Contracted\ Capacity\ (CMU_{id}, Transaction_{id}, t) \\ * \frac{NRP(CMU_{id}, Transaction_{id}) - \sum_{i=1}^{n} NRP\ DSR, STORAGE\ DP_i\ (CMU_{id}, Transaction_{id})}{NRP(CMU_{id}, Transaction_{id})} \\ * Min\left(Availability\ Ratio\ (CMU_{id}, t), Activation\ Ratio(CMU_{id}, t)\right)/4$$

- Though each formula addresses a different situation, in essence the only element that is different is how **Contracted Capacity** is taken into account
- The rules can be simplified by only using one formula for the Payback Obligation, where the definition of the volume is treated elsewhere

Presented in previous WG

Definition of Payback Volume

- A correct definition of a Transaction's volume subject to the Payback Obligation actually already exists
- It is equal to the "**Equivalent Capacity**", which is at present only used to determine the Availability Ratio

➢ Elia suggests to generalize the concept of the Payback Volume, which will simplify

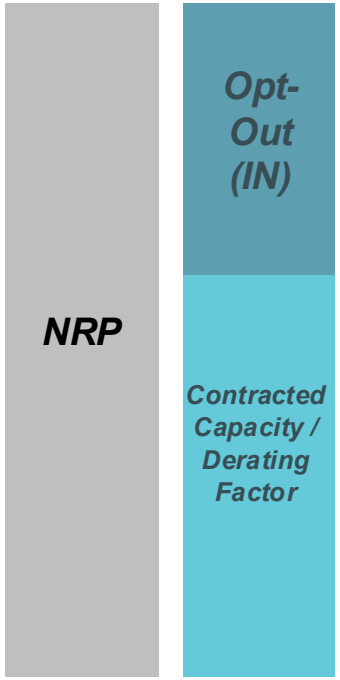
- ➢ The definition of the Availability Ratio
- ➢ The formula of the Payback Obligation
- ➢ Overall understandability of the Payback Obligation chapter
- ➢ The Payback Volume is to be defined in the existing section 12.3.1 "parameters of the calculation formula of the Payback Obligation"

Secondary Market

Secondary Market

AS IS

In version 5 (currently applicable rules) of the Functioning Rules, the available 'ex-ante' volumes for the Secondary Market are the same for Non-Energy Constrained and Energy-Constrained CMUs and are as follows:



SMREV = 0MW

$$SMREV(CMU,TP) = Max\left(0\,;\left(Remaining\ Maximum\ Capacity_{min}(CMU,TP) - \frac{Total\ Contracted\ Capacity_{max}(CMU,TP)}{Derating\ Factor(CMU,t)} - OptOut\ Volume_{max}(CMU,TP)\right) * Last\ Published\ Derating\ Factor(CMU)\right)$$

Except in cases of an explicit Opt-out classified as "OUT", volumes are not available for a Secondary Market Transaction. As a result, market participants struggle to secure 'ex-ante' volumes.

Secondary Market

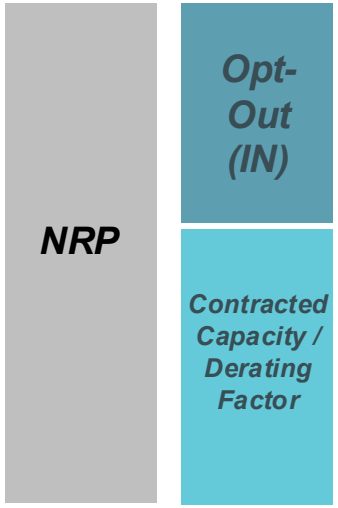
3 regimes solution

Maintain the current rule (version 5) for trades notified before the start of a Delivery Period.

When the Delivery Period begins, the assessment of available ‘ex-ante’ volumes becomes more accurate. At this stage, trades on the un-derated volume may be possible in the following way:

Outside the Delivery Period

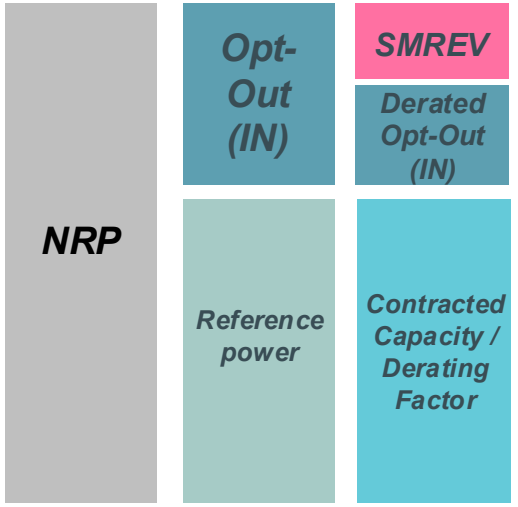
Energy Constrained & Non-Energy Constrained



SMREV = 0MW

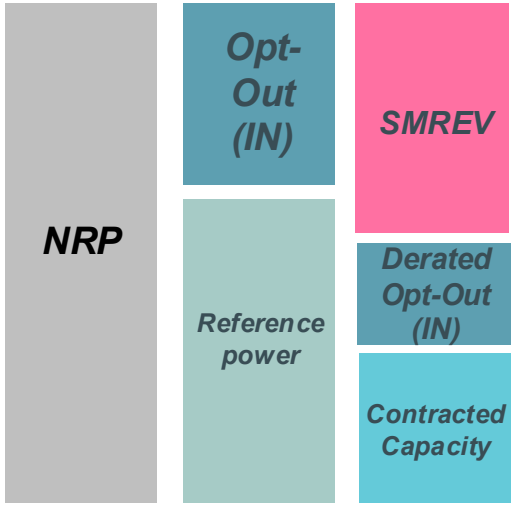
During the Delivery Period

Energy Constrained



SMREV ≠ 0MW

Non-Energy Constrained



SMREV ≠ 0MW

Elia has not included the changes in the CRM FRv6 given it is looking for feedback from MPs on the added value of this new regime.

Secondary Market

3 regimes solution

Consequences :

- The formula applies only to trades notified during the Delivery Period and covering Transaction Periods within that same Delivery Period. This means that a trade covering November 1st is not allowed for the un-derated portion, even though it falls within the Delivery Period, because a Transaction notification requires one working day (1 WD) to be acknowledged by Elia.
- Outside of the Delivery Periods, trades using un-derated volumes ex-ante are not permitted. Consequently, un-derated volumes cannot be used to avoid T-Control 1 & 2 penalties.
- All other rules not explicitly mentioned remain applicable to these transactions.

Elia has not included the changes in the CRM FRv6 given it is looking for feedback from MPs on the added value of this new regime.

Minor change

Suspension of a Secondary Market transaction

Context

- If a Capacity Provider fails the Availability Test, none of the CMUs in their portfolio remain eligible for Secondary Market Transactions.
- Availability test conditions:
  - 3 successful tests during the Winter Period
  - 1 successful test outside the Winter Period
- This restriction applies to both the current Delivery Period and the following one.

Proposed change

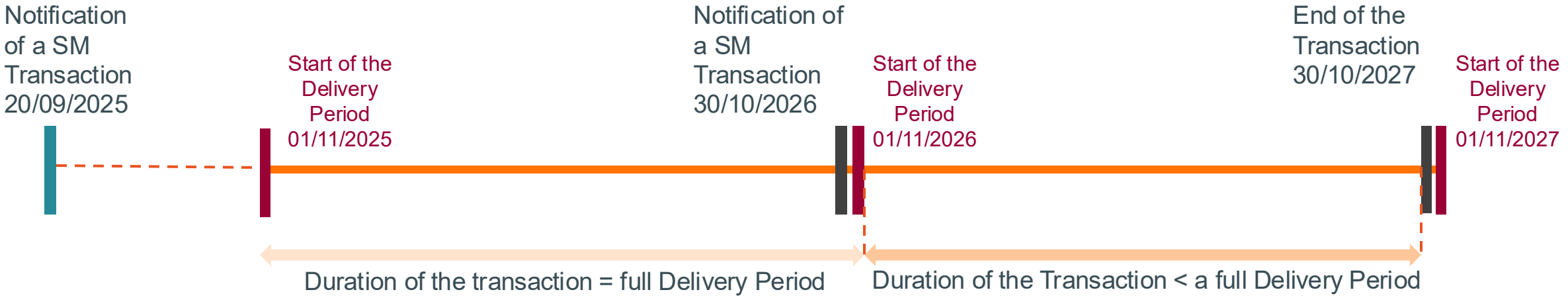
- ELIA will adapt the rules to:
  - allow transactions on the Secondary Market for CMUs owned by the same CRM Actor and
  - maintain the suspension in cases involving transactions with another Capacity Provider.
- Indeed, if a Capacity Provider fails the Availability Test, they remain responsible for the Contracted Capacity of their other CMUs. Therefore, they should retain the possibility to take on additional obligations if they hold a positive SMREV on another CMU.

Minor change

Transaction period

Context

In the case of Multi-Year Contracts with an Investment File that has not yet undergone ex-post control, as outlined in Articles 12 to 18 of the Royal Decree on 'Investment Thresholds', the timing defined in § 711 does not allow for a transaction that covers the full Delivery Period in Y+2.



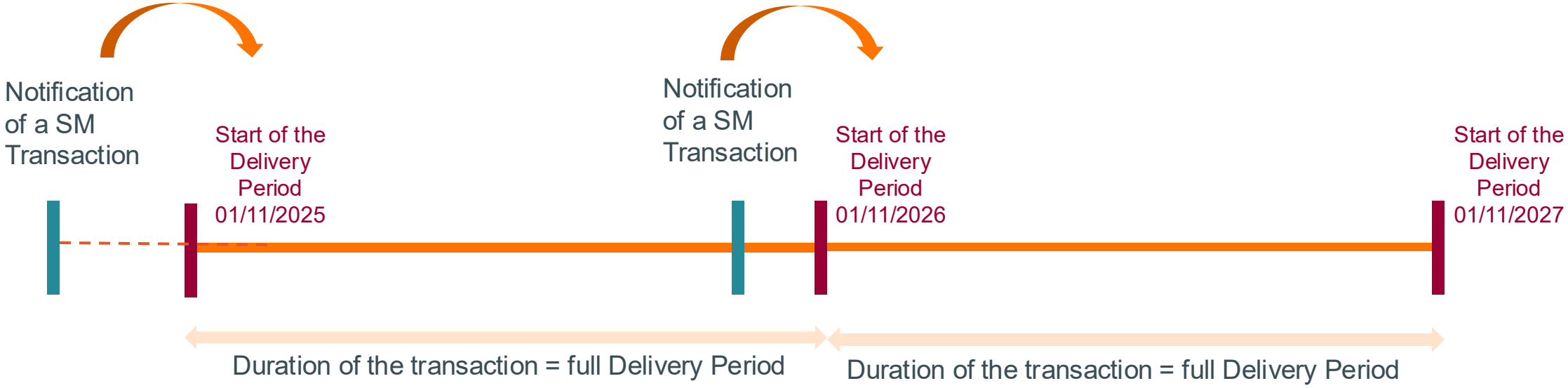
Capacity Providers must notify a Secondary Market Transaction no later than one Working Day before the start of the Delivery Period in order to receive an Acknowledgement. As a result, a transaction cannot be submitted on October 31st.

Minor change

Transaction period

Proposed change

The rule will be revised to allow a maximum full-year transaction, provided that the notification of the Secondary Market Transaction occurs during the current Delivery Period and covers only the subsequent Delivery Period.



Simplification
Clarifications

Contracted Capacity after a SM Transaction

- The § 769 is adapted to reflect the Contracted Capacity following a Secondary Market Transaction. The Contracted Capacity is reduced by the Secondary Market Transaction Capacity.

Acknowledgement of reception of notification for a SM Transaction

- Clarifications were undergone through the rules for the timing of the acknowledgment of reception of a notification for a Secondary Market Transaction. The acknowledgement is sent by Elia after **1WD** after **one notification** from a party (seller or buyer).
- Alignment was done through the different paragraphs of the FR; §746 with:
  - Service Time Schedule, section 4.3.5 Elia acknowledges reception of the notification by one party and after 1WD.

AOB

Next meetings

Next meetings

- **Wednesday 18/12/2025 : WG Adequacy** (09:30 AM to 12:30 PM)
- **Tuesday 27/01/2026 : WG Adequacy** (9:30 AM to 12:30 PM)
- **Thursday 26/03/2026 : WG Adequacy** (13:30 PM to 16:30 PM)

ELIA will also organise **info sessions** in the first quarter of the new year. Exact dates will be communicated

Please find further information on the next meetings through the WG Adequacy webpage

Thank you.