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CRM auction result (Y-4) for 2026-2027 published on elia.be/crm

BRUSSELS | Transmission system operator Elia has published the results of the second capacity remuneration mechanism (CRM) auction. The auction took into account the extension of two nuclear reactors and last year's successful auction. In the end, no capacity was contracted. Producers that hold existing production capacity (amounting to a total of 6,682 MW) postponed their offers until the Y-1 auction. The volume of capacity relating to this so-called "Opt-Out IN" decision was deducted from the volume that was being auctioned off (demand curve of 6,417 MW). As a result, this year's Y-4 auction for 2026-2027 was fully covered.

Both traditional and new market players participated in the second CRM auction. Another auction will be held in 2025 (Y-1) for the 2026-2027 delivery year. The volume of capacity that will be auctioned off for the 2026-27 delivery year will be determined at a later date.

What is the CRM?

The CRM was set up by the Federal Government to guarantee Belgium's electricity supply after the (partial) phase-out of nuclear power which will begin in 2025. Through the CRM, financial support is given to market players who offer up capacity to the market and do not receive any other subsidies. The Belgian Government, in close consultation with European authorities, opted for a market-wide CRM. This means that both existing and new capacity types that use any kind of technology are eligible to take part in CRM auctions. When capacity types are being selected, the price offered by capacity providers is the decisive factor. The volume of capacity to be auctioned off is determined by the Minister for Energy, based on calculations undertaken by Elia and in line with advice from the CREG (the Belgian electricity regulator).

Key results from the second CRM auction

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- From a technical point of view, the auction was undertaken in a correct manner.
- The CREG has checked and validated the results of the auction.
- A total of 1.2 GW of capacity was offered by providers.
- Ultimately, no capacity was contracted, because the demand curve was fully covered by the extension of two nuclear reactors, the volume contracted during last year's auction and by existing capacity offered by capacity providers that did not wish to participate in this year's auction (Opt-Out In).

This second CRM auction (Y-4) is linked to the delivery year 2026-2027. The Federal Minister of Energy set the demand curve on 30 March 2022. This took into account the extension of Doel 4 and Tihange 3 (1,662 MW after derating) and the 1,648.72 MW of long-term contracts (of 8 to 15) years for batteries and gas-fired power plants that were contracted as capacity following the first CRM auction last year.

In determining the volume of capacity that needed to be auctioned off, existing capacity that will be on the market in 2026 but whose providers chose to not participate in this year's auction was taken into account. Capacity providers owning a combined total of 6,682 MW of capacity took advantage of this so-called Opt-Out IN option. These capacity providers show no intention of leaving the market and their capacity was deducted from the volume that needed to be contracted during this year's auction. Thus, the entire demand curve was covered and an over-calculation (of demand and cost) was avoided.

The dossiers which were submitted (reaching 1.2 GW in total) were therefore not contracted. This capacity comprised approximately 800 MW of new capacity, 140 MW of demand management and 240 MW of combined heat and power.

The total cost of the CRM for the 2026-2027 delivery year cannot be determined at this stage. A second auction still needs to be organised in 2025 (Y-1). This will allow the volume that needs to be auctioned off to be tailored to the needs of the moment and will ensure that the widest possible range of technologies will be offered up.

Basic principles of the Belgian CRM

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The CRM offers a financial payment to market parties in exchange for their availability to provide capacity to the system - not for their actual production of electricity. Ultimately, the market determines who actually produces the required energy, in accordance with the principle of supply and demand. Financial support is needed to address what has been called the 'missing money' problem. This refers to the difference between actual production costs (including the investments needed to produce electricity) and what the market can offer for this production. Without financial support, there is no guarantee that the necessary capacity will be available when it is needed. This could jeopardise Belgium's security of supply.

The capacity volume that is put up for auction is determined by a demand curve. Since a CRM must maintain a country's security of supply, the calculation is based on its annual peak consumption. In Belgium, that peak consumption (in line with a methodology established by law) is set at 14 GW.

Elia's role

Elia organises Belgium's CRM auctions in line with a request from the Federal Minister of Energy and in accordance with the law which regulates the organisation of the electricity market and as approved by the European Commission. In May 2022, a pre-qualification period was launched for each production unit of at least 1 MW in Belgium that was not eligible for any other subsidy, as well as for other technologies such as demand management. The projects that were prequalified could submit their offers between 16 and 30 September 2022.

Not the last CRM auction

In order to ensure security of supply after the partial nuclear phase-out, and in line with a European directive, CRM auctions can be held over a maximum period of 10 years. Last year, the first Belgium CRM auction was held for the 2025-2026 delivery year. Further CRM auctions are also due to be held over the next few years (both Y-4 and Y-1). When calculating future volumes that will be put up for auction, the result from previous auctions is always taken into account.

Auction report

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A report covering this year's auction has now been made public and can be accessed via the following website: www.elia.be/crm. The procedure undertaken for the auction was submitted to the CREG for approval. In examining the procedure, the CREG was assisted by an external auditor, who guaranteed strict compliance with the regulations, both for the implementation of the mechanism and for the choice of the selected units. The auction for the 2026-2027 delivery year was conducted in accordance with the provisions of the Electricity law.

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About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,192 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

More information: eliagroup.eu

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