

FAQ for cross-border participation to the Belgian Capacity Remuneration Mechanism



1. WHICH FOREIGN CAPACITIES CAN PARTICIPATE?

The Belgian CRM is open to all technologies contributing to Security of Supply. Any physical or legal person likely to offer capacity, individually or in aggregation, directly connected to the TSO grid which meets the admissibility criteria determined in accordance with Article 7undecies, § 8, paragraph 1, of the Electricity Act of 29 April 1999 can participate to the Belgian CRM, subject to the availability of Maximum Entry Capacity (MEC) and the instruction of the Minister to organise cross border participation for de specific border and Delivery Year.

2. WHY IS THE PARTICIPATION ONLY ALLOWED FOR UNITS DIRECTLY CONNECTED TO THE TSO-GRID?

To reduce operational and design complexity, for now, only TSO-connected capacities, not connected to a Closed Distribution System (CDS) are eligible. This will be re-evaluated at a later stage.

3. WHAT ARE THE REQUIREMENTS TO PARTICIPATE?

CRM participants should meet among others, the following Eligibility criteria:

- Compliance with the CO2 emissions cap set in the Functioning Rules to ensure compliance with limits set down in article 22, § 4 a) and b) of Regulation (EU) 2019/943 and European Commission Decision SA.104336 (2023/N) of 29 September 2023. CO2 emissions cap value is set in the Annex of the Functioning Rules (Annex 18.1.6 in the Functioning rules published on the 15/06/2023 on Elia's website)
- Do not receive any variable operating aid for the relevant Delivery Period related to the Auction the capacity wants to participate in, or abandon their variable operating aid to participate in the Belgian CRM
- Fulfill the permits requirement. The Foreign CRM Candidate has to submit a Permit Verification File in accordance with its contractual obligation to participate in the Belgian CRM, which contains the permits required for the participation in the Belgian CRM and in which a publicly certified and sworn expert confirms all necessary licenses/permits for the construction and operation of the project have been obtained. The publicly certified and sworn expert confirms that these licenses/permits are definitive, enforceable and cannot be legally challenged on the basis of all known facts at the time of the submission of the permit report. A template of the Permit Verification File is available on Elia's website. The Foreign TSO operates a verification on the candidate's Permit Verification File.
- Complete the Financial Security requirement.
- Fill in the required templates and delivers the required data.
- The Bid Volume must be higher than the minimum bid volume of 1 MW derated (i.e., after application of the derating factor of the technology).

Information to be provided when submitting an Admission file and a Prequalification file are detailed in the Functioning Rules. Templates of the documents to fill in are available on Elia CRM's webpage ([Capacity Remuneration Mechanism \(elia.be\)](https://www.elia.be))

Where to find an exhaustive list of the requirement:

Before 15th of May 2025:

- Requirements for Admission Process: Template of the document to fill in and the design notes on Elia's website
- Requirements for Prequalification: Design note on Elia's website & Chapter 5 of the Functioning Rules

Link to Elia's website: [Capacity Remuneration Mechanism \(elia.be\)](https://www.elia.be/en/capacity-remuneration-mechanism)

After 15th of May 2025:

- Requirements for Admission Process: Chapter 17 of the Functioning Rules
- Requirements for Prequalification: Chapter 5 of the Functioning Rules

4. IS IT POSSIBLE TO PARTICIPATE IN SEVERAL FOREIGN CAPACITY MARKETS AT THE SAME TIME?

Yes, in accordance with Article 26 (5) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019: Capacity providers shall be able to participate in more than one capacity mechanism.

Where capacity providers participate in more than one capacity mechanism for the same delivery period, they shall participate up to the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. The Available volume attributed to each Capacity Provider for a given capacity mechanism is calculated ensuring that the total contracted capacity on yearly basis does not overpass the maximum production capacity. Double selling of capacity would thus lead to penalties for that capacity at each moment of control in any of the two capacity mechanisms.

5. IN WHICH AUCTIONS MAY XB CAPACITIES PARTICIPATE (Y-1 OR Y-4)?

For the auctions organized in 2025, the participation of Foreign Capacity Providers is restricted to the Y-1 auction and will thus not allow participation to the Y-4 auction or the Y-2 auction.

6. HOW LONG IS A DELIVERY PERIOD? WILL THERE BE AN OPTION FOR LONG TERM CAPACITY CONTRACTS FOR FOREIGN CAPACITY UNITS?

The delivery period lasts 1 year and is defined in article 2,77° of the Electricity Act: "The period beginning on 1st November and ending on 31st October inclusive of the following year, during which capacity suppliers are remunerated for making their capacity available".

Only Single-Year contracts are allowed for Indirect Foreign Capacity Providers, therefore, no Multi-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 on a year-to-year basis. This will be re-evaluated in 2027.

7. WHICH DERATING FACTORS ARE ASSUMED FOR FOREIGN CAPACITIES?

Elia makes a proposal in its calibration report. The derating factors are per category and technology and are definitive and communicated in a Ministerial Decree published at the latest by 31st of March each year. The Derating Factors applied for Foreign Capacities are the same as the ones applied to Belgian Capacities.

The values proposed by Elia can be found in the calibration report published on Elia's Website at the latest by 1st of December.

8. WHICH DOCUMENTS ARE REQUIRED FOR PREQUALIFICATION?

All requirements are listed in section 5.2.3.1 of the Functioning rules. A consolidated document with all the template of the required documents can be found on Elia's website. ([Capacity Remuneration Mechanism \(elia.be\)](https://www.elia.be/en/capacity-remuneration-mechanism))

9. ARE THERE SPECIFIC REQUIREMENTS PER BORDER TO FULFIL TO PARTICIPATE TO THE BELGIAN CRM?

In addition to the requirements listed above, some additional requirements are specific to a border.

For The Netherlands

Data used for the Availability obligation are the EMS/SCADA data. Thus, a capacity provider willing to take part to the Belgian CRM should communicate these data with the Foreign TSO to participate in the Belgian CRM as Existing. If the capacity provider does not fulfill the metering requirement, it can apply as additional and install the correct meter/ carry out the necessary work during the Pre-Delivery Period.

For more information regarding that point, the capacity provider can directly take contact with TenneT.

For Germany

A German unit willing to participate to the Belgian CRM must submit a local equivalent of the Generation schedule, i.e. a Generation Block Unit.

In addition, during the permit verification process as part of the Prequalification process, the expert chosen to verify the permit must be entered in the IHK register.

10. WHAT IS THE DIFFERENCE BETWEEN THE PRE-AUCTION AND THE MAIN AUCTION?

Admission Process and Pre-Auction are two processes specific to Cross Border participation. 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.

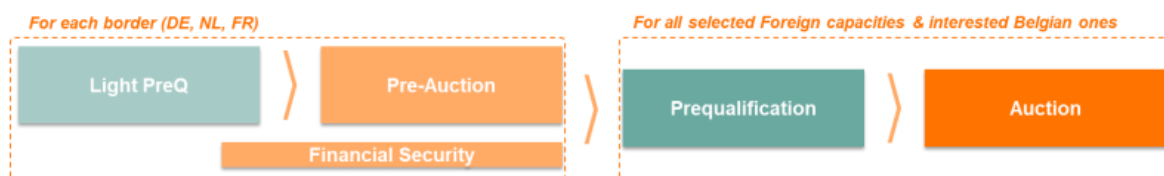


Figure 1 - Additional processes for Foreign Capacities

11. ARE POWER PLANTS WITH RESERVE POWER CONTRACTS (GRID RESERVE, CAPACITY RESERVE) ALLOWED TO PARTICIPATE?

Elia will monitor the availability of the contracted capacity based on its participation in the wholesale and balancing (FCR, aFRR, mFRR) markets through the availability obligation process. Elia does not consider contracts for which a capacity is placed outside of the beforementioned markets.

12. WHAT ARE THE IMPORTANT MILESTONES/DATES?

PERIODS	Gate opening time	Gate closure time	Remarks in respect of the forthcoming Auction
MINISTERIAL DECREE	NA	March 31, 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.
ADMISSION PROCESS			
Application Form	NA	1 WD after April 1st	Submitting the application form enables you to create an account on the CRM IT tool.
Admission Process File submission	NA	April 12, Y-1	Last date by which the Foreign CRM Candidate may submit his Admission Process File in order to be able to participate to the forthcoming Pre-Auction.
Admission Process results notification	NA	4 Working Days after May 15, Y-1	Last date by which the Admission Process results are officially notified by ELIA to each Foreign CRM Candidate individually.
FUNCTIONING RULES PUBLICATION	NA	May 15, Y-1	Last date where Functioning Rules for a related Auction are officially published.

PRE-AUCTION			
Bid submission	May 24 9:00, Y-1	May 25 17:00, Y-1	Period during which Bids may be introduced by Admitted 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 PROCESS¹			
Prequalification File submission	NA	June 15, 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 (Automatic Transfer).
Permit Verification Report Submission		August 31, Y-1	Suggested date by which a Foreign CRM candidate should submit to the relevant Foreign TSO the Permit Verification report.
Prequalification results notification		September 15 ² , 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-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-1	September 30 17:00, Y-1	Period during which Bids may be introduced by Prequalified CRM Candidates.
Auction clearing	October 1, Y-1	October 31, Y-1	Period during which the Auction is cleared, and results are validated.

¹ A Prequalification File cannot 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 Admission 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

Results notification	NA	October 31, Y-4/Y-1	Date by which Auction results are published.
PRE-DELIVERY PERIOD	November 1, Y-1	October 31, Y	
DELIVERY PERIOD	November 1, Y	October 31, Y+1	

13. WHAT ARE THE OBLIGATIONS OF THE CAPACITY PROVIDER DURING PRE-DELIVERY AND DELIVERY PERIOD?

Pre-Delivery

All Contracted CMUs are subject to Pre-Delivery Obligation, in which Elia verifies their ability to provide Capacity by the start of the Delivery Period.

In addition, Additional CMUs are required to provide quarterly reports. Meanwhile Existing CMUs only have to provide Permit reports at the first moment of control.

Delivery

- Availability Obligation:

During Adequacy-relevant moments and tests, a CMU is expected to have their Obligated Capacity available. In Availability Monitoring, Elia checks the market presence of CMUs. Unavailability at adequacy relevant moments will result in a Financial Penalty.

- Payback Obligation:

In a Reliability Option, the capacity provider receives a capacity remuneration but is obliged to payback money to society (Belgian state) whenever the reference energy spot price (e.g. day-ahead price) exceeds a pre-defined strike price. From the Auction starting in 2025 onwards: demand side response and energy storage will be exempted from payback obligation.

14. WHAT ARE THE RISKS LINKED TO THE PARTICIPATION TO THE BELGIAN CRM?

There are penalties that apply for Availability Monitoring if the candidate does not respect his obligation or during the Pre-delivery process if the candidate is not able to provide the capacity he has been contracted for. In addition, a reimbursement of profits, known as Payback obligation, exists when market prices rise above a certain threshold to avoid Market parties to earn windfall profits.

Penalties

- **Pre-delivery Penalty:** In case of Missing Volumes determined during the Pre-Delivery Period at specific moment (TControl) a financial penalty is applied. The amount depends on the moment of control (TControl 1 or Tcontrol 2) and on the status of the CMU.

→ More information in section 8.4.3.1 of the Functioning Rules and in the Pre-Delivery Monitoring Design Note ([link](#))

- **Unavailability Penalty for Missing Capacity:** If the candidate fails to be available during an AMT moment where its availability is monitored, penalties are applied. The severity of the penalties depends on the volume missing, the duration and the period of the moment (In or out winter period), the type of the missing capacity (Announced or Unannounced). The Unavailability Penalty is capped to the sum of the awarded Capacity Remunerations.

→ More information in section 9.6.2 of the Functioning Rules and in the Availability Obligation Design Note ([link](#))

Payback obligation

A payback obligation applies to all participants at any moments of their transaction period when the reference Price exceeds the strike price. The Strike price is a fixed value determined for each Delivery Period and publicly communicated at the latest the 15th of May before the Auction.

For the Y-1 Auction 2024 (DP 2025-2026) the strike price equals 410€/MWh. Elia will make a proposal for the strike price for the auctions organized in 2025 in its calibration report. It is the Minister who sets the strike price by 31st of March 2025.

The total amount of a Payback obligation on a complete Delivery Period is capped and cannot exceeds the transaction Stop Loss amount for that specific Delivery Period. The Stop Loss amount is calculated for each participant by October 31st before the Delivery Period.

From the Auction starting in 2025 onwards: demand side response and energy storage will be exempted from payback obligation.

→ More information in section 12.4.1 of the Functioning Rules and in the Payback Obligation Design Note ([link](#))