

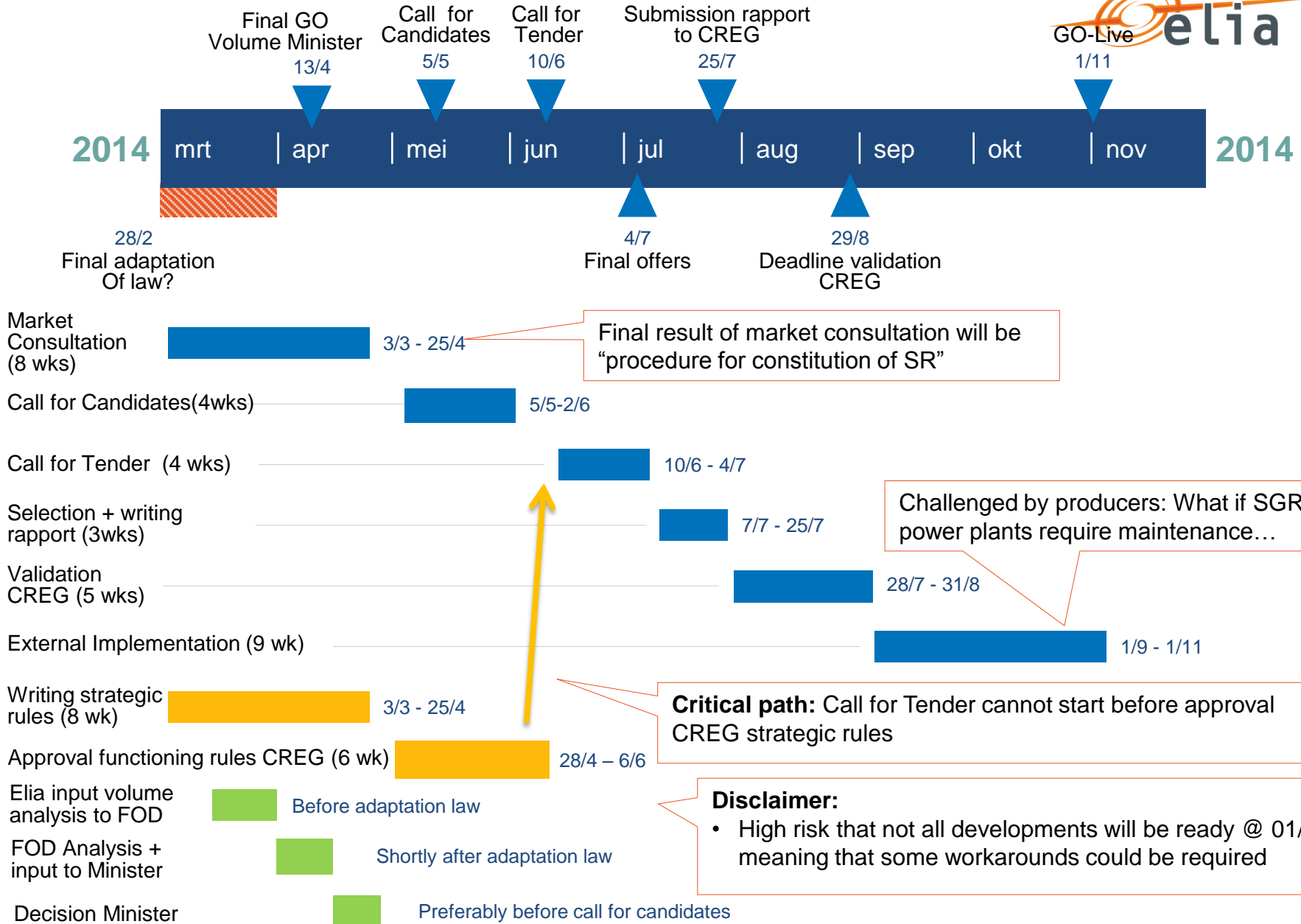


Status TF iSR

Users Group– 20/03/2014



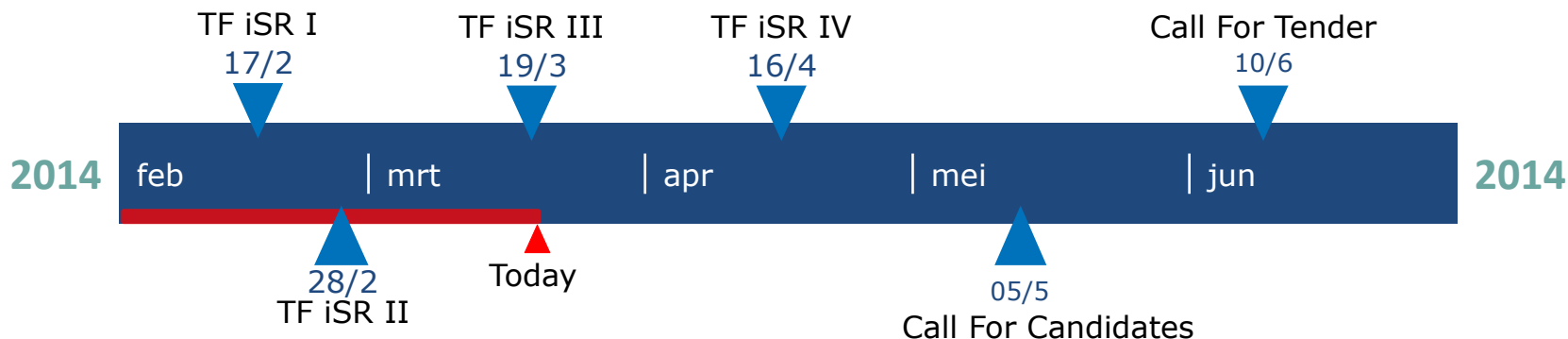
Contracting calendar: Agreed with CREG and Administration



*note: Exact mentioned dates are to be seen in a range, final timing can have different dates.

Reminder: 1 of the goals of this taskforce:

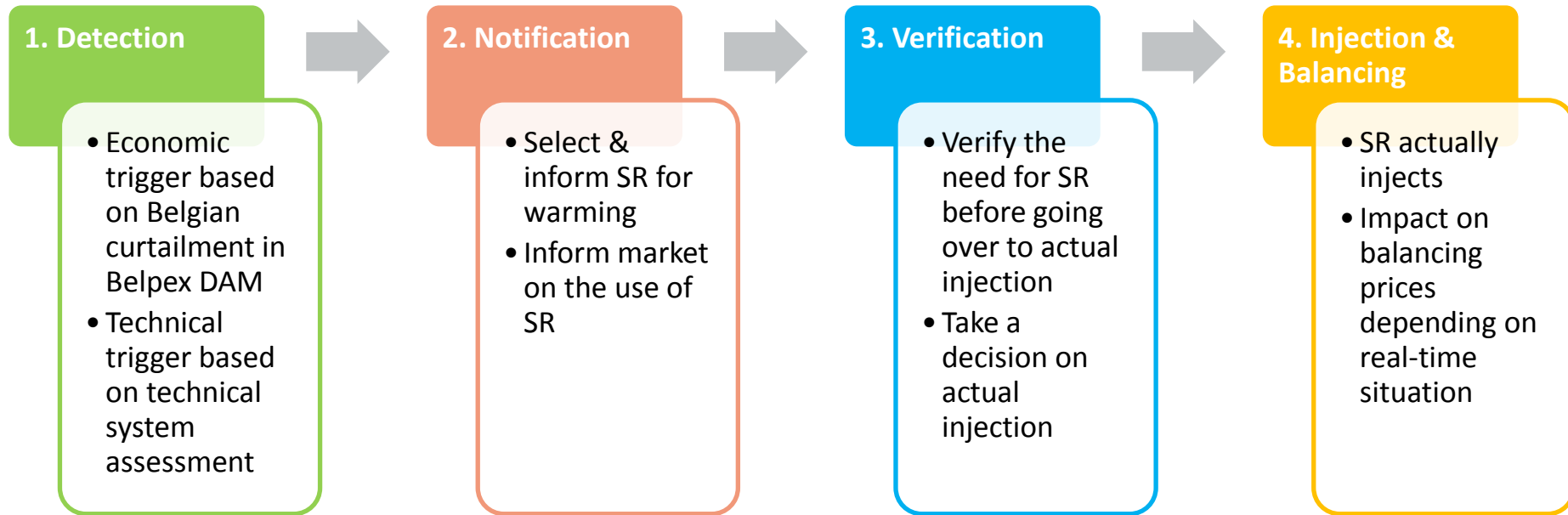
- **Consult** market parties and stakeholders, in particular on the **tendering procedure** (incl. all relevant items concerning this procedure such as selection criteria, product requirements, tender rules,...) and the **functioning rules** (incl. detection, activation) for strategic reserves to be written by Elia and approved by CREG.



Procedure for constitution of Strategic reserves:

- Elia will take all feedbacks and comments received (during, or in between these taskforces) into account to finalize in week 14 (**31/03 – 04/04**) this procedure and submit it to all TF SR members for final consultation;
- Until taskforce IV (**16/04**) all stakeholder's can submit their comments;
- In case needed these comments will be discussed during TF IV (**16/04**);
- Prior to the call for candidates (**05/05**) Elia will publish the final procedure.

SR Market Design: High-level view



Important topics being discussed include:

- Trigger design for detection and link with existing elements (e.g. Belpex DAM)
- Price consistency & incentives
- Impact balancing market: structural shortage & imbalance tariffs
- Timings and delays
- Techno-economic trade-offs
- Communication with market players
- ...

Two different products: SGR and SDR



Important topics being discussed include:

- Parameter calibration
- Penalties/incentives
- Remuneration structure
- Availability
- Activation constraints
- Testing

SGR

Strategic Generation Reserves

Provided by production units that are **out of the market** (art 7quinquies) and thus by definition exclusively dedicated to the Strategic Reserves

- 100% availability with some tolerance for force majeure (incidents) and repairs
- No activation limits besides the technical activation delay (warm up/ramp up)
- Activation price would reflect the cost of electricity production (Fuel cost, operational costs, emissions...)

SDR

Strategic Demand Reserves

Consumption is primarily driven by their core business and not (only) by the electricity market. Their participation will be **conditioned to some industrial constraints**

- SDR should not incentivize to consume in order to meet contractual obligations
- Additional activation constraints:
 - Max duration of an activation
 - Delay between 2 consecutive activations
 - Max # of activations
- Activation price based on different parameters (electricity price, impact on core business, organization...)

Strategic Reserve Tender Design

Important topics being discussed include:

- Modalities for participation
- Tendering process
- Tendering calendar
- Eligibility criteria
- Call for tender
- Terms of reference and technical specifications
- Selection and award criteria