CRM Design Note: Financial Securities

August 2024

Table of Contents

Introduction and context

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Objective and structure of the Design note

This document aims to provide explanation regarding the obligation for the CRM Candidate to provide Financial Securities.

This Design note is divided into three sections:

- **Section 1:** Purpose of the Financial Security: this section explains why the Financial Security obligation exists and when is it applied.
- **Section 2:** Financial Security's characteristics: this section explains in detail the characteristics of a Financial Security, namely, the different types of Financial Security, the Validity Period, and the Secured Amount to cover.
- **Section 3:** Financial Security processes: this section covers all the processes regarding the Financial Security from its submission to its release including, if applicable, the invocation of (a part of) the Financial Security or its modification.

1 Purpose of the Financial Security

The Financial Security serves as a warranty **to cover penalties during the Pre-Delivery period**, if these penalties remain unpaid by the CRM Actor. Penalties during the Pre-Delivery period can be applied when:

- The Capacity Contract is not signed after selection of the CMU in the Auction by the CRM Actor.
- The performance of a CMU is not in line with Pre-Delivery Monitoring requirements[1]

The Financial Security covers the Pre-Delivery Period and is released after the start of the Delivery period in accordance with the process describe in section 3.4, subject to the condition that the CMU has received the status “Existing”.

1.1 Financial Security Obligation for Transactions in the Primary Market

The submission of a Financial Security is required to access the Auction, or, for Foreign CMUs, the Pre-Auction. A Financial Security needs to be submitted for every CMU during the Prequalification phase when the CMU is following a Standard process and is willing to participate in the Auction. For Foreign CMUs, the Financial Security needs to be submitted as of the Admission Process and for every CRM Candidate willing to participate to the Pre-Auction.

1.2 Financial Security Obligation for Transactions in the Secondary Market

Following a Transaction on the Secondary Market, the buyer of an obligation needs to submit a Financial Security if:

- The transaction date is before the start of the Delivery Period of the obligation, and
- The transaction increases the volume to be guaranteed *(See section 2.3.2)* during the Validity Period.

In other words, a Financial Security is required if the Secondary Market Transaction happens during the Pre-Delivery Period, but not if the Delivery Period is already ongoing.

[1]More information on the Pre-delivery monitoring requirement can be found in the Design note on the Pre-delivery https://www.elia.be/-/media/project/elia/elia-site/electricity-market-and-system/adequacy/crm/2024/20240703_crm-design-note---pre-delivery-monitoring---july-2024.pdf

2 Financial Security characteristics

2.1 Types of Financial Securities

The CRM Candidate can choose the form of its Financial Security. The following types of Financial Security are accepted, under the condition explained in the following sections:

1. Bank guarantee
2. An Affiliate guarantee
3. A cash payment

2.1.1 Bank and Affiliate Guarantee

The templates to use for the Bank Guarantee and the Affiliate guarantee are published on Elia's Website and in the Annexes of the CRM Functioning Rules[2].

The guarantor (bank or corporate) should be permanently established in a member state of the European Economic Area and the bank or Affiliate Guarantee should satisfy the following requirements:

- Unconditionally available on first request of Elia.
- Irrevocable, which means that it cannot be changed or recovered, except during the specific release moment explained in section 3.4
- Guarantor should have a minimum rating of BBB (S&P or Fitch) or Baa2 (Moody's).

In addition, for an Affiliate Guarantee, a legal opinion confirming that the Affiliate guarantee is legal, valid, binding, and enforceable under the relevant legislation should be provided by the CRM Candidate and approved by Elia during the Prequalification Process.

2.1.2 Cash guarantee

The Cash guarantee can be seen as a fallback solution if the Bank or Affiliate Guarantee is not the opportune solution for the Capacity Provider. However, it is important to note that the Cash Guarantee will need to be replaced by either a Bank Guarantee or an Affiliate Guarantee within 6 months.

2.2 Validity Period

The Validity Period is a period related to a Transaction during which a CRM Actor must provide a valid Financial Security.

[2] The latest updated Functioning Rules are available on Elia's website: [Capacity Remuneration Mechanism (elia.be)]

The start of the Validity Period of a Financial Security is the Transaction Validation date and depends on the type of Transactions (Primary or Secondary) and if the CMU is an Indirect Foreign Capacity (Foreign CMU) or not (Belgian CMU). The Financial Security can only be called upon after this Transaction Validation date. In other words, Elia can only ask the Financial Security to cover an unpaid penalty after the dates mentioned here below.

Start of the Validity Period

Y = The year of the (Pre-)Auction

	Belgian CMU	**Foreign CMU**
Primary Market transaction	September 30, Y	May 25, Y
Secondary Market transaction	On the Transaction date	

Figure 1 - Start of the Validity Period

The Validity Period of a Financial Security, related to a Transaction, ends on a specific date called the Expiry Date, this date also corresponds to an official release moment of the Financial Security as explained in the section 3.4. This date varies depending on the Status of the CMU and the length of the contract.

The table below illustrates the Expiry Date of the Financial Security for the Y-1, Y-2 and Y-4 Auction for a one-year contract.

Expiry Date				
Auction		Existing CMU	Additional CMU	Virtual CMU
2024	Y-1 *(DP 2025-2026)*	21/10/2026	13/11/2026	13/11/2026
	Y-4 *(DP 2028-2029)*	22/10/2029	15/11/2029	15/11/2029
2025	Y-1 *(DP 2026-2027)*	21/10/2027	15/11/2027	15/112027
	Y-2 *(DP 2027-2028)*	24/10/2028	15/11/2028	15/11/2028
	Y-4 *(DP 2029-2030)*	21/10/2030	15/11/2030	15/11/2030
2026	Y-1 *(DP 2027-2028)*	24/10/2028	15/11/2028	15/11/2028
	Y-2 *(DP 2028-2029)*	22/10/2029	15/11/2029	15/11/2029
	Y-4 *(DP 2030-2031)*	22/10/2031	14/11/2031	14/11/2031
2027	Y-1 *(DP 2028-2029)*	22/10/2029	15/11/2029	15/11/2029
	Y-2 *(DP 2029-2030)*	21/10/2030	15/11/2030	15/11/2030
	Y-4 *(DP 2031-2032)*	21/10/2032	15/11/2032	15/11/2032
2028	Y-1 *(DP 2029-2030)*	21/10/2030	15/11/2030	15/11/2030
	Y-2 *(DP 2030-2031)*	22/10/2031	14/11/2031	14/11/2031
	Y-4 *(DP 2032-2033)*	24/10/2033	15/11/2033	15/11/2033

Table 1- Expiry date

2.3 Secured Amount

The amount of a Financial Security shall fulfill the Secured Amount which corresponds to the amount estimated as sufficient to cover the risk related to a CMU. This Secured amount is composed of two components, the Required level which varies depending on the status of the CMU and the Volume to be Guaranteed which corresponds to the Volume to cover by the Financial Security.

$$Secured\ Amount(€) = Required\ level\ \left(\frac{€}{MW}\right) * Volume\ to\ be\ Guaranteed\ (MW)$$

2.3.1 Required Level

The Required level is determined at CMU level in function of the status of the CMU.

Required Level				
	Existing CMU	**Additional CMU**	**New Build CMU**	**Virtual CMU**
General Required level depending on the status	10 000 €/MW	15 000 €/MW	20 000 €/MW	20 000 €/MW
If the Permitting Milestones is reached during the Pre-Delivery Period or if the Permitting Milestones is not applicable	N/A	11 000 €/MW	15 000 €/MW	N/A

Table 2 - Required level

The Permitting Milestone is reached when all necessary licenses and permits for the construction of the project have been delivered in the last administrative instance, be definitive, enforceable and cannot be disputed anymore before the State Council or any other body competent to hear disputes regarding decisions made in final administrative instance regarding permits. This milestone is verified during the Pre-Delivery Period.

On the one hand, in the Pre-Delivery Period, Existing CMUs are requested to provide Permit Reports at the moment of control $t_{control\ 1}$. If the Capacity Provider does not hold all required permits for the Delivery Period, its impact, and a mitigation plan to palliate this shall be provided through the Permit Report.

On the other hand, during the Pre-Delivery Period, Additional and Virtual CMUs are requested to provide Quarterly Reports. The latter enables Elia to verify whether the CMU is on track to become Existing in a timely manner for the beginning of the Delivery period. For further information, the reader can refer to the section 2.3 and 2.4 of the Pre-Delivery Monitoring Design Note[3].

If the Capacity Provider has obtained all the necessary permits for the construction of its

[3] Link to the Pre-Delivery Monitoring Design note

project, before or during the Prequalification, the Required level is respectively for an Additional and a New build CMU of 15 000 €/MW and 20 000 €/MW.

Once the Permitting Milestones reached and verified during a Quarterly Report review, as abovementioned, the Required level drops to 11 000 €/MW and 15 000 €/MW respectively, leading to a partial release of the Financial Security as explained in the section 3.4.

2.3.2 Volume to be Guaranteed

The Financial Security should cover the Maximum Expected Contracted Capacity at each moment of the Validity Period(s) it is referring to. Therefore, the Volume to be Guaranteed is determined according to the following formula:

$$Volume\ to\ be\ Guaranteed\ (CMU, t) = \ Max_{\tau}[Expected\ Contracted\ Capacity\ (CMU, \tau, t)]$$

Where:

- τ represents a moment of the Delivery Period(s) related to the Validity Period(s) in progress at moment t;
- $Expected\ Contracted\ Capacity\ (CMU, \tau, t)$ is the expected Contracted Capacity at moment τ that would apply at moment t determined.

If two or more Validity Periods overlap, the Financial Security obligation does not apply cumulatively. Indeed, as the Volume to be Guaranteed equals the Maximum Expected Contracted Capacity for a CMU and not the sum, when several Validity Periods overlap, the CRM Candidate should look at the maximum of Expected Contracted Capacity during the moment of the overlapping to determine the Volume to be Guaranteed. To illustrate the application of the formula in case of validity Periods overlapping, a concrete example is provided in the annex of this Design note (see section 4.1).

3 Financial Securities processes

3.1 Submission of a Financial Security

When should a capacity provider submit a Financial Security?

To participate to the Primary Market, the CRM Actor submits its Financial Security before:

- For a Belgian CMU, September 1 of the year during which the Auction is organized.
- For a Foreign CMU, May 10 of the year during which the Pre-Auction is organized.

For a transaction on the Secondary Market, as already mentioned previously in this document (see section 1.2), a CRM Candidate should submit a Financial Security if:

- The transaction date falls before the start of the delivery period containing the transaction period starts.
- The transaction results in an increase of the Volume to be Guaranteed by the CRM Actor.

If the transaction on the Secondary Market is subject to a Financial Security obligation, the submission of the Financial Security on the CRM IT interface should be prior to the notification of the transaction on the Secondary Market to Elia.

How can a Capacity Provider submit its Financial Security?

The CRM Actor submits its Financial Security on the CRM IT interface and in a paper version. The template of the Financial Security to be submitted, can be found in the annexes of the Functioning Rules published on Elia Website on the 15/05/2024[4]

As mentioned, in addition to the submission on the IT CRM interface, send the original version of the guarantee to:

the attention of: Nicolas Koelman (Key Account Manager Adequacy)

Elia Transmission Belgium

Boulevard de l' Empereur 20

1000 Brussels

Belgium

It is important to note that it is up to the CRM Actor to correctly estimate its Secured Amount according to its Volume to be Guaranteed and the Required Level.

3.2 Modification of Financial Security

As explained previously, a Financial Security is irrevocable. However, upon request of Elia for operational reasons or due to late changes in the Functioning Rules, the CRM Candidate can adapt its Financial Security related to a specific Auction after the Financial Security Submission date (see section 3.1).

When a CRM Actor increased its Volume to be Guaranteed for a specific Validity Period and for a specific CMU due to a new Transaction, the CRM Actor submits and fills the template in annex 18.5 of the Functioning Rules published on Elia Website on the 15/05/2024 in accordance with the Financial Security submission date set in section 3.1. to modify its original Financial Security.

3.3 Call upon the Financial Security

The Financial Security can be called upon by ELIA as of the Transaction Validation Date when one of the following penalties remains 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 by the

[4] Link to the English version of the Functioning Rules V.4 published on Elia website on 15/05/2024.
Link to the French version of the Functioning Rules V.4 published on Elia website on 15/05/2024.
Link to the Dutch version of the Functioning Rules V.4 published on Elia website on 15/05/2024.

Capacity Provider.

The amount of a CMU's Financial Security must not be adjusted to its initial level when ELIA has partly or fully invoked the Financial Security.

3.4 Release of the Financial Security

The Financial Security can be partly or fully released if the Secured Amount is lower than the actual amount of the Financial Security for a specific CMU.

When can a Financial Security be fully or partially released?

The procedure to release a (part of a) Financial Security is initiated by Elia at the latest 10 Working Days after pre-determined moments. These moments are fixed and corresponds to specific milestones of a CMU journey.

The moments of Release can be sorted by category depending on the reasons of the release:

1- Directly after a Transaction:
    - at the moment of ***the Pre-Auction result notification***;
    - at the moment of ***a Primary Market Transaction Validation Date***;
    - at the moment of ***a rejection of a Secondary Market transaction***;
    - at the moment of ***the transfer of the Capacity Contract***;
2- When the CMU changes its Status leading to a modification of the Secured Amount:
    - after the Capacity Contract signature whenever the "**Permitting Milestone**" has been reached and/or whenever the status of the CMU changes from **Additional/Virtual to Existing**;
3- When a Financial Security is not needed anymore, at the end ***of the Validity Period***;
4- When ***cash payment is replaced*** by another type of Financial Security.

How is the Financial Security released?

When a (part of a) Financial Security can be released, the CRM Candidate should within 10 Working Days after the notification of Elia communicates if he wants to proceed with the release procedure and the specifics characteristics of it (if it concerns several Financial Securities).

Once the release moment is approved by the CRM Candidate or when the deadline has expired if no choice has been made by the CRM Candidate, the release will be carried out by ELIA within a maximum of 10 Working Days.

The CRM Actor is notified of the release via the CRM IT Interface.

4 Annexes

4.1 Example of determination of Volume to be Guaranteed.

The Volume to be Guaranteed for one CMU can change over time in function of the Transactions on the Primary Market and/or on the Secondary Market as illustrated by the fictive examples below.

Example1: Transactions in the Primary Market

In this example, the CRM Actor closes three consecutive Transactions in the Primary Market: in the Y-4 Auction in 2021 (for Delivery Period starting in 2025 DP_{25}), the Y-4 Auction in 2022 (for Delivery Period starting in 2026 DP_{26}) and in the Y-1 Auction in 2024 (for Delivery Period starting in 2025 DP_{25}), as illustrated in Figure 1 below.

The figure below also shows that:

- a Validity Period is always linked to a Transaction.
- overlapping Validity Periods are possible.
- the Maximum Expected Contracted Capacity over a Delivery Period varies over time in function of Transactions on the Primary Market.

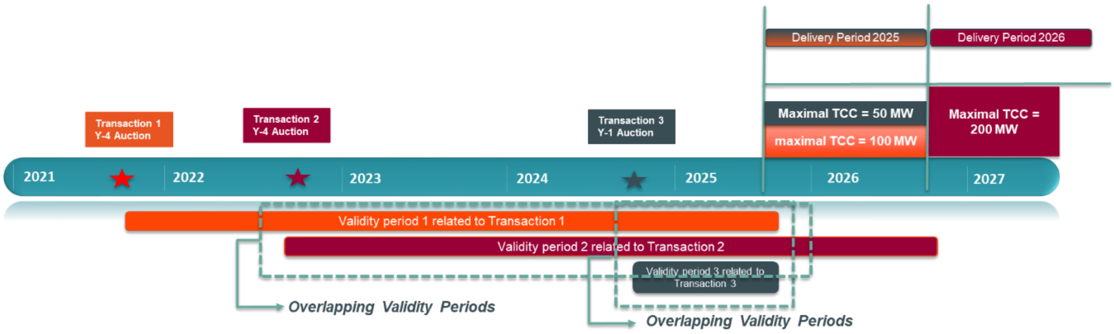

Figure 2- Overview of 3 consecutive Transactions on the Primary Market

Transaction 1

For the Y-4 Auction in October 2021 and DP_{25}, the CRM Actor prequalifies 200MW for a CMU, of which 100 MW is finally selected in the Auction.

Parameter	Value
Year Y-4 Auction	October 2021
Validity Period related to the Transaction	October 2021 – October 2026
Start Delivery Period	November 2025

Eligible Volume (after the Prequalification Process)	200 MW
Contracted Capacity (after the Auction)	100 MW

At any moment t of the Validity Period 1, associated to Transaction 1, the Volume to be Guaranteed is calculated as follows:

Before the Transaction Validation Date related to Transaction 1:

The Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$ is calculated on the assumption that the maximum volume that is prequalified, is selected in the Auction:

$$Volume\ to\ be\ Guaranteed\ (CMU, t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}, t)]$$
$$= Eligible\ Volume\ of\ the\ CMU = 200\ MW$$

After the Transaction Validation Date related to Transaction 1:

The Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$ and thus the Volume to be Guaranteed is reduced to 100MW, now being equal to the actual Total Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$:

$$Volume\ to\ be\ Guaranteed\ (CMU, t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}, t)]$$
$$= Total\ Contracted\ Capacity\ of\ the\ CMU = 100\ MW$$

<u>Transaction 2</u>

For the Y-4 Auction in October 2022 and DP_{26}, the CRM Actor renews the prequalification of the CMU for an Eligible Volume of 200 MW, of which 200 MW are finally selected in the Auction.

Parameter	**Value**
Year Y-4 Auction	October 2022
Validity Period related to the Transaction	October 2022 – October 2027
Start Delivery Period	November 2026
Eligible Volume (after the Prequalification Process)	200 MW
Contracted Capacity (after the Auction)	200 MW

At any moment t of the Validity Period 2, associated to Transaction 2, the Volume to be Guaranteed should be covered by a Financial Security. This Volume to be Guaranteed is calculated as follows:

<u>Before the Transaction Validation Date related to Transaction 2:</u>

It concerns the second Transaction for the CMU, so the previous Transaction is to be taken into account to calculate the maximal expected contracted capacity over a Delivery Period.

The maximal expected contracted capacity over $all\ \tau\ part\ of\ DP_{26}$ is calculated on the assumption that the maximum volume that is prequalified, is selected in the Auction.

Part 1 of Validity Period 2: Overlapping with Validity Period 1:

At any moment t part of Validity Period 1 and Validity Period 2 that relate to DP_{25} and DP_{26} respectively, the Volume to be Guaranteed equals the maximum of the expected contracted capacity over $all\ \tau\ part\ of\ DP_{25}\ and\ DP_{26}$:

$$Volume\ to\ be\ Guaranteed(CMU, t)\ =$$
$$\max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}\ \text{and}\ DP_{26}, t)] =$$
$$\max_{\tau}\left\{\begin{matrix} Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}, t)\ ; \\ Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{26}, t) \end{matrix}\right\} = \max\{100\ MW\ ; 200\ MW\} = 200\ MW$$

Part 2 of Validity Period 2: No overlap with Validity Period 1:

At any moment t part of Validity Period 2, the Volume to be Guaranteed equals the Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{26}$.

$$Volume\ to\ be\ Guaranteed\ (CMU, t) = \max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{26}, t)] = 200\ MW$$

After the Transaction Validation Date related to Transaction 2:

The full Eligible Volume was selected in the Auction, so the Volumes to be Guaranteed above remain unchanged.

Transaction 3

For the Y-1 Auction in October 2024 and DP_{25}, the CRM Actor renews the prequalification for the CMU for a Remaining Eligible Volume of 100 MW, of which 50 MW is finally selected in the Auction.

Parameter	Value
Year Y-1 Auction	October 2024
Validity Period related to the Transaction	October 2024 – October 2026
Start Delivery Period	November 2025
Remaining Eligible Volume (after the Prequalification Process)	100 MW
Contracted Capacity (after the Auction)	50 MW

At any moment t of the Validity Period 3, associated to Transaction 3, the Volume to be Guaranteed should be covered by a Financial Security. This Volume to be Guaranteed is calculated as follows:

<u>Before the Transaction Validation Date related to Transaction 3:</u>

It concerns the third Transaction for the CMU, so the previous Transactions are to be taken into account to calculate the maximal expected contracted capacity over a Delivery Period.

The maximal expected contracted capacity over $all\ \tau\ part\ of\ DP_{25}$ is calculated on the assumption that the maximum volume that is prequalified, is selected in the Auction.

<u>Validity Period 3 : Overlapping with Validity Periods 1 and 2 :</u>

At any moment t part of Validity Period 1, Validity Period 2 and Validity Period 3 that relate to DP_{25} and DP_{26}, the Volume to be Guaranteed equals the maximum of the expected contracted capacity over $all\ \tau\ part\ of\ DP_{25}\ and\ DP_{26}$:

$$Volume\ to\ be\ Guaranteed(CMU,t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU,\tau\ part\ of\ DP_{25}\ \text{and}\ DP_{26},t)]$$
$$= \max_{\tau}\begin{Bmatrix} Expected\ Contracted\ Capacity(CMU,\tau\ part\ of\ DP_{25},t)\ ; \\ Expected\ Contracted\ Capacity(CMU,\tau\ part\ of\ DP_{26},t) \end{Bmatrix} = \max\{200\ MW\ ; 200\ MW\} = 200\ MW$$

No additional Financial Security is to be provided for this Transaction as the Volume to be Guaranteed has not increased.

<u>After the Transaction Validation Date related to Transaction 3:</u>

The Contracted Capacity is lower than the Remaining Eligible volume, so the Requested Volume is calculated as follows:

$$Volume\ \text{to be Guaranteed}\ (CMU,t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU,\tau\ part\ of\ DP_{25}\ \text{and}\ DP_{26},t)]$$
$$= \max_{\tau}\begin{Bmatrix} Expected\ Contracted\ Capacity(CMU,\tau\ part\ of DP_{25},t)\ ; \\ Expected\ Contracted\ Capacity(CMU,\tau\ part\ of\ DP_{26},t) \end{Bmatrix} = \max\{150\ MW\ ; 200\ MW\} = 200\ MW$$

<u>Conclusion</u>

During the overlapping Validity Periods, no double Financial Security obligation applies, only the Maximum Expected Contracted Capacity over the related Delivery Periods is to be covered.

Example 2: Transactions in the Secondary Market

In this example, the Capacity Provider closes three consecutive Transactions, starting with a Transaction in the Primary Market (Y-4 Auction in 2021), followed by two Transactions in the Secondary Market.

The figure below shows that the Maximum Expected Contracted Capacity can change within a Delivery Period in function of Transactions on the Secondary Market.

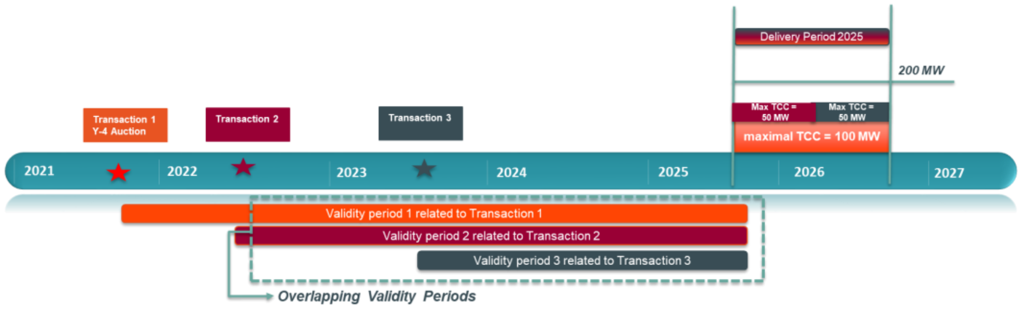

Figure 3 - Overview of 3 consecutive Transactions, one on the Primary Market and two on the Secondary Market

<u>Transaction 1</u>

Idem as in the example 1.

<u>Transaction 2</u>

As a second Transaction, the Capacity Provider buys an additional volume of 50MW for the CMU on the Secondary Market at a Transaction Date before the start of the Delivery Period containing the start date of the Transaction Period. The Transaction Period covers the first six months of the Delivery Period starting in 2025, from November 2025 up to April 2026 included.

At any moment t of the Validity Period 2, associated to Transaction 2, the Volume to be Guaranteed is calculated as follows:

<u>Before the Transaction Validation Date related to Transaction 2:</u>

It concerns the second Transaction for the CMU, so the previous Transaction is to be considered to calculate the Maximum Expected Contracted Capacity for a Capacity Delivery Period.

The Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$ is calculated on the assumption that ELIA approves the notified transaction.

<u>Validity Period 2: Overlapping with Validity Period 1:</u>

At any moment t part of Validity Period 1 and Validity Period 2 that both relate to DP_{25}, the Volume to be Guaranteed equals the Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$:

$$Volume\ to\ be\ Guaranteed\ (CMU, t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}, t)] = 150\ MW$$

<u>After the Transaction Validation Date related to Transaction 2:</u>

The transaction on the Secondary Market was approved, so the Volume to be Guaranteed above remains unchanged.

Transaction 3

As a third Transaction, the Capacity Provider buys an additional volume of 50MW for the CMU on the Secondary Market at a Transaction Date before the start of the Delivery Period containing the start date of the Transaction Period. The Transaction Period covers the last six months of the Delivery Period starting in 2025, from May 2026 up to October 2026 included.

At any moment t of the Validity Period 3, associated to Transaction 3, the Volume to be Guaranteed is calculated as follows:

Before the Transaction Validation Date related to Transaction 3:

It concerns the third Transaction for the CMU, so the previous Transactions are to be considered to calculate the Maximum Expected Contracted Capacity over a Delivery Period.

The Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$ is calculated on the assumption that ELIA approves the notified transaction.

Validity Period 3: Overlapping with Validity Periods 1 and 2:

At any moment t is part of Validity Period 1, Validity Period 2 and Validity Period 3 that all relate to the DP_{25}, the Volume to be Guaranteed equals the Maximum Expected Contracted Capacity over $all\ \tau\ part\ of\ DP_{25}$:

$$Volume\ to\ be\ Guaranteed\ (CMU,t)\ = \max_{\tau}[Expected\ Contracted\ Capacity(CMU, \tau\ part\ of\ DP_{25}, t)] = 150\ MW$$

No additional Financial Security is to be provided to cover the third Transaction as the Volume to be Guaranteed is not increased.

After the Transaction Validation Date related to Transaction 3:

The transaction on the Secondary Market was approved, so the Volume to be Guaranteed above remains unchanged.

Conclusion

As a result of Transactions on the Secondary Market, the Total Contracted Capacity can be different during a given Delivery Period. During the Delivery Period(s) concerned, the Volume to be Guaranteed is always calculated in function of the Maximum Expected Contracted Capacity over the Delivery Period.