

Belgian Capacity Remuneration Mechanism Y-4 2026-2027 Independent Auction Auditor Report

Commission de Régulation de l'Électricité et du Gaz
(CREG)

26 October 2022



AUCTION REPORT

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1. EXECUTIVE SUMMARY

This report sets out our conclusions in relation to the auditing of the processes and procedures followed by ELIA in the conduct of the Capacity Auction Process for the 2026/2027 Y-4 Capacity Auction, with respect to capacity auction Bids submitted between 09:00 on 16th September 2022 and 17:00 on 30th September 2022. This audit is intended to ensure that the processes and procedures followed by ELIA have been correctly carried out in accordance with ELIA's obligations under the Capacity Remuneration Mechanism (CRM) Functioning Rules.

Our auditing duties, defined in the Royal Decree on the Control of the CRM published on 7 June 2021 in the Official Gazette¹ have been carried out using the CEPA CRM checklist, defined in line with the CRM Functioning rules (EN version dated 13 May 2022 v2.0).

1.1. SCOPE OF THE REPORT

CEPA's role as the appointed Capacity Market Auditor for the CRM is to provide independent assurance to the market and the CREG that ELIA has correctly carried out its obligations under the Functioning Rules in respect of qualification for, and running of, Auctions, as set out in the Royal Decree on the Control of the CRM published on 7th June 2021.

ELIA ran the Capacity Auction Process for the Y-4 auction for Capacity Year 2026/2027 with Capacity Auction Bid Submissions received between 09:00 on 16th September 2022 and 17:00 on 30th September 2022, with Auction Results made available to CRM Candidates on 31st October 2022.

This report is produced in accordance with the terms of our engagement contract, dated 7th May 2021, for the purposes of reporting to the Commission de Régulation de l'Électricité et du Gaz (CREG) – in connection with CEPA's arrangement as the Capacity Market Auditor in the context of supervising the correct functioning of the CRM for Belgium.

We checked the processes and procedures followed by ELIA for the Auction, as far as possible, in accordance with our auditing duties as defined in the Royal Decree and in line with our CRM checklist.

We provide our conclusions in Section 1.4 below. This report is provided in accordance with Chapter 3, Section 3, Article 7 of the Royal Decree, which sets out the requirement for the Auditor to provide a report to the CREG within five working days if the close of the Capacity Auction, describing:

- whether the computer software used by ELIA correctly applies the applicable provisions of the Functioning Rules;²
- our analysis of whether ELIA has conducted the Auction in accordance with the law, its implementing decrees, and the Functioning Rules; and, if necessary
- whether CEPA identified any irregularities; and
- whether the list of capacities awarded Capacity Contracts in the Auction is compliant.

1.2. OUR APPROACH

For the 2026/2027 Y-4 Auction, we updated our CRM checklist and analytical tools to audit the processes and procedures followed by ELIA for the Auction, based on the CRM Functioning Rules (Version 2, EN version dated 13

¹ 30 MAI 2021. - Arrêté royal déterminant des modalités du contrôle du bon fonctionnement du mécanisme de rémunération de capacité par la commission de régulation de l'électricité et du gaz :

<http://www.ejustice.just.fgov.be/eli/arrete/2021/05/30/2021042010/justel>

² CEPA has checked the outputs of the software as opposed to investigating the software itself.

May 2022). This update was made to reflect the new version of the CRM Functioning Rules, including the addition or removal of clauses compared to Version 1.

In carrying out our duties, we have followed a system of quality control, professional conduct, and ethical behaviour of a rigorous standard. This includes documented policies and procedures related to our auditing activities, leadership responsibilities for quality control in the firm, independence and ethical requirements and management of human resources.

We have performed our work as the appointed Capacity Market Auditor based on our fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour.

1.3. INHERENT LIMITATIONS

Our conclusions are based on historical information. The projection of any information or conclusions in the attached report to any future periods would be inappropriate.

We note that the procedures we performed were not designed to and are not likely to reveal fraud.

A summary of the work we performed for the Auction is included in Appendix A.

1.4. CONCLUSIONS

We believe that the procedures performed, and evidence obtained, provide us with a reasonable basis that, except for the matters described in Section 4 of our report, the 2026/2027 Y-4 Auction was conducted by ELIA in accordance with the requirements of the CRM Functioning Rules.

Actual and potential instances of non-compliance are summarised in Section 4.

1.5. COOPERATION OF ELIA THROUGHOUT THE PROCESS

Throughout our monitoring of the 2026/2027 Y-4 Auction, the following items have contributed to our checks and the development of this report:

Regular communication

We have had ad hoc meetings between ELIA and CEPA, to discuss any issues and updates to the workplans. ELIA has been well-prepared and is forthcoming with information in these sessions, including setting clear timelines for any follow-up actions required.

IT access

ELIA has provided multiple members of the CEPA team with secure ELIA laptops, including access to the CRM IT Interface, the CRM operations mailbox, prequalification file submissions and information on bids and auction clearing. These have allowed CEPA to carry out many checks without the need for discussion with ELIA. We consider this represents a high level of transparency – particularly access to the operations mailbox, which allows us to see emails to and from CRM Actors.

Ad hoc information requests

We set up a live 'information request' file in which we communicate with ELIA on our requests and/or clarification questions. ELIA has given responses to our information requests, although during busy times it took ELIA somewhat longer to get back to us with the information requested.

When required, ELIA provided additional files by making them accessible to us through the secure ELIA laptops.

Summary of our view

Overall, we consider that ELIA has been responsive and helpful in its communication with CEPA. We have had no cause to escalate any issues to the CREG.

1.6. USE OF THE REPORT

This report has been prepared for the exclusive use of CREG in accordance with the scope of our engagement contract as the Capacity Market Auditor.

Our work was undertaken solely for the purpose of assessing that ELIA has correctly carried out the obligations placed on them under the CRM Functioning Rules in carrying out the Auction. Our work was not planned or conducted with any other objective in mind, and so cannot be relied on for any other purpose. With the exception of providing this report to CREG and ELIA, and publishing it, our report is not to be recited or referred to in any document, copied or made available (in whole or part) to any person without our prior written express consent. To the fullest extent permitted by law, CEPA does not accept or assume responsibility to anyone, other than CREG, for this report or for the conclusions we have formed.

2. INTRODUCTION

2.1. BACKGROUND

In the Belgian Capacity Remuneration Mechanism, capacity providers sell qualified capacity to the market for delivery in a future capacity year. Capacity providers that are successful in the Auction receive a regular capacity payment that assists with funding generation capacity, and, in return, they have an obligation to generate when the system is stressed.

2.1.1. Our role as Capacity Remuneration Mechanism Auditor

The Royal Decree states that:

“In the context of its supervisory role as regards the correct functioning of the capacity remuneration mechanism, the commission shall ensure in particular that every pre-auction, every pre-qualification procedure initiated prior to an auction, every auction and every transaction on the secondary market takes place in accordance with the Act of 29 April 1999, the implementing decrees for this Act and the operating rules. The commission shall also verify that there is no market manipulation, anti-competitive behaviour, or unfair trading practices in the capacity remuneration mechanism. In the context of the execution of the capacity contracts referred to in Article 7undecies, §11 of the Act of 29 April 1999, the commission shall also ensure that the Act of 29 April 1999, the implementing decrees for this Act, the operating rules and the standard capacity contract are respected.”

It also states that:

“In order to effectively perform the supervisory role referred to in Article 2, the commission may be assisted by an Auditor of the capacity market, who is independent from all capacity holders and appointed for a maximum period of three years. To this end, the commission shall apply the relevant legislation on public contracts. In performing their duties, the Auditor of the capacity market shall act in the name and on behalf of the commission and shall act under its supervision.”

In the context of the Auction, we, as the Capacity Market Auditor, are required to produce a report, within five Working Days after 15th October 2022, that:

- confirms whether the computer software used by ELIA correctly applies the applicable provisions of the functioning rules;
- confirms our analysis of whether ELIA has conducted the Auction in accordance with the law, its implementing decrees, and the functioning rules; and, if necessary;
- where applicable, identifies any irregularities in the conduct of the Auction; and
- states whether the list of capacities awarded Capacity Contracts in the auction is compliant.

This report summarises our findings in relation to the 2026/2027 Y-4 Auction run by ELIA with Auction Results notifications to be issued to CRM Candidates on 31st October 2022.

2.2. OBJECTIVES AND SCOPE

The main tasks set out for the Capacity Market Auditor are:

- auditing the Prequalification Process to ensure that ELIA has complied with the Functioning Rules;
- being present at the auctions, with full read access to all key software, including access to all bids and all communications between ELIA and all CRM Candidates;

- checking the application of algorithms and calculations for the Auction;
- reporting on whether we consider that ELIA has conducted the Auction in accordance with the Functioning Rules; and
- identifying any actual or potential breach of the rules and regulations or other actual or potential irregularities in the conduct of the Auction by ELIA and an assessment of the consequences.

As the Capacity Market Auditor, our duty is to report on all issues that we identify, irrespective of materiality.

2.3. SCOPE EXCLUSIONS

In line with our duties, as set out in the Royal Decree, the scope of our review excludes the following:

- investigation of the software itself (other than its outputs);
- areas that come after the submission of the auction report, e.g., pre-delivery control, availability obligation, payback obligation, etc.
- detailed investigations of the metering requirements in Annex A of the CRM Functioning Rules.

3. PROVISIONAL AUCTION RESULTS

The Bid submission period for the 2026/2027 Y-4 Auction began at 09:00 on 16th September 2022 and ended at 17:00 on 30th September 2022.

The online platform was used by CRM Candidates to submit their Bids. The Bids were saved in ELIA's internal CRM software (Ademar.Prod version 1.0.30.3). ELIA used two different software to run the auction: 1) Artelys; and 2) N-Side. Note that we, as the Capacity Market Auditor, did not have read access to these two applications and auction algorithms. Instead, we had access to the Auction results saved in AdeMar.

The parameters of the Demand Curve used in the 2026/2027 Y-4 Auction are set out in Table 3.1.

Table 3.1: Original Demand Curve used for the 2026/27 Y-4 Capacity Auction

Points	Quantity (MW)	Price (EUR/MW)
Price-intercept	0.00	75,000.00
Point A	5,938.00	75,000.00
Point B	6,417.00	50,000.00
Quantity-intercept	6,417.00	0.00

As described in the Functioning Rules, there are two types of corrections to the Demand Curve:

- corrections that result in a reduction in the volume to be purchased: these corrections result in a shift to the left in the Demand Curve. Such a shift to the left occurs via the creation of a dummy Bid.
- corrections that result in an increase in the volume to be purchased: these corrections result in a shift to the right in the Demand Curve. This shift to the right occurs via the creation of a reversed dummy Bid.

If a volume correction depends on the selection of Bids during the Auction clearing, a conditional dummy Bid is created.

The inputs in Table 3.2 below were used by ELIA to adjust the Original Demand Curve:

Table 3.2: Initial volume corrections for the 2026/27 Y-4 Capacity Auction

Volume corrections	Standard (MW)	FT (MW)	Other ³ (MW)	Total quantity (MW)
Dummy bid volume				6,652.55
<i>Opt-out IN volumes (partial)</i>	204.00			204.00
<i>Opt-out IN volumes (full)</i>	4,501.17	1,834.95		6,336.12
<i>Derated opt-outs for new build CMUs with multi-year capacity contracts⁴</i>	76.41			76.41
<i>Derated non-eligible capacity volumes not indicated as opt-out "IN" or opt-out "OUT" and not taken into account during</i>		4.82 ⁵		4.82

³ 'Other' column represents capacities which did not participate in the Prequalification process for the 2026/27 Y-4 Auction.

⁴ See Section 4.1.6.

⁵ FT-5f6wG-2627 – file was submitted after the Prequalification deadline, and therefore rejected, but the volume was accounted for as it is a known capacity.

Volume corrections	Standard (MW)	FT (MW)	Other ³ (MW)	Total quantity (MW)
<i>determination of the Demand Curve</i>				
<i>Derated known eligible capacity volumes which did not participate in PQ and which have not announced a definitive decommissioning</i>			31.20	31.20
Conditional dummy bid volume				0.00
Reverse dummy bid volume				225.77⁶
<i>Derated capacity volumes which are non-eligible but relate to PQ'd CMUs (FR-284)</i>		39.99		39.99
<i>Derated capacity volumes which are non-eligible but relate to PQ'd CMUs (FR-285)</i>	39.76	146.02		185.78

However, discussions between CEPA, CREG and ELIA during validation of the Auction Results concluded that additional adjustments to the Demand Curve were required, to account for (a) the additional volume cleared during the 2025/2026 Y-4 Capacity Auction re-clearing conducted in April 2022, and (b) the derated capacities of some CMUs which were rejected during the Prequalification Process. We provide more detail on these points in sections 4.1.1& 4.1.2 below. These additional adjustments are shown in Table 3.4 below.

Table 3.3: Final volume corrections for the 2026/27 Y-4 Capacity Auction

Volume corrections	Standard (MW)	FT (MW)	Other ⁷ (MW)	Total quantity (MW)
Dummy bid volume				6681.79
<i>Opt-out IN volumes (partial)</i>	204.00			204.00
<i>Opt-out IN volumes (full)</i>	4,501.17	1,834.95		6,336.12
<i>Derated opt-outs for new build CMUs with multi-year capacity contracts⁸</i>	76.41			76.41
<i>Derated non-eligible capacity volumes not indicated as opt-out "IN" or opt-out "OUT" and not taken into account during determination of the Demand Curve</i>	20.19 ⁹	4.82 ¹⁰		25.01

⁶ Within AdeMar, the reverse dummy bid shows with a value of 113.34 MW. ELIA explained that this is because the automatic calculation of the dummy bid within AdeMar only incorporates Opt-out "IN" volumes, requiring ELIA to include (a) the derated known capacity volumes which did not participate in the Prequalification process and which have not announced a definitive decommissioning (totalling 36.02 MW) and (b) the derated opt-out volumes for new-build CMUs with multi-year capacity contracts (totalling 76.41 MW) via a negative adjustment to the reverse dummy bid (225.77 – 36.02 – 76.41 = 113.34 MW).

⁷ 'Other' column represents capacities which did not participate in the Prequalification process for the 2026/27 Y-4 Auction.

⁸ See Section 4.1.6.

⁹ Adjustment to reflect rejected CMUs which should have been accounted for in the dummy bid. See Section 4.1.2.

¹⁰ FT-5f6wG-2627 – file was submitted after the Prequalification deadline, and therefore rejected, but the volume was accounted for as it is a known capacity.

Volume corrections	Standard (MW)	FT (MW)	Other ⁷ (MW)	Total quantity (MW)
<i>Derated known eligible capacity volumes which did not participate in PQ and which have not announced a definitive decommissioning</i>			31.20	31.20
<i>Adjustment to reflect additional volume cleared during 2025/2026 Y-4 Capacity Auction re-clearing¹¹</i>	9.05			9.05
Conditional dummy bid volume				0.00
Reverse dummy bid volume				225.77¹²
<i>Derated capacity volumes which are non-eligible but relate to PQ'd CMUs (FR-284)</i>		39.99		39.99
<i>Derated capacity volumes which are non-eligible but relate to PQ'd CMUs (FR-285)</i>	39.76	146.02		185.78

The additional adjustments shown above required the 2026/27 Y-4 Auction to be re-run by ELIA. We show the original and amended pre-Auction Demand curves below:

Table 3.4: Pre-auction Demand Curve for the 2026/27 Y-4 Capacity Auction

Points	Original auction		Auction re-run reflecting dummy bid adjustments	
	Quantity (MW)	Price (EUR/MW)	Quantity (MW)	Price (EUR/MW)
Price-intercept	0.00	75,000.00	0.00	75,000.00
Point A	-488.78	75,000.00	-518.02	75,000.00
Point B	-9.78	50,000.00	-39.02	50,000.00
Quantity-intercept	-9.78	0.00	-39.02	0.00

The pre-auction Demand Curve is usually re-adjusted to account for the Conditionally selected Opt-Out volume. We note, however, that this adjustment was not necessary for this Auction given the value was zero. This adjustment usually further decreases the capacity required, i.e., it shifts the Demand Curve to the left. This results in the Final Demand Curve (referred to by ELIA as Post-auction Demand Curve). Despite the further adjustments to the dummy Bids, the Auction result remains unchanged.

Table 3.5: Post-auction Demand Curve for the 2026-27 Y-4 Capacity Auction

Points	Original auction		Auction re-run reflecting dummy bid adjustments	
	Quantity (MW)	Price (EUR/MW)	Quantity (MW)	Price (EUR/MW)

¹¹ See Section 4.1.7.

¹² Within AdeMar, the reverse dummy bid shows with a value of 113.34 MW. ELIA explained that this is because the automatic calculation of the dummy bid within AdeMar only incorporates Opt-out "IN" volumes, requiring ELIA to include (a) the derated known capacity volumes which did not participate in the Prequalification process and which have not announced a definitive decommissioning (totalling 36.02 MW) and (b) the derated opt-out volumes for new-build CMUs with multi-year capacity contracts (totalling 76.41 MW) via a negative adjustment to the reverse dummy bid (225.77 – 36.02 – 76.41 = 113.34 MW).

Points	Original auction		Auction re-run reflecting dummy bid adjustments	
Price-intercept	0.00	75,000.00	0.00	75,000.00
Point A	-488.78	75,000.00	-518.02	75,000.00
Point B	-9.78	50,000.00	-39.02	50,000.0
Quantity-intercept	-9.78	0.00	-39.02	0.00

For the 2026/27 Y-4 Auction, ELIA informed us that there were no external grid constraints.

A total of 17 offers were submitted from 13 CMUs (out of a total of 61 Prequalified CMUs¹³) from a total of 8 CRM Candidates with the total capacity offered equal to 1,245.36 MW.

Due to the adjustments to the demand curve, there was not any demand for capacity in this Auction, as shown above. Therefore, a total of 0 MW cleared in the Auction, with 0 CMUs being awarded capacity. As 0 MW cleared in the Auction, there is no applicable Auction Clearing Price.

The weighted average price subject to the Intermediate Price Cap was $\text{€}/\text{MW}/\text{year}$. The weighted average price subject to the Global Price Cap was $\text{€}/\text{MW}/\text{year}$. The average capacity volume was 73.26 MW/bid.

Based on the outcome of the 2026/2027 Y-4 Auction, Table 3.7 list the CRM Candidates and corresponding CMUs that submitted Bids but have provisionally not been awarded capacity.

¹³ We note that € was archived on 29 September 2022, thus there were 60 Prequalified CMUs eligible to participate in the Auction.

4. SUMMARY OF ISSUES IDENTIFIED WITH THE CAPACITY AUCTION PROCESS

We performed our role as Capacity Market Auditor in relation to the 2026/2027 Y-4 Auction in line with our obligations to audit the conduct of the CRM Auctions by ELIA.

For the 2026/2027 Y-4 Auction, we did not identify any instances of non-compliance as part of our checks (see Appendix A for a description of the work we performed). Consequently, we do not report any Issue Logs. In Section 4.1, we highlight any further considerations, which represent other issues that we wish to bring to CREG's attention with respect to this Auction and do not represent non-compliance. In Section 4.3 we also describe whether the considerations identified in last year's (Y-4 2025/26) Auction were addressed.

4.1. FURTHER CONSIDERATIONS

In the sub-sections below, we set out some areas that do not represent non-compliance with the Functioning Rules, nevertheless, we consider it appropriate to bring them the CREG's attention.

4.1.1. Contribution to adequacy of a DSM CMU (⌘)

A dummy Bid is created by ELIA for each Auction. The volume is calculated as per FR-280 and is the sum of the following elements:

1. derated Opt-out Volumes related to this Auction classified as "IN";
2. derated non-eligible capacity volumes, which were not indicated as opt-out "IN" or opt-out "OUT" and were not considered during determination of the Demand Curve; and
3. known derated eligible capacity volumes that did not participate in the Prequalification Process, and have not announced a definitive decommissioning, in accordance with article 4bis of the Electricity Act.

During the 2026/2027 Y-4 Auction validation process, CREG queried whether the de-rated capacity of ⌘ (a demand-side management unit which prequalified for the 2026/2027 Y-4 Auction and was subsequently archived on ⌘ and, as such, did not participate in the Auction) should be accounted for within the dummy Bid.

ELIA noted that the CMU is composed exclusively of demand side delivery points, and that such a capacity had no obligation to prequalify for the CRM. ELIA was of the view that there was no "concrete basis to assume [the unit's] availability in 2026/2027" and thus deemed that this CMU should not be considered to contribute to adequacy for the Delivery Year 2026/2027 given it was archived by the CRM Actor.

We note that CREG and ELIA discussed this point at length and did not reach an agreement on the treatment of this CMU. CREG was of the view that given the CMU was successfully awarded a capacity contract for 2025/2026 Delivery Period and Prequalified for the Y-4 2026/2027 Auction, and in the absence of clear rules on the treatment of archived CMUs, it would have been prudent to consider this CMU as an Opt-out "IN" and contribute towards the dummy Bid.

Regardless of whether this CMU is considered "OUT" or "IN", the outcome of the Auction remains unchanged.

We also note that the Functioning Rules do not provide any explicit guidance on if or how the capacity of archived or rejected CMUs should be accounted for within the dummy Bid. Recognising that it is difficult to foresee all possible circumstances where guidance would be required, we recommend the next iteration of the Functioning Rules addresses this point and/or include some high-level principles which should be used as guidance to inform any decisions in this area.

4.1.2. Contribution to adequacy of rejected CMUs

During the Prequalification process, four CMUs (X) were rejected due to CO2 emissions being too high but were considered to not contribute to adequacy during the Delivery Period and therefore, were not included in the dummy Bid volume. Following a review of the Demand Curve correction, CREG queried with ELIA the exclusion of these four units in the dummy Bid calculation. In response, ELIA have communicated that the four CMUs should have been included in the dummy Bid calculation under FR-280 point 2 (see 4.1.1 where FR-280 is defined), with all CMUs containing non-eligible capacity volumes that were not taken into account during the Determination of the Demand Curve.

ELIA have, therefore, amended the dummy Bid and Demand Curve as follows:

- Included in the dummy Bid volume a de-rated capacity of X MW for X and X MW for X.
- Part of the capacity of X is considered to be non-eligible (X) and the remainder is considered to be eligible (X). ELIA have amended the demand curve by including X MW of de-rated capacity of X (X) in the dummy Bid volume.
- X is comprised of an Emergency Generator (X MW) and DSM (X MW) unit. The volume of the Emergency generator was incorrectly not included in the dummy Bid and ELIA have amended the demand curve by including X MW of de-rated capacity (X) in the dummy Bid volume.

ELIA have made an overall adjustment to the demand curve of X MW.

As noted above, the Functioning Rules do not provide any explicit guidance on if or how the capacity of rejected CMUs should be accounted for within the dummy Bid and recommend the next iteration of the Functioning Rules addresses this point and/or include some high-level principles which should be used as guidance to inform any decisions in this area.

4.1.3. Inconsistency with FR Paragraph 161 and the rest of the FR

During our checks relating to Eligible Volumes, we noticed an inconsistency with FR Paragraph 161 compared to the rest of the FR.

In the general definitions table in the FR (Paragraph 61), a CMU's Eligible Volume is defined as the Reference Power multiplied by the Derating Factor, where the Reference Power is equal to the Nominal Reference Power minus the Opt-out Volume.

FR Paragraph 161 states that "The Opt-out Volume cannot be higher than the (Remaining) Eligible Volume divided by the Derating Factor". Whilst checking whether the Opt-out Volumes complied with this paragraph, we noticed that it was inconsistent with the definitions in FR Paragraph 61 set out above. For example, if a CMU submitted a full Opt-Out (so their Eligible Volume becomes zero as per the definition above), it would violate the requirement of FR Paragraph 161 by definition. We also noted that Paragraph 161 is new and was not included in last year's Functioning Rules.

We highlighted this issue with the CREG, who advised us to disregard this Paragraph for the purposes of our checks for the 2026/2027 Y-4 Auction.

We recommend that the purpose and intention of this Paragraph be reconsidered, and the inconsistency addressed for the next iteration of the FR. We would consider that a more appropriate restriction on the Opt-out volume would be that it cannot be higher than the Nominal Reference Power.

4.1.4. Differences between auction clearing algorithms

To assist with our checks during the Auction Clearing Process, ELIA shared the "Solver Report" file exported from AdeMar, which contains the details of the parameters and results from the two algorithms used to calculate auction clearing (Artelys and N-Side).

During our checks, we noticed that some of the results of auction clearing differed between these two algorithms, specifically the total volume cleared, and the total volume accepted:

Result	Artelys	N-Side
Total volume cleared (MW)	0.00	-9.78
Total volume accepted (MW)	6,540.12	6,430.34

Following discussion with ELIA, we ascertained that the difference between the Artelys and N-Side values arose from the fact that the Artelys algorithm places a ‘floor’ on the total volume cleared, at zero MW, while the N-Side algorithm does not.

The difference between the values is inconsequential, as the process is not designed to clear a negative volume. However, we recommend that the N-Side algorithm be adjusted (so that it has a floor like the Artelys algorithm) to avoid this inconsistency in results in future.

4.1.5. Adjustment to reversed dummy bid under FR-286

FR Paragraph 286 requires that adjustments are made to the reversed dummy bid in the situation that more than 20MW of capacities that have contributed to the reversed dummy bid are not selected during the Auction.

Three CMUs which contributed to the reversed dummy bid submitted bids in the Auction, however none of these bids were selected:

CMU ID	Offered volume (MW)	Contribution to reversed dummy bid (MW)
✂	✂	✂
✂	✂	✂
✂	✂	✂
Total	✂	✂

The non-selection of these bids should have triggered the adjustments as described in FR Paragraph 286. During our review of the initial draft Auction Report provided by ELIA, we noted that the report did not describe this process. We highlighted this omission by ELIA, who said they would make the necessary amendments for the final Auction Report.

We note that this omission is inconsequential to the results of the Auction, as (a) the volume to be procured through the Auction was already zero prior to the adjustments described under FR 286, and (b) the reduction in the reversed dummy bid required by FR Paragraph 286 would result in a leftward shift in the demand curve (i.e., would theoretically reduce the volume to be procured). In other words, the use of Paragraph 286 was not triggered in this auction, but we nonetheless highlight ELIA’s omission.

4.1.6. Adjustment to dummy bid to reflect partial Opt-out volumes of new build capacity with multi-year capacity contracts

FR Paragraph 171 requires that only *full* Opt-out of new build units should be classified as Opt-out “OUT”.

ELIA informed us that some new build units with awarded multi-year capacity contracts during the 2025/2026 Y-4 Auction had an increase in their Eligible Volumes for the 2026/27 Y-4 Auction, due to an increase in the associated derating factors relative to last year. These units chose to submit an Opt-out notification for this increase in volume.

As these Opt-out volumes are only partial, they should be classified as Opt-out “IN”. However, AdeMar classified the volumes as “OUT”, so ELIA had to correct this by making a manual adjustment to the dummy bid of ✂ MW.

ELIA informed us that they intend to make the necessary amendments in AdeMar to address this issue in advance of the next auction. CREG and ELIA may also wish to consider including rules to this effect in the next version of the Functioning Rules.

4.1.7. Adjustment to dummy bid to reflect the additional volume of awarded capacity contracts in re-clearing of 2025/2026 Y-4 Auction

The 2025/2026 Y-4 Auction held in October 2021 cleared 4,447.70 MW of capacity. This cleared volume was used to determine the Demand Curve within the Ministerial Decree on “Volume and Parameters”, with a maximum quantity of 6,417.00 MW for the 2026/2027 Y-4 Auction.

However, during the re-clearing of the 2025/2026 Y-4 Capacity Auction, held in April 2022, 4,456.75 MW cleared the auction – an additional 9.05MW than during the initial Auction. Following discussions with CREG, we ascertained that an adjustment to the Demand Curve was required, via the Dummy Bid, to account for this additional cleared volume. The overall outcome of the 2026/2027 Y-4 Auction would not have changed, even with the inclusion of the additional 9.05MW in the Dummy Bid.

There is currently no provision within the Functioning Rules for any re-clearing or for this type of adjustment. CREG and ELIA may wish to consider including necessary amendments in the next version of the Functioning Rules.

4.1.8. Presentation of the correction volume information sent to the CREG

FR Paragraphs 331 and 332 requires ELIA to submit information to the CREG to allow the latter to validate the results of the Auction. One item that needs to be shared with the CREG is the Opt-out volumes per CMU, and by extension how the correction volumes were done to adjust the Demand Curve. ELIA sent this information to the CREG in time, compliant with the Functioning Rules.

CREG noted, however, that the Opt-out “IN” volumes (Standard CMUs) captured in Sheet 2 of the spreadsheet called “Correction volumes CREG”, could have been further disaggregated into partial and full Opt-out volumes to increase the transparency of the data. ELIA may therefore wish to take this point into consideration in the next auction.

4.1.9. Updates performed by the CRM Actor

We received an enquiry from CREG regarding a CMU and Delivery Point combination that Prequalified in the 2026/2027 Y-4 Auction, but, appeared similar to a unit that Prequalified in the 2025/2026 Y-4 Auction.

In the 2025/2026 Y-4 Auction, ⌘, with a Delivery Point ID of ⌘, was Prequalified, but in the 2026/2027 Y-4 Auction was archived with a different Delivery Point ID (⌘) by ⌘.

In the 2026/2027 Auction, ⌘ was Prequalified by ⌘ with a Delivery Point ID of ⌘. This CMU has a different CMU_ID, DP_ID and CRM Actor as ⌘, however, the EAN codes of the access and delivery points are the same.

We enquired with ELIA regarding the DP_ID change for ⌘ and similarities between this CMU and ⌘. In response, ELIA explained that ⌘ was renewed for Delivery Period 2026/2027, and copied over from Delivery Period 2025/2026, as per the CRM Actor’s (⌘) request. There was a change in status of this CMU from Additional, in the 2025/2026 Auction, to Existing in the 2026/2027 Auction. ⌘ created a new Existing Delivery Point and archived the original Delivery Point with the Additional status. The CRM Actor then archived ⌘ before it was prequalified. CRM Actor ⌘ created a new CMU (⌘) with the same Delivery Point name and EAN code as ⌘.

FR-225 requires Delivery Point ID to remain the same during a Delivery Point transfer between CRM Actors or CMUs. ELIA noted, however, that as this was not implemented as an explicit transfer of the Delivery Point between CRM Actors, it is not possible for ELIA to enforce that the Delivery Point ID remain the same. ELIA further noted that, the only unique identifier of a DP is the EAN code of the Delivery Point, which remained unchanged, and that the Functioning Rules would be updated to make this clearer.

The above does not appear to be non-compliance with the Functioning Rules. However, we note that when sharing information regarding changes between Auctions, matters such as the above could be more transparent with the Auditor and the CREG.

4.2. ADDRESSING CONSIDERATIONS FROM LAST YEAR'S AUCTION PROCESS

As part of our audit work of the 2025/2026 Y-4 Auction last year, we identified aspects of the process that could be further improved for future years. As part of our audit work of the 2026/2027 Y-4 Auction this year, we reviewed the five areas identified under the 'Further Considerations' section of our 2025/2026 Y-4 Auction Report, to ascertain whether appropriate action has been taken by ELIA and/or the CREG. We discuss our findings below.

Lack of details on the adjustments to the Demand Curve in the Functioning Rules

In our Auction Report for the 2025/2026 Y-4 Auction, we noted that in some cases, the FR provisions relating to the calculations of correction volumes were relatively high-level and did not set out in detail the calculation steps that should be followed by ELIA. In particular, we found this to be the case for the calculation of the conditional dummy bid and the reverse dummy bid. In order to complete checks regarding these calculations, we had to clarify the approach taken by ELIA.

We recommended that ELIA/CREG adapt the Functioning Rules to clarify exactly how the correction volumes should be calculated.

The Functioning Rules used for the 2026/2027 Y-4 auction contain more details on how this is done (section 6.3.1), relative to the previous version of the Functioning Rules. As such, we consider that this point has been sufficiently addressed.

Classification of new build capacity in AdeMar is not obvious

In our Auction Report for the 2025/2026 Y-4 Auction, we noted that it was difficult to identify which CMUs were classified as new-built capacity through the information available on AdeMar. The identification of new-built CMUs was important for the completion of checks relating to correction volumes.

We suggested that it would be useful for adjustments to be made to AdeMar and also the FR, so that this distinction is clear.

We consider that this issue has been satisfactorily addressed for the 2026/2027 Y-4 Capacity Auction, as the CMU data export available in AdeMar now contains a field which indicates whether a CMU is new-built or not. The Functioning Rules are also clearer regarding how new-built CMUs are treated (e.g., in terms of opt-outs).

Timing of the Federal Public Service Economy to verify whether a CRM Prequalified Candidate has renounced other variable operating aid

In our Auction Report for the 2025/2026 Y-4 Auction, we noted that the timing for the Federal Public Service Economy to verify whether a CRM Prequalified Candidate must renounce any other variable operating aid to participate in the CRM did not fully align with the Auction timetable, as the results were only available to ELIA after Auction Clearing.

We concluded that it would be preferable for ELIA to receive confirmation from the Federal Public Service Economy with regards to any CRM Prequalified Candidate needing to give up its operating aid prior to the end of the Prequalification process, or, at the latest, prior to the auction gate closure.

FR-283 alludes to a series of events that would suggest that ELIA receives the information from the Federal Public Service Economy prior to the determination of the Demand Curve, and hence prior to Auction clearing. However, we note that this could be made clearer in the Functioning Rules for the avoidance of doubt.

Method of communication between ELIA and CRM Actors

In our Auction Report for the 2025/2026 Y-4 Auction, we noted that FR-22 set out:

“Apart from exceptions provided for under these Functioning Rules, all communications and notifications between a CRM Actor and ELIA shall be effected via the CRM IT interface”.

However, FR-22 did not explicitly elaborate on what those exceptions were, and other provisions of the FR did not make an explicit reference to FR-22. We considered that it would be preferable to state the exceptions with reference to FR-22.

The current version of the Functioning Rules does not appear to have addressed this point.

Loss of bid status due to an update of the Auction tool

In our Auction Report for the 2025/2026 Y-4 Auction, we noted that an AdeMar software update on 16th September 2021 caused previously compliant bids to lose their bid-compliance status. We noted that ELIA raised this issue as part of the tool improvement process to be undertaken in advance of the 2026/2027 Capacity Auction to ensure that the error did not re-occur.

ELIA confirmed that the issue was fixed last year, right after the 2025/2026 Y-4 auction completion. We therefore consider that this issue has been satisfactorily addressed for the 2026/2027 Y-4 Auction.

Appendix A SUMMARY OF WORK PERFORMED

The areas of the Functioning Rules checked at the time of issuing this report are outlined in the table below.

Table A.1: Summary of the CRM Functioning Rules sections checked by the Auditor in preparing this report

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¹⁴ Compliant as at 19th October 2022.

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