

Febeliec answer to the CREG consultation on the modifications to the Functioning Rules of the Belgian CRM (v3)

Febeliec would like to thank CREG for its consultation on the modifications to the Functioning Rules of the Belgian CRM (v3).

Febeliec strongly would like to oppose a consultation with a response time of only three weeks, especially for such a substantial document of almost 400 pages with substantial modifications. Moreover, a consultation with a period of less than four weeks as well as a limitation of a reply of 20.000 characters is for Febeliec a very worrying and unacceptable precedent.

Concerning the content of the consultation, Febeliec, after formal communication from the government during the last WG Adequacy, can only insist on the removal of any references to the Low Carbon Tender (e.g. chapter 18 of the Functioning Rules), in order to avoid any confusion in the Functioning Rules. While Febeliec understands the timing issue with the current consultation, it is important that the final version of the Functioning Rules does not lead to any confusion.

Concerning the classification of volumes as opt-out OUT or IN, Febeliec wants to reiterate its comments made during the WGs Adequacy, to ensure that any volumes that opt out are duly considered regarding their contribution to SoS in Belgium. Febeliec considered Elia's proposal to be much too restrictive and thus jeopardizing the application of the legal lowest cost criterion for the CRM, but insists on a correct reflection of expected availability of assets in all possible timeframes.

Concerning modifications to the strike price (and any retroactive application hereof), Febeliec considers this a package deal with the exemption of the payback for demand side response (and its retroactive application), as was also communicated this way together with FEBEG towards all concerned parties. In this framework, Febeliec regrets to identify that in case the necessary legal and regulatory framework would not have entered into force at the moment of approval of the Functioning Rules by Royal Decree, the concerned articles would be invalid (e.g. article 12.3.2.2, side number 852 and article 12.3.2.3, side number 854) and v2 of the FR would continue to be applicable for these articles. Febeliec urges the government to take the necessary measures to ensure that the package deal can be honored by a timely publication of the required legal and regulatory dispositions, but also urges CREG to adapt its position to ensure that, whenever publication and entry into force of these legal and regulatory dispositions would take place (even after publication of the Functioning Rules), these would then automatically apply under v3 and not v2 of the Functioning Rules. In any case, Febeliec insists that a stable legal and regulatory framework is essential for investment decisions and even though some changes might be warranted, given the extreme market situations, it should be avoided to continuously modify the framework, in particular from the moment delivery of the service will have started.

Concerning the CO2 emission thresholds, Febeliec welcomes the proposed changes from the FSP Economy as they mitigate most problems that were identified, yet asks to remain vigilant that no perverse effects occur for specific delivery years which could jeopardize participation of existing units and thus impact the legal lowest cost criterion.

Concerning the provision of CREG regarding which articles are applicable to which selected CRM candidates during specific auctions, Febeliec appreciates the efforts from CREG, but can only repeat that over time, with an ever-increasing number of auctions, this will become evermore complex, and even more so in combination with secondary market transactions which will provide even more interaction between different applicable versions. Febeliec can thus only urge towards vigilance on this point, as it is important that it remains clear which rules are applicable to which installations and transactions.