Proposal for Multiple NEMO Arrangements (MNA) for the Belgian bidding zone in accordance with Article 45 and Article 57 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management

28 October 2016

Contents

THE BELGIAN TRANSMISSION SYSTEM OPERATOR, TAKING INTO ACCOUNT THE FOLLOWING,

Whereas

(1) Commission Regulation (EU) 2015/1222 establishes a guideline on capacity allocation and congestion management (hereinafter referred to as the "Regulation 2015/1222"), which entered into force on 14 August 2015.

(2) The goal of the Regulation 2015/1222 is the coordination and harmonisation of capacity calculation and allocation in the day-ahead and intraday cross-border markets, and it sets requirements for the Transmission System Operators (hereinafter "TSO") to cooperate on a pan-European level and across bidding zone borders. Regulation 2015/1222 helps in achieving a fully integrated electricity market for Europe by setting out the rules that will introduce a single approach to cross-border electricity trading in Europe.

(3) This document is a proposal by ELIA System Operator NV (hereinafter referred to as "ELIA") regarding cross-zonal capacity allocation and other necessary arrangements in case more than one NEMO is designated and/or offers trading services in the Belgian bidding zone, in accordance with Article 45 and Article 57 of Regulation 2015/1222.

(4) ELIA is responsible for the operation of the Belgian transmission system over which it has a property right or at least a user right. ELIA has been appointed as TSO, in accordance with the law of 29 April 1999 concerning the liberalisation of the electricity market and supervises the safety, reliability and efficiency of the Belgian transmission system;

(5) According to Recital (14) of Regulation 2015/1222, for efficiency reasons and in order to implement single day-ahead and intraday coupling as soon as possible, single day-ahead and intraday coupling should make use of existing market operators and already implemented solutions where appropriate, without precluding competition from new operators.

(6) Market coupling is now in place on the Belgian bidding zone borders in the day-ahead timeframe. It is based on implicit capacity allocation and ensures an optimal allocation of cross-zonal capacity through maximization of social welfare.

This optimization is achieved via the Euphemia algorithm as developed under the Price Coupling of Regions project (hereinafter "PCR project") of European power exchanges. Euphemia performs the economical optimization while taking into account the limitations of cross-zonal capacities between countries, as defined by the TSOs.

(7) Regarding the intraday timeframe, a European project called "XBID Market Project" (hereinafter "XBID project") was launched by power exchanges in cooperation with the TSOs to create an integrated intraday cross-zonal market, enabling the implementation of the single intraday market coupling solution.

Ultimately, this solution will allow matching orders entered by members of the power exchanges in one country continuously with orders submitted similarly by members in the same

or another country according to their price and time of submission, while taking into account the limitations of cross-zonal capacities between countries (i.e. continuous implicit allocation).

(8) According to article 7(1) of Regulation 2015/1222, Nominated Electricity Market Operators (hereinafter "NEMO") shall act as market operators in national or regional markets to perform in cooperation with TSOs single day-ahead and intraday coupling. Their mission consists notably of "receiving orders from market participants, having overall responsibility for matching and allocating orders in accordance with the single day-ahead and intraday coupling results, publishing prices and settling and clearing the contracts resulting from the trades according to relevant participant agreements and regulations".

As such, the tasks of the NEMO defined in the Regulation 2015/1222 includes the responsibility to implement the function of the Market Coupling Operator (hereinafter "MCO"), in coordination with other NEMOs.

(9) According to Article 7(3) of the Regulation 2015/1222, all the NEMOs must submit to all regulatory authorities and to the Agency for the Cooperation of Energy Regulators (ACER) a plan indicating the methods for implementation and joint exercise of the MCO functions within eight months after the entry into force of the Regulation 2015/1222 (hereinafter "MCO plan").

(10) Article 77(2) of Regulation 2015/1222 requires central counter parties (CCPs) and shipping agents to seek efficient clearing and settlement arrangements avoiding unnecessary costs and reflecting the risk incurred. Furthermore the cross-border clearing and settlement arrangements shall be subject to approval by the relevant national regulatory authorities.

(11) Article 7(1)(g) of Regulation 2015/1222 appoints the NEMOs to act as central counter party for the exchange of energy resulting from single day-ahead and intraday coupling.

(12) Article 68(1) of Regulation 2015/1222 requires central counter parties to ensure clearing and settlement of all matched orders in a timely manner and to act as counter party to market participants for all their trades with regard to the financial rights and obligations arising from these trades.

(13) Article 68(3) of Regulation 2015/1222 requires central counter parties to act as counter party to each other for the exchange of energy between bidding zones with regard to the financial rights and obligations arising from these energy exchanges.

(14) Article 68(6) of Regulation 2015/1222 states that a shipping agent may act as a counter party between different central counter parties for the exchange of energy, if the parties concerned conclude a specific agreement to that effect.

(15) If no agreement is reached, the shipping arrangement shall be decided by the regulatory authorities responsible for the bidding zones between which the clearing and settlement of the exchange of energy is needed.

(16) According to Article 77(1) of Regulation 2015/1222 all clearing and settlement costs incurred by central counter parties and shipping agents shall be recoverable by means of fees or other appropriate mechanisms if they are reasonable and proportionate.

(17) In accordance with Article 4 of Regulation 2015/1222, the Belgian authorities (hereinafter "Authority") designated two power exchanges, Nord Pool AS and NV Belpex, in Belgium as NEMO. This decision has been published in the Belgian State Gazette on the 5th of February 2016.

(18) The impact of Regulation 2015/1222 and this Multiple NEMO Arrangement (hereinafter referred to as “MNA”) on the Royal Decree of October 20th, 2005 on the establishment and organization of a Belgian market for the exchange of electricity blocks is to be investigated.

(19) This proposal will apply to the single day-ahead and intraday coupling mechanisms which are not in place yet. Nevertheless the requirements in this proposal are built upon the currently known PCR project (for the day-ahead timeframe) and XBID project (for the intraday timeframe) functionalities.

(20) The implementation and operation of principles set forward in this proposal might invoke costs at both TSO and NEMO side. For these costs the principles and requirements of TITLE III, Chapter 3 of Regulation 2015/1222 will apply for cost sharing and cost recovery. Sufficient clarity on these aspects is required prior to the implementation of the MNA described in this proposal.

(21) In order to ensure efficient implementation and operation of this proposal, alignment between TSOs on at least a regional level was required. The preferred shipper approach, detailed in articles 13, 15 and 16 of this proposal, is the result of this coordination with the neighbouring TSOs[1].

SUBMITS THE FOLLOWING PROPOSAL TO THE CREG:

[1] For the intraday timeframe, the preferred shipper approach was selected as an interim solution for the first XBID Go Live. For the day-ahead timeframe, the preferred shipper approach was approved by CWE TSO SG.

TITLE 1
General Provisions

Article 1
Subject matter and scope

1. This document is the proposal regarding cross-zonal capacity allocation and other necessary arrangements for the Belgian bidding zone in case more than one NEMO is designated and/or offers trading services in the Belgian bidding zone in accordance with:
   a. Article 45 for the single day-ahead coupling; and
   b. Article 57 for the single intraday coupling,

   of Regulation 2015/1222.

2. This proposal is subject to approval in accordance with Article 9(8)(d) of Regulation 2015/1222.

3. This proposal describes the MNA for both the single day-ahead and single intraday coupling.

4. According to Article 9(13) of Regulation 2015/1222, ELIA may request amendments to this MNA.

Article 2
Definitions and interpretation

1. For the purposes of this MNA Proposal, terms used in this document shall have the meaning of the definitions included in Article 2 of the Regulation 2015/1222.

   In addition, the following definitions shall apply:

   1. ***Belgian NEMO*** *means a NEMO either designated in Belgium or designated in another Member State and allowed to offer trading services in the day-ahead and/or intraday timeframe(s) in Belgium.*
   2. ***Bidding Zone Reference Day-Ahead Price*** *means a reference price for the day-ahead timeframe, calculated by the TSO, in case of different NEMO Hub prices in the Bidding Zone (for the day-ahead timeframe).*
   3. ***Multiple NEMO Arrangements (MNA)*** *means the proposed arrangements for hosting multiple NEMOs in the Belgian bidding zone, laid out in this document.*
   4. ***NEMO Hub*** *means for the day-ahead and/or intraday timeframe(s) the place where a NEMO collects the bids of the members of the power exchange it operates, on a bidding zone level (or, if applicable, scheduling area).*
   5. ***Single Day-ahead Price*** *means the price resulting from the MCO function for the day-ahead timeframe, e.g. the unrounded price prior to the application of rounding rules to calculate the price for individual NEMO Hubs.*
   7. ***Zonal CCP (ZCCP)*** *refers to NEMOs or Central Counter Parties (CCPs) performing clearing and settlement of intra-zonal energy exchanges between NEMO Hubs in the Belgian bidding zone. ZCCPs can also perform cross-border energy exchanges or, where applicable, energy exchanges with shipping agents in the same bidding zone.*

2. In this MNA proposal, unless the context requires otherwise:
   a) the singular indicates the plural and vice versa;
   b) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of this MNA proposal;
   c) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force.

3. The requirements of this MNA apply to both the single day-ahead and single intraday market unless explicitly stated otherwise.

Article 3
General principles

1. The MNA set forward in this proposal ensure a non-discriminatory treatment of Belgian NEMOs to perform day-ahead and/or intraday coupling in Belgium. The MNA are organised in such a way that they allow one, two or more NEMOs to offer day-ahead and intraday coupling in Belgium.

2. Several aspects of the MNA such as, but not limited to, contractual framework and governance, clearing and settlement (e.g. shipping), do or may require agreements on a supra-national level[2]. Furthermore alignment between TSOs on at least a regional level is required to ensure efficient implementation and operation of the MNA.

   The proposed MNA describes the solution that was agreed with neighbouring TSOs in both day-ahead and intraday timeframe. In case of new situations or modification of agreements on a supra-national level, ELIA will strive to set up with the concerned TSO(s) a shipping arrangement that complies to the extent possible with the preferred shipper approach and will request, where required, amendments to this MNA according to article 1(4) of this MNA.[3].

3. The proposed MNA respect the roles and responsibilities of NEMOs and TSOs as set forward in Regulation 2015/1222 and in particular those defined under Article 7 and Article 8 of Regulation 2015/1222.

4. The proposed MNA do not hinder and allow for efficient clearing and settlement arrangements for central counterparties and shipping agents to comply with Article 77(2) of Regulation 2015/1222.

5. This proposal does not deal with detailed aspects on costs sharing or cost recovery. TITLE III, Chapter 3 of Regulation 2015/1222 sets out the principles for cost sharing and cost recovery that will also apply to this MNA.

6. In accordance with Article 81(1) of Regulation 2015/1222, a TSO or NEMO may delegate all or part of any task assigned to it under the Regulation 2015/1222 to one or more third parties in the

[2] E.g. shipping arrangements across bidding zone borders between different Member States, implementation of mechanisms on common TSO tools, contractual governance...
[3] According to Article 77(2) of Regulation 2015/1222 all cross-border clearing and settlement arrangements will be subject to regulatory approval.

case the third party can carry out the respective function at least as effectively as the delegating entity.

Article 4
Compliance of the MNA with the objectives of Regulation 2015/1222

1. This MNA proposal contributes to – and does not hamper in any way - the achievement of the objectives set forward in Article 3 of Regulation 2015/1222. In particular this MNA proposal:
    a. enables several NEMOs to operate in the Belgian bidding zone and promotes as such competition in generation, trading and supply of energy in accordance with Regulation 2015/1222 Article 3(a);
    b. enables the optimal use of the transmission infrastructure by providing transparent and non-discriminatory access to the available capacity for different NEMOs wanting to operate in the Belgian Bidding zone in accordance with Regulation 2015/1222 Article 3(b);
    c. contributes to operational security in accordance with Regulation 2015/1222 Article 3(c) through the nomination procedures, physical shipping arrangements and principles for data exchange set forward in the MNA;
    d. enables multiple NEMOs to be active in the Belgian bidding zone without hampering capacity calculation and allocation processes in accordance with Regulation 2015/1222 Article 3(d);
    e. ensures fair and non-discriminatory treatment of the Belgian NEMOs in accordance with Regulation 2015/1222 Article 3(e);
    f. foresees that under normal market conditions a Single Day-ahead Price for the day-ahead timeframe is calculated for the Belgian bidding zone in case of multiple Belgian NEMOs in accordance with Regulation 2015/1222 Article 3(h). Furthermore fall-back solutions are described in the MNA for exceptional market conditions;
    g. allows for a level playing field for Belgian NEMOs in accordance with Regulation 2015/1222 Article 3(i);
    h. serves the objective of non-discriminatory access to cross-zonal capacity in accordance with Regulation 2015/1222 Article 3(j).

2. Furthermore this MNA proposal of ELIA aims for the following points:
    a. technical and financial efficiency;
    b. harmonization between day-ahead and intraday timeframes;
    c. applicable solution regardless of the number of NEMOs operating in Belgium; and
    d. where possible to include harmonized solutions agreed upon with other TSOs in the concerned region(s).

TITLE 2
Multiple NEMO Arrangements (MNA)

Chapter 1
Bidding zones and NEMO Hubs

Article 5
General principles

1. In accordance with Article 7(1)(d) of Regulation 2015/1222 NEMOs are responsible to make anonymous and to share the received order information necessary to perform the MCO functions described under Article 7(2), Article 40 and Article 53 of Regulation 2015/1222.

2. The NEMOs must introduce a plan to jointly set up and operate the MCO functions in accordance with Article 7(2) of Regulation 2015/1222.

3. The Belgian NEMOs will ensure that bids of members of the power exchange they operate in the Belgian bidding zone will be collected within a NEMO Hub to ensure that they can keep control of the data relative to orders submitted from their power exchange to the coupling algorithms.

4. For this purpose the Belgian bidding zone will consist of as many NEMO Hubs as there are Belgian NEMOs in the single day-ahead and single intraday coupling within Belgium.

5. The available cross-zonal capacity on Belgian bidding zone borders will not be split between Belgian NEMOs prior to market coupling.

Article 6
Single day-ahead coupling solution

1. This MNA assumes that the single day-ahead coupling mechanism, as to be set forward by the NEMOs in their MCO plan, must allow Belgian NEMOs to send in the order book for their NEMO Hub for day-ahead market coupling[4].

2. The single day-ahead coupling algorithm must consider that there is in effect no exchange limitation for matching orders from different NEMO Hubs within the Belgian bidding zone.

3. The day-ahead market coupling algorithm must deliver (at least) following results per market time unit:
    a. Single Day-ahead Price and net position for the Belgian bidding zone; and
    b. net position and price for each of the NEMO Hubs in the Belgian bidding zone.

4. NEMOs are responsible for implementing the necessary requirements within the single day-ahead market coupling mechanism to enable these functionalities.

[4] In its current state of implementation and unlike the single intraday market coupling solution, the day-ahead market coupling solution has no shared order book.

Article 7
Single intraday coupling solution

1. This MNA assumes that the 'shared order book'-module of the single intraday coupling mechanism provides for the sharing of the market participants orders submitted to the Belgian NEMOs for the purpose of continuous implicit allocation of the cross-zonal capacity.

2. For that purpose of continuous implicit allocation, the single intraday coupling solution must consider that there is in effect no exchange limitation for continuous matching of orders from different NEMO Hubs within the Belgian bidding zone.

3. NEMOs are responsible for implementing the necessary requirements within the single intraday market coupling mechanism to enable these functionalities.

Chapter 2
Data exchanges between NEMOs and ELIA

Article 8
General principles

1. In accordance with Article 46(1) and Article 58(1) of Regulation 2015/1222 the Coordinated Capacity Calculators (hereinafter "CCCs") are responsible to provide cross-zonal capacity and allocation constraints to the relevant NEMOs for respectively single day-ahead and intraday coupling processes.

2. In accordance with Article 7(2)(b) of Regulation 2015/1222, NEMOs are responsible for processing input data on cross-zonal capacity and allocation constraints provided by the CCCs.

3. In accordance with Article 48(1)(a) and Article 60(1)(b) NEMOs are responsible to provide respectively the day-ahead and intraday coupling results to (amongst others) all TSOs.

4. ELIA will define the file formats and exchange protocols for data exchange between ELIA and the NEMOs. For this purpose ELIA will:
    a. favour to the extent possible the technical specifications already agreed in the common single day-ahead and single intraday projects; and
    b. rely where possible on file formats and exchange protocols defined by the ENTSO-E standards. The details on data exchange will be defined during the implementation of this MNA.

Article 9
Data exchange for single day-ahead coupling

1. Under a flow-based approach the cross-zonal capacities and allocation constraints represent a single set of coordinated data per flow based region. In such case the cross-zonal capacities and allocation constraints are to be delivered to NEMOs on the level of the flow based region.

2. Data exchange between ELIA (through the CCCs as the case may be) and the NEMOs on cross-zonal capacities, allocation constraints and single day-ahead coupling results will be performed via

a single access point (IT-platform), where possible in cooperation with other TSOs of the flow-based or (where applicable) coordinated NTC region.

3. All NEMOs will have access on equal terms to the TSO data submitted on the single access point.

4. The data exchange between the single access point and the single day-ahead market coupling mechanism[5] will be performed by the NEMOs.

5. The NEMOs must apply a rotational scheme with regards to who is in charge[6] of forwarding the cross-zonal capacities and allocation constraints to the single day-ahead coupling mechanism (and who acts as back-up) for a given trading session. In case the rotational scheme results in issues or cannot be implemented by the NEMOs, TSOs will propose alternative schemes for the NEMOs to organize themselves.

6. The NEMO in charge of (or, as the case may be, back-up for) forwarding the cross-zonal capacities and allocation constraints to the single day-ahead coupling mechanism will also be in charge of sending coupling results to the single access point.

7. The NEMOs will make sure that all relevant TSOs are aware at all times which NEMO is responsible for the data exchange between the single access point(s) and the single day-ahead market coupling mechanism. The NEMOs will also make sure that necessary fall-back procedures (NEMO(s) appointed as back-up) are put in place and will notify TSOs as soon as possible in case such arrangements become active.

Article 10
Data exchange for single intraday coupling

1. Data exchange between ELIA (through the CCCs as the case may be) and the single intraday coupling solution will be made directly between the IT-system(s) of ELIA[7] (or a common IT-system of the TSOs of the flow-based or, as the case may be, coordinated NTC region) and the single intraday market coupling system[8] itself.

[5] Under PCR project, this is called the PMB ("PCR Matcher and Broker")
[6] Under PCR project the NEMO in charge is called "Coordinator of Local IT Systems (or CLNIS).
[7] Or the IT-system of a neighbouring TSO where so agreed by the concerned TSOs.
[8] Here the XBID project solution is assumed.

Chapter 3
Decoupling

Article 11
Decoupling cases

1. Given that different coupling or decoupling situations can occur, leading to different consequences, a clear description of the possible decoupling cases for the Belgian bidding zone and their consequences is necessary.

   A more detailed description of the different cases of decoupling and fall-back procedures will have to be defined in the relevant single day-ahead and single intraday market coupling solutions.

2. A "normal coupling"-situation occurs when Belgium is coupled on all its bidding zone borders:
   a) In such case the market coupling algorithm must consider that there is in effect no exchange limitation for matching orders from different NEMO Hubs in the Belgian bidding zone; and
   b) For day-ahead market coupling it results amongst others in a Single Day-ahead Price for the Belgian bidding zone.

3. A "partial decoupling[9]"-situation occurs when Belgium is respectively coupled and decoupled on at least one (but not all) of its bidding zone borders:
   a) In such case the market coupling algorithm must consider that there is in effect no exchange limitation for matching orders from different NEMO Hubs in the Belgian bidding zone;
   b) For day-ahead market coupling this results amongst others in a Single Day-ahead Price for the Belgian bidding zone; and
   c) Where applicable, fall-back solutions for explicit allocation of cross-zonal capacity are activated on the decoupled border(s).

4. A "full decoupling[9]"-situation occurs when Belgium is decoupled on all of its bidding zone borders:
   a) Orders of the Belgian bidding zone are no longer matched with orders of other bidding zones;
   b) The price of each NEMO Hub is determined by the respective Belgian NEMOs. This might result in different prices per NEMO Hub in the Belgian bidding zone unless, upon request of the national regulator, a fall-back solution is implemented[10];
   c) Where applicable, fall-back solutions for explicit allocation of cross-zonal capacity are activated on the decoupled borders; and
   d) If applicable, fall-back solutions reducing the risk of entering into a "full decoupling"-situation should preferably and where possible be implemented in the MCO function.

5. A situation in which a subset of the Belgian NEMOs are coupled occurs if at least one, but not all, of the Belgian NEMOs cannot participate in the market coupling process due to technical problems:
   a) The market coupling process will only consider the orders transmitted by Belgian NEMOs participating in the market coupling process. This will result amongst others in a Single Day-

[9] The "partial decoupling"- and "full decoupling"-situations do not necessarily refer to situations defined in PCR project. Further discussions with TSOs and NEMOs are required to define harmonized terminology for the situations mentioned in this MNA.
[10] Such local fall-back solution falls out of the scope of the MCO function, of Regulation 2015/1222, and therefore of this MNA proposal.

ahead Price for the Belgian bidding zone (at least for the coupled Belgian NEMOs) in the day-ahead market coupling;

b) The Belgian NEMO(s) not participating in the market coupling will each determine the price for their NEMO Hub(s); and
c) No fall-back solution for explicit allocation of cross-zonal capacity will be activated; all cross-zonal capacity is allocated in the market coupling process (to the coupled Belgian NEMOs).

6. NEMOs are responsible for ensuring access to the market coupling process for their exchange members. They must perform best efforts to avoid side effects of a technical issue within one NEMO preventing other NEMOs to participate to the market coupling.

Chapter 4
Price references

Article 12
Price reference for the day-ahead timeframe

1. For the day-ahead timeframe each Belgian NEMO is responsible for the price determined on its NEMO Hub and is responsible for its publication.

2. Except in case of a "full decoupling[9]"-situation or a situation with a coupling with a subset of the Belgian NEMOs, as defined respectively under Article 11(4) and 11(5) of this MNA, the price of all the NEMO Hubs in the Belgian bidding zone for the day-ahead timeframe equals the Single Day-ahead Price for the Belgian bidding zone. ELIA and the Belgian NEMOs will discuss during the implementation of this MNA, if applicable, on how to deal with potential rounding differences on prices of coupled NEMO Hubs in the Belgian bidding zone.

3. In case of different prices for different NEMO Hubs of the Belgian bidding zone in the day-ahead timeframe, ELIA will calculate a Bidding Zone Reference Day-Ahead Price for the Belgian bidding zone for each market time unit.

4. This Bidding Zone Reference Day-Ahead Price will be used by ELIA to fulfil its obligations (e.g. as the case may be for monitoring, transparency, reporting...) and more general wherever a unique day-ahead price reference is required[11].

5. The orders of the power exchange members on a certain NEMO Hub will be settled at the price of the concerned NEMO Hub in the day-ahead timeframe.

6. The Bidding Zone Reference Day-Ahead Price is calculated as the volume weighted average price of the prices of the NEMO Hubs in the Belgian bidding zone.

7. For the day-ahead timeframe each Belgian NEMO must provide ELIA the data from its NEMO Hub, required for the determination of the Bidding Zone Reference Day-Ahead Price for the Belgian bidding zone.

8. ELIA and the Belgian NEMOs offering day-ahead trading services in the Belgian bidding zone will set up, if deemed necessary, a contractual framework for the use of the price and traded volumes on the concerned NEMO Hub .

9. Table 1 provides an overview for the different cases of coupling and decoupling:

[11] For processes related to market coupling (e.g. remuneration of LTR,...) ELIA will, where required, use the price of the NEMO Hubs of coupled Belgian NEMOs.

Table 1: overview of applicable prices for different coupling and decoupling situations

Case	Price on each NEMO Hub	Bidding Zone Reference Day-Ahead Price
Belgium coupled on all its bidding zone borders	Single Day-ahead price[12]	Single Day-ahead Price
Belgium partly decoupled[9]	Single Day-ahead price[12]	Single Day-ahead Price
Belgium fully decoupled[9]	Price determined by each Belgian NEMO[13]	Bidding Zone Reference Day-Ahead Price[13]
Market coupling of Belgium with a subset of the Belgian NEMOs	For the coupled Belgian NEMOs : price determined by the day-ahead market coupling algorithm; Else, price determined by each decoupled Belgian NEMO.	Bidding Zone Reference Day-Ahead Price

Chapter 5
Clearing, settlement and shipping

Article 13
General provisions

1. These MNA differentiate between three layers of clearing and settlement:
    a. Intra-hub layer: Clearing and settlement of market participants buys and sell orders selected by the market coupling process on NEMO Hub level;
    b. Intra-zonal layer: Clearing and settlement of energy exchanges between NEMO Hubs, or, where applicable, with a shipping agent, within the Belgian bidding zone (i.e. so called “shipping”);
    c. Cross-border layer: Clearing and settlement of energy exchanges between bidding zones or, if applicable, scheduling areas (i.e. so called “shipping”).

    The clearing and settlement layers under points (a) and (b) above relates to internal energy exchanges within the Belgian Bidding zone, whereas point (c) relates to cross-border energy exchanges.

2. The function of shipping of energy exchanges resulting from single day-ahead and intraday coupling outcome (as referred to in Article 13(1)(b) and/or Article 13(1)(c) of this MNA proposal) comprises of:
    a. Physical shipping: physical shipping has the objective to secure the physical energy delivery (through nominations) according to the day-ahead and intraday market outcome by designating a suitable scheduling process between NEMOs or their associated CCPs, TSOs and -where applicable- shipping agents; and

[12] Rounding topic to be discussed at a later stage, as referred to in Article 12(2)
[13] In case a backup solution enabling the local coupling of NEMO Hubs in Belgium is implemented by the NEMO, there might be a single day-ahead price for the Belgian bidding zone. Such local fall-back solution falls out of the scope of the MCO function, of Regulation 2015/1222 and therefore of this MNA proposal.

b. Financial shipping: financial shipping has the objective to secure the financial settlement of day-ahead and intraday market outcomes between CCPs.

Under the preferred shipper approach it is considered that the financial and physical settlement coincide and are under the responsibility of the NEMOs or their associated (Z)CCPs.

3. According to Article 7(1)(g) of Regulation 2015/1222 the NEMOs are responsible to act as CCPs for clearing and settlement of the exchange of energy resulting from single day-ahead and intraday coupling in accordance with Article 68(3) of Regulation 2015/1222.

   Article 68(3) of Regulation 2015/1222 requires CCPs to act as counter party to each other for the exchange of energy between bidding zones with regard to the financial rights and obligations arising from these energy exchanges.

   Regulation 2015/1222 defines a CCP as the entity or entities having the task of entering into contracts with market participants by novation of the contracts resulting from the matching process, and of organising the transfer of net positions resulting from capacity allocation with other central counter parties or shipping agents.

   Article 68(1) of Regulation 2015/1222 requires CCPs to ensure clearing and settlement of all matched orders in a timely manner. The CCPs shall act as counter party to market participants for all their trades with regard to the financial rights and obligations resulting from these trades.

   On this basis this MNA proposal assumes that NEMOs and/or their associated CCPs are responsible for:
   a. Clearing and settlement as referred to under Article 13(1)(a), 13(1)(b) and 13(1)(c) of this MNA proposal; and
   b. Function of financial and physical shipping as referred to under Article 13(2) of this MNA proposal.

4. Regulation 2015/1222 defines a shipping agent as the entity or entities responsible for transferring net positions between different CCPs.

   Article 68(6) of Regulation 2015/1222 states that, notwithstanding Article 68(3) of Regulation 2015/1222, a shipping agent may act as a counter party between different CCPs for the exchange of energy, if the parties concerned conclude a specific agreement to that effect. If no agreement is reached, the shipping arrangements shall be decided by the regulatory authorities responsible for the bidding zones between which the clearing and settlement of the energy exchange is needed.

   On this basis this MNA proposal assumes shipping agents, where applicable, to be responsible for the function of physical shipping as referred to under Article 13(2) of this MNA proposal.

5. This MNA assumes that, where a shipping agent acts as counter party between the CCPs of the NEMOs according to Art. 68(6), its function only relates to physical shipping as defined under Article 13(2) of this MNA, unless approved otherwise by the relevant regulatory authority(ies) of the concerned bidding zone(s).

As such the Belgian NEMOs or their associated CCPs are responsible for the function of financial settlement of both internal and cross-border energy exchanges.

6. Article 8(2)(l) of Regulation 2015/1222 allows a TSO (or an entity designated by the TSO), where so agreed, to act as shipping agent in accordance with Article 68(6) of the Regulation.

7. This MNA proposal requires that the central counter parties and/or –where applicable- shipping agents shall seek for efficient clearing and settlement arrangements avoiding unnecessary costs and reflecting the risk incurred in accordance with Article 77(2) of Regulation 2015/1222.

8. According to Article 77(2) of Regulation 2015/1222 the cross-border settlement and clearing arrangements shall be subject to approval by the relevant national regulatory authorities.

9. All entities in the Belgian bidding zone (i.e. NEMOs, CCPs and/or shipping agents) involved in internal and cross-border exchanges must nominate[14] these exchanges towards ELIA[15].

   Article 14, Article 15 and Article 16 of this MNA proposal lay down the general provisions and nomination requirements that must be respected for a Belgian NEMO and/or its associated CCP and/or (where applicable) shipping agents.

10. Each NEMO or its associated CCP will ensure that for each NEMO Hub and for each market time unit the sum of internal and, where applicable, cross-border energy exchanges are balanced (i.e. add up to zero). This principle also applies to shipping agents, where applicable.

11. When establishing the clearing and settlement arrangements, TSOs and NEMOs considered in particular the following aspects:
    a. Financial efficiency of the solution
        i. Avoid duplication of collaterals as a result of the implementation of the MNA compared to a situation where only one NEMO is active in the Belgian bidding zone; and/or
        ii. Minimize transaction costs and collateral needs for financial shipping by performing netting of the financial positions of the same CCPs active in several bidding zones in order to minimize the financial exposure of different CCP entities towards each other and, if applicable, towards shipping agents.
    b. Extendibility towards new NEMOs and non-discriminatory treatment of NEMOs;
    c. Need for the physical shipping arrangements to contribute to operational security (data exchanges, nomination procedures...);
    d. The harmonisation of this MNA with the intra-zonal and cross-border shipping arrangements of the neighboring bidding zones or, if applicable, scheduling areas;
    e. The compatibility of this MNA with the target models for market coupling; and
    f. The efficient implementation of this MNA.

12. Under the current day-ahead solution being in place on the Belgian bidding zone borders[16], the scheduled exchanges are calculated between bidding zones (or, where applicable, per HVDC

[14] Through a scheduling agent where applicable.
[15] Unless it is agreed that ELIA nominates “on behalf” of the concerned entity.

interconnector). The clearing and settlement arrangements for intra-zonal and cross-border energy exchanges, mentioned under Article 15 and 16 of this MNA proposal (i.e. so called preferred shipper approach), require that the scheduled exchanges provide more details on intra-zonal exchanges between NEMO Hubs in a bidding zone and/or cross-border exchanges between Zonal CCP (ZCCP) and/or shipping agents of different bidding zones[17].

13. In order to implement the solution stated under Article 15 and Article 16 of this MNA, the necessary details on intra-zonal exchanges between NEMO Hubs in a bidding zone and for cross-border exchanges between ZCCP and/or shipping agents for the single day-ahead and intraday markets must be provided by either the day-ahead and intraday market coupling or by the scheduled exchanges for the single day-ahead and intraday markets (cf. Articles 43 and 56 of Regulation 2015/1222) . Therefore, in case of the latter:
    a. where agreed and required for the chosen clearing and settlement arrangements, TSOs will ensure that the calculation of the scheduled exchanges by the scheduled exchange calculator allows the provision of the required level of detail; and/or
    b. where required NEMOs will provide information from single day-ahead and/or intraday coupling to the TSOs to allow for the calculation of the detailed internal and cross-border energy exchanges.

14. The detailed information on intra-zonal energy exchanges in the Belgian bidding zone (e.g. between NEMO Hubs) and cross-border energy exchanges (e.g. between ZCCPs and/or shipping agents of different bidding zones) avoids the need for a single, fixed shipping agent acting as counter party between the CCPs associated with the Belgian NEMO and/or performing the cross-border exchange of energy[16].

15. This MNA assumes that similar clearing and settlement arrangements will apply for the single day-ahead and intraday market coupling. Nevertheless different solutions can be implemented for both timeframes if this appears to be more efficient or technically necessary.

16. The clearing and settlement arrangements will seek to minimize, where applicable, any additional collaterals and transaction costs (collaterals cost, clearing fees...) related to a shipping agent, acting in accordance with Article 68(6) of Regulation 2015/1222, as counter party between the CCP associated to the NEMO[18].

17. This MNA applies for any future bidding zone (or if applicable scheduling area) border of Belgium. If the preferred shipper approach cannot be agreed on a future border, ELIA will strive to set up with the concerned TSO(s) arrangements that comply to the extent possible with the preferred shipper approach and will request, where required, an amendment to this MNA according to article 1(4) of this MNA[3].

[16] For the intraday solution to be implemented (XBID project) this will depend on the chosen implementation of the solution.
[17] If applicable, this is to be developed in the implementation phase for the single day-ahead coupling timeframe.
[18] In case a separate shipping entity is selected/designated, there is a risk for an additional transaction interface and potentially for related costs.

Article 14
Clearing and settlement within a NEMO Hub (Intra-hub energy exchange)

1. Each Belgian NEMO or its associated CCP will perform the financial settlement of the market participants buy and sell orders selected by the market coupling process on its NEMO Hub.

2. Each Belgian NEMO or its associated CCP will nominate towards ELIA the buy and sell volumes on its NEMO Hub per Balancing Responsible Party (and as such perform the physical settlement).

3. ELIA as TSO performs the physical delivery of energy to the relevant market parties according to information (i.e. nominations) transmitted for each NEMO Hub by the relevant entity.

Article 15
Clearing and settlement between NEMO Hubs within the Belgian bidding zones (Intra-zonal energy exchange)

1. All CCPs associated with Belgian NEMOs will act as ZCCP organizing the intra-zonal exchanges between NEMO Hubs of Belgian NEMOs for the day-ahead and/or intraday timeframes. In this implementation:
    a. The Belgian NEMOs have to settle arrangements related to internal energy exchanges within the Belgian bidding zone
        i. between ZCCPs; and
        ii. in case a shipping agent would perform the cross-border exchange of energy in line with Articles 16(1) of this MNA proposal, between ZCCPs and the relevant shipping agent(s).
    b. The contractual framework (i.e. cross-membership agreement between ZCCP) will be defined among the Belgian NEMOs (and associated ZCCPs) without any direct involvement of ELIA and must allow for a ZCCP associated to a new NEMO in the Belgian bidding zone to join in a non-discriminatory and cost-efficient manner;
    c. The Belgian NEMOs or associated ZCCP perform both the financial settlement and physical settlement (nomination towards ELIA) of the internal energy exchanges between NEMO Hubs;
    d. In case where a shipping agent performs the cross-border exchange of energy as described under Article 16(1) of this MNA proposal, the Belgian NEMOs or associated ZCCPs perform, where needed, physical settlement (nomination towards ELIA) of the internal exchange between a NEMO Hub and the shipping agent; and
    e. ELIA as TSO performs the physical delivery of internal energy exchanges between NEMO Hubs of the Belgian NEMOs and/or with shipping agent(s) in the Belgian bidding zone according to information (i.e. nominations) transmitted by the corresponding ZCCPs.

Article 16
Clearing and settlement of energy exchanges between bidding zones (Cross-border energy exchange)

1. This MNA describes the preferred shippers (multi-shippers) solution for the clearing and settlement of energy exchanges between the Belgian bidding zone and other bidding zones:
    a. Each ZCCP performs the role of shipping for energy exchanges between bidding zones or designates a preferred shipping agent performing (on its behalf) the cross-border energy exchanges related to its NEMO Hub (i.e. performing physical and financial shipping);
    b. The contractual arrangements between ZCCPs and/or shipping agents of different bidding zones are to be defined by the concerned NEMOs (and associated ZCCP or shipping agents) in line with the technical rules set-up in the single day-ahead and intraday coupling solutions and without any direct involvement of ELIA. The contractual arrangements should allow the ZCCP or shipping agent associated to a new Belgian NEMO to join in a non-discriminatory and cost efficient manner;
    c. The Belgian NEMOs or their associated ZCCPs are responsible for the financial settlement of the cross-border energy exchanges.
    d. The ZCCPs associated with each Belgian NEMO (or its designated preferred shipping agent) will nominate towards ELIA and to the relevant TSOs its cross-border energy exchanges (i.e. perform physical settlement); and
    e. ELIA as TSO performs the physical delivery of cross-border energy exchanges towards other bidding zones according to information (i.e. nominations) transmitted by the ZCCP(s) or by their designated preferred shipping agent(s).

    The preferred shipper approach, for a given energy exchange defined between a source NEMO Hub and a sink NEMO Hub within two different Bidding Zones (or if applicable scheduling areas), might be implemented in the following way:
        - the ZCCP or its designated preferred shipping agent of the source Nemo Hub can be responsible of physical settlement in source and sink bidding zone (or, if applicable, scheduling area) and between bidding zones (or, if applicable, scheduling areas)
        - the ZCCP or its designated preferred shipping agent of the source Nemo Hub performs the financial settlement in sink bidding zone (or, if applicable, scheduling area) with the ZCCP of the sink NEMO Hub.

    For the single intraday coupling, ELIA might perform the cross-border exchanges nomination between bidding zones on behalf of the ZCCP or the shipping agents, according to the information transmitted directly by the single intraday coupling system.

2. The NEMOs or their associated ZCCPs performing the financial shipping (settlement) of cross-border energy exchanges will collect congestion income originating from such exchange, if any, and transfer it to the relevant TSO or to the entity acting on behalf of the TSOs according to the requirements of Regulation 2015/1222.

Chapter 6
Contractual arrangements

Article 17
General provisions

1. To ensure the implementation of this MNA, a contractual arrangement needs to be put in place between ELIA and each of the Belgian NEMOs. The need for an overarching contractual arrangement between ELIA and all Belgian NEMOs will be investigated during the implementation phase. In case the Central Counter Parties (CCPs) and/or the entities defined as shipping agents (SA) are different entities than the Belgian NEMOs, additional contractual arrangements will be set up with ELIA.

2. The contractual arrangements are divided into local and regional arrangements. The local contractual arrangements are to be set-up between ELIA and the relevant entities (NEMOs and/or CCPs and/or SA) active in the Belgian bidding zone. The regional arrangements are to be set up between ELIA, the relevant entities (NEMOs and/or CCPs and/or SA) active in the Belgian bidding zone and all other TSOs and/or relevant entities (NEMOs and/or CCPs and/or SA) in the region to which the arrangement applies.

3. ELIA and the relevant entities (NEMOs and/or CCPs and/or SA) active in Belgium, where required together with the TSOs and relevant entities (NEMOs and/or CCPs and/or SA) in other countries, will further elaborate on the governance principles to be included in the contractual arrangements, including, if applicable, principles on cost sharing and recovery in line with TITLE III, Chapter 3 of Regulation 2015/1222.

4. The terms and provisions for submitting internal and cross-border nominations to ELIA are described in the Balance Responsible Party (BRP) contract and consequently all entities submitting nominations towards ELIA in the framework of the single day-ahead and intraday coupling processes need to sign such a BRP contract.

5. Principles for cost sharing and cost recovery –respecting the requirements and principles of TITLE III, Chapter 3 of Regulation 2015/1222– shall, if applicable and where required, be written down in the concerned contractual arrangements as described in Article 18 and Article 19 of this MNA proposal.

6. This MNA proposal does not consider the contractual arrangements between the NEMOs and the entities defined as (Z)CCP or SA for the establishment of the necessary links between these entities.

7. The contractual arrangements listed in this MNA proposal shall at this stage not be considered as exhaustive or finalized. Finalisation of the contractual arrangements can only be realised during the implementation phase when the options set forth under Chapter 5 of this MNA proposal are decided upon.

Article 18
Single day-ahead market coupling

1. A series of contractual arrangements will need to be signed in the framework of the single day-ahead coupling. These contractual arrangements must comply with the requirements of Regulation 2015/1222.

2. Not necessarily being exhaustive nor complete, the following contractual arrangements (see Table 2) on local level, as the case may be, are necessary in the framework of the single day-ahead market coupling :

Table 2: contractual arrangements on local level for the day-ahead market coupling

Contract	Signatories	Content
Contract for operational and financial cooperation	ELIA; and Each Belgian NEMO (bi-lateral contract with possibility for additional overarching contract between ELIA and all Belgian NEMOs)	Terms for local operational and financial cooperation between ELIA and each (all) Belgian NEMO(s) for the processes concerned, in particular for the transmission of price data.
Contract for operational and financial cooperation	ELIA; and Each (Z)CCP (or Belgian NEMO if (Z)CCP is same entity than NEMO or acts under its responsibility)	Terms for local operational and financial cooperation between ELIA and each (Z)CCP for the processes concerned, in particular for: - Physical and financial settlement of internal exchanges; and - If applicable, cost sharing and cost recovery in line with the principles of TITLE III, Chapter 3 of Regulation 2015/1222.
Contract for operational issues (e.g. energy rounding)	ELIA; and Each relevant entity	Terms for local operational cooperation regarding operational issues (and related financial aspects), such as energy rounding. As the case may be these arrangements can be included in other contractual arrangements with those entities.

3. For the single day-ahead market coupling, ZCCP and/or shipping agents are the only actors performing cross-border nominations for the transfer of energy on the coupled borders, the market participants performing no cross-border nomination at this timeframe thanks to the market coupling.

   In case of explicit fall-back solution in the day-ahead timeframe, the BRP contract governs the contractual arrangements for submitting cross-border nominations.
4. At regional level, the current contractual arrangements between ELIA, the other TSOs and NEMOs/CCPs need to be reviewed or replaced in order to be compliant with the provisions of Regulation 2015/1222. The following contracts are being considered :
   a. Contracts setting the daily market coupling modalities between TSO and NEMO between some or all regions;
   b. Contracts setting the daily market coupling modalities between the TSOs and NEMOs for a given region;

c. Contracts setting the common and regional cost sharing and cost recovery, if applicable, between TSOs and NEMOs, according to the dispositions of Regulation 2015/1222; and
d. Contracts setting the modalities of collection and transfer of congestion income following daily market coupling to the relevant TSOs or to the entity acting on behalf of the TSO according to the dispositions of Regulation 2015/1222.

Article 19
Single intraday market coupling

1. A series of contractual arrangements will need to be signed in the framework of the single intraday coupling. These contractual arrangements must comply with the requirements of Regulation 2015/1222.

2. Not necessarily being exhaustive nor complete, the following contractual arrangements (see Table 3) on local level, as the case may be, are necessary in the framework of the single intraday market coupling :

Table 3: contractual arrangements on local level for the day-ahead market coupling

Contract	Signatories	Contents
Contract for operational and financial cooperation	ELIA; and Each Belgian NEMO (bi-lateral contract with possibility for additional overarching contract between ELIA and all NEMO)	Terms for local operational and financial cooperation between ELIA and each (all) Belgian NEMO for the processes concerned. This contract can possibly be bundled with contractual arrangements for the day-ahead timeframe.
Contract for operational and financial cooperation	ELIA; and Each (Z)CCP (or Belgian NEMO if (Z)CCP is same entity than NEMO or acts under its responsibility)	Terms for local operational and financial cooperation between ELIA and each (Z)CCP for the processes concerned, in particular for: - Physical and financial settlement of internal exchanges; and - If applicable, cost sharing and cost recovery in line with the principles of TITLE III, Chapter 3 of Regulation 2015/1222. This contract can possibly be bundled with contractual arrangements for the day-ahead timeframe.
Contract for operational issues	ELIA; and Each relevant entity.	Terms for local operational cooperation regarding operational issues (and related financial aspects). As the case may be these arrangements can be included in other contractual arrangements with those entities.
Agreement concerning on behalf nomination (as the case may be)	ELIA Each relevant entity ((Z)CCP and/or shipping agent)	Contractual and operational terms for nomination on behalf by ELIA (as the case may be).

3. It is considered in this MNA proposal that the allocation of the intraday cross-zonal capacities will be done through the implicit single continuous intraday coupling. In this case, the ZCCP or shipping agents are the only actors performing cross-border nominations for the transfer of energy on the coupled borders, the market participants performing no cross-border nomination at this

timeframe thanks to the market coupling. If agreed between the parties, Elia can perform the cross-border exchanges nomination between bidding zones on behalf of the ZCCPs or the shipping agents, according to the information transmitted directly by the single intraday coupling system.

4. In the event of an approval by the national regulatory authority of a fall-back allocation for the intraday timeframe, the contractual arrangements for submitting cross-border nominations can be governed (where applicable) by the BRP contract.

5. The current contractual arrangements between ELIA, the other TSOs and NEMOs need to be reviewed or replaced in order to be compliant with the provisions of the Regulation 2015/1222. The following contracts are to be considered on regional level:
    a. Contracts setting the intraday market coupling modalities between TSO and NEMO between some or all regions,
    b. Contracts setting the intraday market coupling modalities between the TSOs and NEMOs for a given region,
    c. Contracts setting the common and regional cost sharing and cost recovery, if applicable, between TSOs and NEMOs, according to the dispositions of Regulation 2015/1222; and
    d. In case pricing of cross-zonal capacity is implemented in the intraday timeframe[19], contracts setting the modalities of collection and transfer of congestion income following intraday market coupling to the relevant TSOs or to the entity acting on behalf of the TSO according to the dispositions of Regulation 2015/1222.

[19] Pricing of intraday cross-zonal capacity is not foreseen in the current scope of XBID project.

TITLE 3
Final provisions

Article 20
Implementation date of Multiple NEMO Arrangements

1. The implementation planning of the MNA for the Belgian bidding zone is subject to:
    a. regulatory approval by CREG of this MNA proposal;
    b. alignment with TSOs and NEMOs on regional and/or cross-regional coordination concerning in particular aspects related to data exchange and scheduled exchange calculation
    c. regulatory approval of the MNA of other TSOs in the same or other region(s) by their respective NRAs;
    d. approval by all regulatory authorities of the MCO plan, submitted by the NEMOs, for the single day-ahead and single intraday coupling solutions, the implementation timeline and actual implementation of the approved solutions;
    e. detailed impact analysis of the MNA proposal on:
        i. IT systems of ELIA;
        ii. IT systems of common TSO tools; and/or
        iii. solutions for the single day-ahead (PCR project) and single intraday market (XBID project).
    f. set-up of the contractual arrangements required for the operation of the single day-ahead and intraday market with multiple NEMOs per bidding zone (both on a regional and local level);
    g. implementation of the MNA in neighbouring bidding zones, given the need for arrangements related to cross-border energy exchanges; and
    h. elaboration of the cost sharing and cost recovery aspects in line with TITLE III, Chapter 3 of Regulation 2015/1222 that are to be included in the contractual framework.

2. The overall planning is thus linked to the progress of the above mentioned developments, which are not within the sole control of ELIA, and also depend on external parties.

3. A detailed implementation plan can only be established in cooperation with all participating parties when timing constraints resulting from the aspects mentioned under Article 20(1) of the MNA become clearer.

Article 21
Language

1. The reference language for this MNA proposal shall be English. For the avoidance of doubt, given the need for ELIA to translate this MNA proposal into the national language(s), in the event of inconsistencies between the English version published by ELIA in accordance with Article 9(14) of the Regulation 2015/1222 and any version in another language, ELIA shall, in accordance with national legislation, provide the relevant national regulatory authorities with an updated translation of the MNA proposal.

Article 22
Cost sharing and cost recovery

1. This MNA does not include principles on cost sharing and cost recovery. The principles laid down in TITLE III, Chapter 3 of Regulation 2015/1222 will be applicable to this MNA proposal.

ANNEX

Strategic Reserves

1. The strategic reserve was introduced by the Law of 26 March 2014 amending the federal Electricity Law of 29 April 1999. This gave ELIA the task of organising, managing and if necessary activating a strategic reserve mechanism[20] to cover any structural shortage in generation during the winter months.

2. The strategic reserve is currently offered in a separate market segment of Belpex (Strategic Reserve Market, SRM), where they are offered in a separate national auction at the price cap. This is done by means of an economic trigger, which is only activated when supply does not match demand at the price cap, which results in an unmatched demand and which will be (at least partially) covered by the available strategic reserve.

3. It is to be noted that the strategic reserve can also be activated in case a risk of shortage in the ELIA control area has been detected (technical trigger). The existence of multiple NEMOs in the Belgian bidding zone does not have an impact on the technical trigger.

4. The current mechanism of economic trigger may not be compatible with multiple NEMOs in the Belgian bidding zone. In a period of scarcity in Belgium, all Belgian NEMOs can face an unserved demand. Without transmission constraints in the bidding zones, the available supply will be redistributed according to the demand bids, and the national scarcity may reveal itself in the different NEMOs. Where applicable, the strategic reserve should be supplied to all Belgian NEMOs in a non-discriminatory way, otherwise the underlying adequacy problem in the market cannot be resolved.

5. Different solutions are currently being analysed by ELIA.

6. The implementation of a solution to cope with multiple NEMOs active in the Belgian bidding zone will be foreseen for the winter period 2017-2018, starting on November 1st 2017. The arrangements and design will be further discussed and finalised in the framework for implementing strategic reserves and will be integrated in the necessary related documents (i.e. Functioning Rules).

[20] The strategic reserve mechanism relates to a local Belgian process and therefore falls outside the scope of this MNA proposal related to the single day-ahead and single intraday coupling (according to the dispositions of Regulation 2015/1222).