

ANNUAL REPORT 2015



COMMISSION FOR ELECTRICITY
AND GAS REGULATION



COMMISSION FOR ELECTRICITY
AND GAS REGULATION

ANNUAL REPORT **2015**

Table of contents

1. Foreword	5
2. Key national legislative developments	9
2.1. Transposition of Directive 2012/27/EU	10
2.2. Adaptation of the Gas Law to enable possible extension of the balancing zone	10
2.3. Change of regulations on electricity load shedding	11
2.4. Varia	12
3. The electricity market	13
3.1. Regulation	14
3.1.1. Power generation	14
3.1.1.1. Electricity generation permits	14
3.1.1.2. North Sea energy generation	14
3.1.1.3. Call for tenders for the establishment of new power generation facilities	18
3.1.2. Electricity supply	18
3.1.2.1. Supply to customers connected to the transmission network	18
3.1.2.2. Price caps	19
3.1.2.3. Trends in and fundamentals of electricity prices	19
3.1.3. Transmission and distribution	20
3.1.3.1. Unbundling and certification of the transmission system operator	20
3.1.3.2. Corporate governance	20
3.1.3.3. Closed industrial networks	21
3.1.3.4. Technical operation	21
3.1.3.5. Network tariffs	24
3.1.4. Cross-border issues	28
3.1.4.1. Access to cross-border infrastructures	28
3.1.4.2. Analysis of the TSO's investment plan as regards consistency with the network development plan across the European Union	31
3.1.4.3. The allocation of capacity between Belgium and the Netherlands	31
3.1.4.4. The allocation of long-term capacity	31
3.2. Competition	31
3.2.1. Monitoring wholesale and retail prices	31
3.2.1.1. CREG studies in 2015	31
3.2.1.2. Safety net	35
3.2.2. Monitoring market transparency and openness	40
3.2.2.1. Electrical power demand	40
3.2.2.2. Wholesale generation market share	40
3.2.2.3. Energy exchange	42
3.2.2.4. REMIT	45
3.2.2.5. Charter of best practices for electricity and gas price comparison websites	45
3.2.3. Supply price recommendations	45
3.3. Consumer protection	46
3.4. Security of supply	46
3.4.1. Monitoring the balance between supply and demand	46
3.4.2. Monitoring TSO investment plans	47
3.4.3. Operational security of the grid	48
3.4.4. Investment in cross-border interconnections	49
3.4.5. Measures to cover peak demand and to deal with supply shortfalls	50
3.4.5.1. Strategic reserve	50
3.4.5.2. Call for tenders for the establishment of new power generation facilities	51
3.4.5.3. Shortage of electricity and load shedding plan	51
3.4.5.4. The Elia backup code	52

4. The natural gas market	53	5. The CREG	75
4.1. Regulation	54	5.1. The CREG's Board of Directors and staff	76
4.1.1. Natural gas supply	54	5.2. Gas and electricity Advisory Board	78
4.1.1.1. Federal natural gas supply permits	54	5.3. General policy plan and comparative report on the objectives and achievements of the CREG	81
4.1.1.2. Price caps	55	5.4. The new internal regulation of the Board of Directors	81
4.1.1.3. Trends in and fundamentals of natural gas prices	55	5.5. The audit report of the Court of Auditors	82
4.1.2. Transmission and distribution	55	5.6. Handling questions and complaints	82
4.1.2.1. Unbundling and certification of TSOs	55	5.7. Transparency and the CREG website	82
4.1.2.2. Corporate governance	56	5.8. CREG presentations	83
4.1.2.3. Technical operation	57	5.9. CREG cooperation with other bodies	86
4.1.2.4. Network and LNG tariffs	61	5.9.1. The CREG and the European Commission	86
4.1.3. Cross-border issues and market integration	63	5.9.2. The CREG within ACER	87
4.1.3.1. Access to cross-border infrastructures	53	5.9.3. The CREG within CEER	90
4.1.3.2. Analysis of the TSO's investment plan as regards consistency with the network development plan across the European Union	63	5.9.4. Madrid forum	94
4.1.3.3. Market integration	63	5.9.5. Florence forum	94
4.2. Competition	67	5.9.6. London forum	95
4.2.1. Monitoring wholesale and retail prices	67	5.9.7. Copenhagen forum	95
4.2.1.1. CREG Studies in 2015	67	5.9.8. CREG and other national regulators	95
4.2.1.2. Safety net	67	5.9.9. The CREG and the regional regulators	96
4.2.2. Monitoring market transparency and openness	67	5.9.10. The CREG and the competition authorities	97
4.2.3. Supply price recommendations	68	5.10. CREG finances	98
4.3. Consumer protection	68	5.10.1. Federal contribution	98
4.4. Security of supply	68	5.10.2. Funds	100
4.4.1. Monitoring the balance between supply and demand	68	5.10.3. Accounts 2015	102
4.4.2. Monitoring TSO investment plans	71	5.10.4. The report of the auditor on the financial statements for the year ending 31 December 2015	107
4.4.3. Forecasts on future demand, available reserves and additional capacity	72	5.11. List of CREG acts during 2015	108
4.4.4. Covering peak offtakes	73		

LIST OF TABLES

1. Rated output of offshore wind farms, existing and under construction in 2015	16
2. Energy extracted by customers connected to the federal transmission network, 2007 to 2015	18
3. Average unweighted imbalance tariff during the period 2007-2015	23
4. Trends in the tariff charged (not including connection, PSO tariffs and surcharges) to users of the transmission system during the period 2013-2019	26
5. Average export and import capacity and average rating per year	29
6. Annual revenues from capacities offered for auction	30
7. Wholesale market share in electricity production capacity	41
8. Wholesale market share in produced electricity	41
9. Energy exchanged and average price on the intraday stock market	44
10. Elia network load (peak energy and output) for the period 2007-2015	46
11. Breakdown by plant type of installed capacity connected to the Elia network as at 31 December 2015	46
12. Breakdown by primary energy type of electricity produced in 2015 by plants located on sites connected to the Elia network	
13. Companies operating in the Belgian market in natural gas shipping in 2015 - Change compared to 2014	55
14. Breakdown of Belgian natural gas demand by user segment between 2002 and 2015	69
15. CREG directorates and staff as at 31 December 2015	77
16. Members of the gas and electricity Advisory Board as at 31 December 2015	80
17. Overview of CREG external presentations in 2015	83
18. Balance sheet at 31 December 2015	104
19. Income statement at 31 December 2015	106

LIST OF FIGURES

1. Development of offshore wind power installed capacity between April 2009 and December 2015	16
2. Net production of offshore green electricity per wind farm on a monthly basis in 2015	17
3. Average unweighted imbalance tariff and Belpex DAM prices during the period 2007-2015	23
4. Availability and use of interconnection capacity from 2007 to 2015	29
5. Daily market coupling congestion income	30
6. Average change in electricity price components by region for a Dc customer	32
7. Average change in electricity price components by region for a Lc1 customer	32
8. Average change in natural gas price components by region for a T2 customer	33
9. Average change in natural gas price components by region for a T4 customer	33
10. Monthly change in electricity prices in 2015 for a residential customer = 3,500 kWh / year	38
11. Monthly change in natural gas prices in 2015 for a residential customer = 23,260 kWh / year	38
12. Monthly change in electricity prices in 2015 for SMEs and the self-employed	39
13. Monthly change in natural gas prices in 2015 for SMEs and the self-employed	39
14. Average load of Elia network on a monthly basis from 2007 to 2015	40
15. Average monthly prices on Belpex, APX, EPEX FR and EPEX GE stock markets between 2007 and 2015	42
16. Monthly average strength of Belpex market between 2007 and 2015	43
17. Comparison of wholesale prices for short-term and long-term contracts	44
18. Change between 2007 and 2015 in the maximum physical load of interconnectors with France and the Netherlands	48
19. Change in Fluxys Belgium natural gas transmission tariffs (entry and exit tariffs for H gas) between 2007 and 2016	62
20. Net natural gas (H-gas) transactions between the ZTP market and border markets during the period 2011-2014	64
21. Average annual gas price in day and year ahead market	65
22. The Belgian and Luxembourg border markets integration project	66
23. Distribution of Belgian H gas and L gas demand by user segment in 2014 and 2015	68
24. Trends in natural gas consumption by user segment during the period 1990-2015 (1990 = 100), adapted based on climate differences	69
25. Distribution of incoming flow of natural gas by entry zone in 2015	70
26. Composition of the average portfolio of suppliers operating in Belgium in 2015	70
27. Composition of the average supply portfolio for the Belgian natural gas market between 2000 and 2015	70
28. Market shares of supply companies in the transmission network in 2015	71
29. Natural gas demand outlook in Belgium until 2025	72
30. Distribution of peak day extraction by user segment in 2015	73
31. Distribution of natural gas sources by coverage of peak extraction in 2015	73
32. ACER management chart as at 31 December 2015	87
33. CEER management chart as at 31 December 2015	90

1. Foreword

Energy is essential for the development of our society. It covers several domains and becomes more complex every year. It is the CREG's responsibility, as the federal regulator, to continue to improve the content and clarity of its studies, its opinions and decisions, as well as its communication. In 2015, the CREG developed a new structure for its website. This structure is better suited to the particular needs of different target groups and makes the information more accessible, without loss of completeness or expertise. The new website will be online in 2016. The CREG Management Board has also established new internal regulations following a public consultation. The duty to state reasons is extended to all decisions (legally challengeable) of the CREG management board. The organisation and consultation procedure have also gained in clarity.

In accordance with its mission, in 2015 the CREG continued to focus on improving the operation of the market to protect the interests of all consumers. Regarding the retail market, in March 2015 the CREG carried out a study of energy prices for SMEs and the self-employed. The study showed that considerable savings could still be achieved in this consumer segment, if it was better informed. The annual study of price components reported on the development of electricity and natural gas price components. In September, the CREG published an evaluation report on the safety net mechanism (introduced on 1 January 2013). It shows that no impact disrupting the market was identified, and that the mechanism undeniably contributes to improved transparency. Nevertheless, it is necessary to continue to monitor developments, especially in

consumer protection and the products offered. For large consumers, PwC conducted a study on behalf of the CREG entitled "*A European comparison of electricity and gas prices for large industrial consumers*". The results of this study will be discussed in more detail in a follow-up study in 2016.

The CREG is also responsible for monitoring prices and the market. In this context, different studies were carried out in 2015 such as those on the cost structure of nuclear power plants, on a European comparison of prices paid by large industrial customers, on the energy pricing mechanism in supply contracts for large industrial customers, on the shareholding structure of the main electricity and gas suppliers authorized for Belgian supply, and on the strategic reserve. Moreover, the CREG approved the implementation of the coupling of the daily markets based on flows, which came into force on 20 May 2015.

REMIT (*Regulation on Wholesale Energy Market Integrity and Transparency*) was established in 2015. Its objective is to create an EU regulatory framework specific to the wholesale market and thus improve its operation, prevent abuse (market manipulation, attempted market manipulation or attempted insider trading) and to sanction them where applicable. REMIT should help set wholesale market pricing based on correct interaction between supply and demand. Market players are now required to register with the body of the Member State where they are established. This means the CREG for operators established in Belgium.

The regulation of transmission system activities is a strategic task of the CREG to ensure optimal consumer prices and services. By exercising its powers in this area (such as approval of the tariff methodology and network access tariffs, approval of operating rules and auditing), the CREG ensures that network operators develop safe and reliable networks in the most cost-effective way, for the benefit of consumers. To this end, in late 2015 the CREG set the prices for the regulatory period 2016-2019. It did this in constructive dialogue with Fluxys Belgium for the gas infrastructure and with Elia System Operator for the electricity transmission system. The new Fluxys Belgium tariffs provide market stability, both in terms of price and structure. With regard to Elia, the new tariffs introduce certain incentives to improve the quality of system operator services. In this case, the CREG's task is to ensure that the transmission system operator has the resources necessary to exercise its statutory tasks without causing an increase in prices for consumers.

Energy transition is a reality. The issue, therefore, is not to know when this transition will take place, but how the CREG can help to make the Belgian market as flexible as possible, while developing efficient market mechanisms and innovations. By way of response, in 2015 the CREG conducted a study on the profitability of electricity storage in Belgium. In the study, the CREG presents the various technologies and the associated costs and provides those authorities with jurisdiction with recommendations to promote the development of storage capacity. In another study, the CREG examined

the measures to be taken in order to ensure an adequate volume of conventional production means to ensure the security of Belgium's electricity supply. The study shows, in particular, that an analysis of medium-term needs is lacking. In the area of offshore wind energy, the CREG analysed the support mechanism and proposed a revision. It also brought together market players to discuss the development of an offshore grid and the connection of wind farms.

Energy transition needs to be approached from an international perspective. Again in 2015, the CREG consolidated its collaboration at bilateral, regional and European levels. This is the only way to ensure optimal integration of the regulatory framework for the Belgian electricity and natural gas markets. Analyses conducted by the European Commission show a clear decline in the number of complaints, increased confidence, a broader supply and the relationship between these positive signs and Belgium's top position in the ranking of European consumer markets. For the CREG this is a sign that it must continue to invest in integrated solutions through cross-border partnerships and consultations and to assess, implement and coordinate, in a spirit of continuous dialogue and without jeopardizing its independence, the required choices based on the different interests expressed in the context of the complex dynamics of the integration of Belgian energy markets, in the interests of the country and Belgian consumers.



A handwritten signature in blue ink, appearing to read 'MP Fauconnier', with a long horizontal line extending to the right.

Marie-Pierre Fauconnier

Chairperson of the Board of Directors
March 2016

2. Key national legislative developments

2.1. Transposition of Directive 2012/27/EU

Article 15 of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, which addresses the transformation, transmission and distribution of energy, imposes a number of targets for Member States to improve energy efficiency in the management of transmission and distribution systems, such as the adoption of measures promoting demand management and load shedding, in both wholesale and retail markets and in balancing or ancillary services markets.

In accordance with Article 6 (1) VII, of the Special Law of 8 August 1980 on institutional reform, regions are responsible for regional aspects of energy and, in particular, "the rational use of energy". It is generally considered that energy efficiency falls under the rational use of energy and that, therefore, it is the regions that have the remit in this area. The transposition of Directive 2012/27/EU is thus mainly the responsibility of the regions. However, insofar as Article 15 of that directive refers expressly to measures to be taken, most notably in the transmission systems, e.g. in tariffs, it was considered that the Federal State, which has jurisdiction in electricity and gas transmission, was competent to partially implement the directive. This, particularly, was the purpose of the Law of 28 June 2015¹ amending, for this purpose, the Law of 29 April 1999 on the organisation of the electricity market (hereafter: "the Electricity Law") and the Law of 12 April 1965 on transmission of gas and other products by pipelines (hereafter: the "Gas Law"). On the one hand, this law assigns a new mission to CREG - to "encourage resources affecting demand, such as load shedding, from the wholesale market, as well as resources affecting supply". Secondly, it adds a new guideline to those that the CREG must comply with in the development of tariff methodologies for gas and

electricity transmission. According to this guideline, tariffs may not include any incentives that are harmful to overall market efficiency and the power system, and must not impede the participation of load shedding, balancing markets and the provision of ancillary services.

It is important to emphasise that preparatory work for the above-mentioned Law of 28 June 2015 recognized that other provisions of Directive 2012/27/EU, particularly Annex 11, would have to be transposed at federal level.²

2.2. Adaptation of the Gas Law to enable the extension of the balancing zone

The Law of 8 July 2015³ amended the Gas Law to allow the natural gas transmission system operator to set up a joint venture responsible for commercial balancing in a zone comprising of several national territories.

This change in the law was introduced to make it possible to create a common balancing zone covering Belgium and the Grand Duchy of Luxembourg.

Such a joint venture can only be undertaken by transmission system operators certified in accordance with Articles 9 and 10 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC, or TSOs exempt from certification under Article 49.6 of the same directive. Insofar as the Luxembourg transmission system operator is part of a vertically integrated undertaking, the law provides measures to ensure the independence of the commercial balancing joint venture and the absence of discriminatory practices.

Thus, the new Article 15/2*bis* of the Gas Law provides for the establishment of a compliance programme by the joint venture. Pursuant to Article 7 of Directive 2009/73/EC, such a programme includes measures to ensure the exclusion of discriminatory and anticompetitive practices. Such a programme - like any changes made to the programme - is subject to the approval of ACER, after obtaining the opinion of the CREG.

Moreover, the Gas Law provides for the appointment, in the joint venture following CREG approval, of a manager responsible for compliance. The CREG's approval seeks to ensure the independence of this manager and his/her professional capabilities. Likewise, the CREG is responsible for approving the terms and conditions of the manager, to ensure his/her independence; it may, if necessary, instruct the joint venture to dismiss the manager for breach of his/her obligations of independence or professional capacities. The law also defines incompatibilities applicable to the compliance manager and his/her powers and duties.

The creation of a balancing zone that is wider than the national territory and of a common balancing undertaking is without any prejudice to the responsibilities of the the transmission system operator in terms of security of supply. Accordingly, the extension of the balancing zone and its subsequent amendments are subject to prior notification of the Federal Authority responsible for the security of the gas supply, the Directorate General for Energy of the FPS Economy, SMEs, the Self-employed and Energy (hereafter: "Directorate-General for Energy").

Finally, the Law of 8 July 2015 makes the common balancing undertaking subject, on the one hand, to the network code on gas transmission system balancing (Regulation (EU) No 312/2014) and on the other hand, to the provisions of the Gas Law relating to the powers of the CREG. It makes the CREG

¹ The Law of 28 June 2015 embodying various energy provisions (Moniteur belge, 6 July 2015).

² Doc. *Parl.*, Chamber, sess. 20014-2015, No. 541046/1, p. 10).

³ Law of 8 July 2015 amending the Law of 12 April 1965 on the transmission of gaseous and other products by pipelines (Moniteur belge, 16 July 2015).

responsible for approving: 1. The balancing contract and, where appropriate, the balancing code that governs the rights and obligations of the joint venture and network users in the context of the balancing activity; 2. the balancing programme, which describes the balancing model; 3. balancing tariffs to be applied by the joint venture to network users.

2.3. Change of regulations on electricity load shedding

Following the legal uncertainties surrounding possible activation of the load shedding plan during the winter of 2014/2015, the legislation governing this area underwent substantial adaptation: first, a Royal Decree of 6 October, 2015⁴ amended the Royal Decree of 19 December 2002, by establishing a technical regulation for transmission system operation and access thereto (hereinafter: the "technical regulation"); secondly, the Ministerial Decree of 13 November 2015⁵ amended the Ministerial Decree of 3 June 2005 by establishing an electricity transmission system load shedding plan.

Pursuant to the Electricity Law and the technical regulations, the CREG issued an opinion on the two draft texts⁶ (cf. section 3.4.5.3 hereof).

The technical regulations, which provide the general framework for the electricity transmission system operator to address network security problems, were amended by the inclusion of scenarios covering electricity shortages, threat of shortage and sudden phenomena - all situations

that may cause load shedding - which were absent until now. These scenarios are added to the list of definitions appearing in the technical regulations (art. 1(2)) and refer to emergency situations that justify the intervention of the transmission system operator (except for threat of shortage) (art. 19).

Moreover, the Royal Decree of 6 October 2015, cited above, has the merit of specifying more precisely the range of measures available to the transmission system operator to deal with an emergency (Article 303): first, activation of the backup code (art. 312, (1 to 3)), established by the system operator, which allows for change in the supply of active or reactive power and change in the offtakes set in interruptible contracts; secondly, the interruption of interconnections, both with foreign networks and with networks located in the control area (Article 312, § 4.); finally, activation of the load shedding plan, established by the Minister for Energy to allow: (i) imposition of offtake limitations; (ii) prohibition on the use of electricity for certain purposes; and (iii) suspension of offtakes (Art. 312 (5)).

The Royal Decree of 6 October 2015 finally reviews the list of priority connections, which must in principle be exempted from load shedding measures or, if they do actually undergo load shedding, must be restored first. This is the case, among others, of hospitals and emergency call management centres. In addition, the technical regulations empower Ministers for Energy and the Economy to determine additional connections for priority re-supply for economic, security, public order, public health or system operation reasons.

The amendments to the Ministerial Decree of 3 June 2005 primarily seek to clarify the roles of the operators of the

different systems - transmission and distribution - and the consequences for distribution of implementation of the load shedding plan; in order to comply with the division of powers between the Federal Government and the regions, distribution (and local transmission) system operators participate in the implementation of the load shedding plan only where provided for in the regional technical regulations and according to the technical conditions laid down therein.

Another amendment to the ministerial order addressed the distinction between load shedding in the event of sudden phenomenon and in case of shortage. Although the distinction remains - especially in terms of the decision on activation of load shedding⁷ - its terms, most notably its priorities, are now aligned.

Substantial amendments addressed load shedding methods. While the Ministerial Decree maintains the subdivision of the network into electrical zones - albeit with a reduction in the number of areas - and zones into tranches, it now stipulates that the tranches are established so that: (i) the ratio between the load to be shed and the total load of the electrical zone in question should be roughly equal to the same proportions in other electrical zones of the same tranche; and (ii) the division of tranches does not violate the rules and obligations between operators of European networks in relation to maintenance and restoration of frequency and balance. In addition, transmission system operators are asked to limit, as far as possible, load shedding of customers connected to the transmission system or having a transmission function, as well as supply to the Brussels-Capital Region, the town centres of provincial capitals and the town centres of

4 Royal Decree of 6 October 2015 amending the Royal Decree of 19 December 2002 establishing technical regulations for the management of the electricity transmission system and access thereto (Moniteur belge, 15 October 2015).

5 Ministerial Decree of 13 November 2015 amending the Ministerial Decree of 3 June 2005 establishing the electricity transmission system load shedding plan (Moniteur belge, 23 November 2015).

6 Opinion (A) 150706-CDC-1430 on a draft Royal Decree amending the Royal Decree of 19 December 2002 establishing technical regulations for operation of the electricity transmission system and access thereto, as well as draft Ministerial Decree amending the Ministerial Decree of 3 June 2005 establishing the electricity transmission system load shedding plan.

7 Load shedding in response to a sudden phenomenon is decided by the system operator; load shedding in response to shortages is decided jointly by the Ministers for the Economy and Energy.

municipalities with a population of at least 50,000. Finally, it is provided that offtake interruption measures must take account of the technical factors and structure of the networks and the principle of proportionality.

Ultimately the load shedding plan maintains the power of the transmission system operator to establish different zones and tranches, through an "internal procedure for application of the load shedding plan", drafted following consultation with the FPS Economy and the government coordination and crisis centre.

2.4. Varia

• Abandonment of the tender

The CREG's 2013 and 2014 Annual Reports reported on developments in the tender for the establishment of new electricity production facilities within the meaning of Article 5 of the Electricity Law. This tender was launched following the publication of a ministerial order on 18 November 2013.

The agreement of the federal government, dated 9 October 2014, mentions in this regard that "in order to comply with European rules, the opportunity of the ongoing tender for new gas plants will be reviewed" (p. 96).

Following notification of the tender by Belgium to the European Commission, in order to receive its endorsement of the compatibility of the chosen mechanism with EU rules on state aid, the European Commission drafted a somewhat critical preliminary evaluation. Following this evaluation, the Minister for Energy decided to halt the tender procedure⁸. He based this on Article 14 of the tender specifications on the establishment of new gas-fired open or combined-cycle power generation facilities in Belgium to ensure security of supply, established by the Directorate General of Energy and published in January 2014, which provides that: "The DG Energy reserves the right to withdraw the tender if the financial incentive [...] is declared to be unlawful state aid by the European Commission."

• Creation of a budget fund

Following the extension of the Doel 1 and Doel 2 nuclear power plants, approved in principle by a law of 28 June 2015 amending the Law of 31 January 2003 on the gradual exit from nuclear energy for the purposes of industrial electricity production to ensure security of energy supply,⁹ the law of 28 June 2015, laying down miscellaneous provisions on energy, already mentioned, creates a budget fund called the "energy transition Fund"; this fund is financed by the fees paid to the state by the owner of the above nuclear power plants in exchange for the extension of the duration of the permit for the industrial production of electricity in these plants.

According to preparatory work for the Law of 28 June 2015, the fund seeks to encourage research and development in innovative projects in the area of energy, notably in respect of the development of energy storage and production¹⁰.

• VAT on electricity

On 21 March 2014, a Royal Decree introduced a reduced VAT rate of 6% on the supply of electricity to residential customers from 1 April 2014. The Royal Decree provided for an evaluation of the impact of this measure by no later than 1 September 2015.

Following the completion of the economic, social, environmental and budgetary impact study, the Royal Decree of 23 August 2015¹¹ put an end to the application of the reduced rate as from 1 September 2015. The Royal Decree provides that the VAT rate to be applied depends on the time of consumption.

⁸ Ministerial Order of 27 March 2015 on suspension of the tender procedure for the establishment of new gas-fired open or combined-cycle power generation facilities in Belgium (Moniteur belge, 31 March 2015).

⁹ Moniteur belge, 6 July 2015.

¹⁰ Doc. Parl., Chamber, sess. 2014-2015, No. 541046/1, p. 6).

¹¹ Royal Decree of 23 August 2015 amending Royal Decree No. 20 of 20 July 1970, laying down value added tax rates and the classification of goods and services according to those rates (Moniteur belge, 31 August 2015).

3. The electricity market

3.1. Regulation

3.1.1. Power generation

3.1.1.1. Electricity generation permits

• The regulatory framework

Following the entry into force of the Law of 8 January 2012 amending the Electricity Law, the Royal Decree of 11 October 2000 on the granting of individual permits covering the establishment of electricity generation facilities is still to be reviewed. In the intervening period, the Directorate General of Energy is investigating new applications and the CREG is issuing opinions on the basis of the Royal Decree of 11 October 2000 in force.

• Applications submitted to the CREG

In 2015, the CREG issued four opinions, all positive, authorizing electricity production.

The CREG's opinions dealt with applications for permits for:

- the establishment by Wind aan de Stroom in 2013 of a wind farm with fourteen turbines and total capacity of 42 MWe in the municipality of Beveren (Kallo)¹². The generation permit was granted to SA Wind aan de Stroom in 2013 by Ministerial Decree of 3 August 2015 (Moniteur belge, 11 August 2015).
- the establishment by EDF Luminus of a wind farm with thirteen turbines and total capacity of 41.6 MWe in the municipalities of Villers-le-Bouillet, Wanze and Verlaine¹³;

- the establishment by Bee Power Ghent of a biomass power generation plant with total capacity of 215 MWe in the municipality of Ghent¹⁴;
- the establishment by Dils-Energie of a combined cycle gas-steam turbine (GST) power generation plant with a capacity of 920 MWe in the municipality of Dilsen-Stokkem (Rotem)¹⁵.

Electrabel was also granted an individual permit, by the Ministerial Decree of 28 April 2015, for the establishment of a power generation facility (wind farm), with a capacity of 38.04 MWe, in the municipalities of Neufchâteau and Léglise (Moniteur belge, 18 May 2015). The CREG delivered a positive opinion in 2014.

In 2015 there was no notification of change of shareholding control of holders of a generation licence.

• Exemptions

The establishment of new Belgian production facilities of net developable capacity less than or equal to 25 MWe is exempt from the individual prior authorization provided by the Royal Decree of 11 October 2000, cited above, but is subject to an obligation of prior notification to the CREG and to the federal Energy Minister or his delegate. In 2015, the CREG received thirty-seven such notifications.

3.1.1.2. North Sea energy generation

A. Domain concessions for offshore wind energy

• The regulatory framework

In accordance with the Royal Decree of 20 December 2000 concerning the conditions and procedure for granting domain concessions for the construction and operation of power generation facilities from water, currents or wind in marine areas over which Belgium may exercise jurisdiction under the international law of the sea, domain concession applications for the construction and operation of power generation facilities from water, currents or wind in marine areas over which Belgium may exercise jurisdiction are addressed to the delegate of the Minister for Energy. The latter will forward the request to the relevant authorities and to the CREG, which assess the technical dossier of the application and issue an opinion. Following consultation with the Transmission System Operator, it then transmits its suggestion to grant or refuse a domain concession to the Minister.

• Applications submitted to the CREG

On 28 May 2015, the CREG issued an opinion¹⁶ to the Directorate General of Energy on Norther's application relating to changes to the domain concession assigned to it. Norther's application focused on two aspects, namely postponement of the constitution of the decommissioning provision and optimization of the domain concession, in particular involving an extension of the scope. The CREG does not object to the first issue. Regarding the second, the CREG believes that the proper procedure was not followed.¹⁷

¹² Opinion (E)150618-CDC-1426 on the granting of individual permits for the construction of a power generation facility (wind farm) in Beveren by Wind aan de Stroom in 2013.

¹³ Opinion (A)150717-CDC-1438 on the granting of an individual permit for the establishment of a power plant (wind farm) at Villers-le-Bouillet, Wanze and Verlaine by EDF Luminus.

¹⁴ Opinion (A)151022-CDC-1452 on the granting of an individual permit for the construction of a power generation facility (biomass) in Ghent by Bee Power Ghent.

¹⁵ Opinion (A)151120-CDC-1475 on the granting of an individual permit for the construction of a power generation facility (GST) in Dilsen-Stokkem by Dils-Energie.

¹⁶ Opinion (A)150528-CDC-1421 on the applications for change to the domain concession for the construction and operation of wind power generation plants in marine areas, granted to Norther by the Ministerial Decree of 5 October 2009.

¹⁷ The domain concession granted to Norther on 5 October 2009 was amended by the Ministerial Decree of 18 September 2015 (Moniteur belge, 9 November 2015).

On 29 October 2015, the CREG gave an opinion¹⁸ to the Directorate General of Energy on SA Rentel's application relating to the domain concession assigned to it by the temporary company Rentel. Rentel's application focused on two aspects, namely postponement of the constitution of the decommissioning provision and a change in the amount of the decommissioning provision to be constituted. The CREG does not object to the first issue. Regarding the second, the CREG believed that the reduction in the decommissioning provision proposed by Rentel was not acceptable. The CREG accepted, however, the alternative proposed by the Directorate General of Energy, provided that it was not linked to a specific number of wind turbines. The Ministerial Decree of 4 June 2009 on granting Rentel a domain concession for the construction and operation of wind power generation facilities in marine areas (Zuidwest-Schaar between Thorntonbank and Lodewijkbank) was amended by Ministerial Decree of 24 December 2015 (Moniteur belge, 14 January 2016).¹⁹

B. Hydroelectric power storage

•The regulatory framework

The Royal Decree of 8 May 2014 on the conditions and procedure for granting domain concessions for the construction and operation of hydro power storage facilities in marine areas over which Belgium may exercise jurisdiction in accordance with the international law of the sea (Moniteur belge, 6 June 2014) assigns the CREG with the task of providing an opinion

on the assessment of the technical dossier complied in relation to the domain concession application. This opinion may propose that technical conditions be imposed. The CREG was also assigned the task of giving an opinion on any application for sale, total or partial transfer, sharing and leasing of the domain concession but also in the event of expiry or withdrawal as a result of forfeiture or waiver.

•Applications submitted to the CREG

On 2 February 2015, the CREG issued an opinion²⁰ to the Directorate General of Energy concerning the application submitted by the temporary trading company iLAND for the granting of a domain concession for the construction of a hydroelectric power storage facility (energy atoll) on Wenduinebank in the North Sea. Under its powers, the CREG concluded that the technical and economic qualities of the proposed project were problematic. Based on the assumptions that the applicant put forward in the application, the CREG formulated questions about the technical and economic feasibility of the project.

C. Green certificates

•The regulatory framework

The implementing rules of the partial sale to Nobelwind of the domain concession granted to Belwind by the Ministerial Decree of 5 June 2007 for the construction and operation of wind power generation facilities in marine areas (Bligh

Bank) and change to that domain concession were set by the Ministerial Decree of 11 September 2015 (Moniteur belge, 23 September 2015).

•Applications submitted to the CREG

In September 2015, the CREG received an application from Belwind for the granting of green certificates for the Alstom demonstration turbine (Haliade 150-6 MW). In December 2015, the CREG issued a positive final decision²¹ in this case.

In October 2015, the CREG approved²² the agreement on the partial sale by Belwind to Nobelwind of the rights and obligations under the contract between Elia and Belwind for the purchase of green certificates.

•Change in installed capacity in generated offshore wind and green energy

The total installed capacity of offshore wind increased by 6 MW in 2015 to 713.1 MW. This increase resulted from the commissioning by Belwind in August 2015 of the Haliade 150-6 MW test turbine (e.g. Alstom now General Electric).

Table 1 provides an overview of the rated power of offshore wind farms whose financial closure was before the end of 2015.

18 Opinion (A)151029-CDC-1471 on the application for amendment to the domain concession for the construction and operation of wind power generation plants in marine areas, granted to Rentel (formerly the temporary trading company also called Rentel) by the Ministerial Decree of 4 June 2009.

19 Earlier in the year, the above-mentioned Ministerial Decree of 4 June 2009 had already been changed (Moniteur belge, 26 May 2015). The CREG had given an opinion on this case on 11 July, 2013.

20 Opinion (A)150202-CDC-1400 on the application for a domain concession for the construction and operation of hydroelectric power storage facilities in marine areas over which Belgium may exercise jurisdiction in accordance with the international law of the sea, submitted by the temporary trading company iLAND.

21 Final decision (B)151210-CDC-1478 concerning Belwind's application for the granting of green certificates for the energy produced at the L01 wind farm.

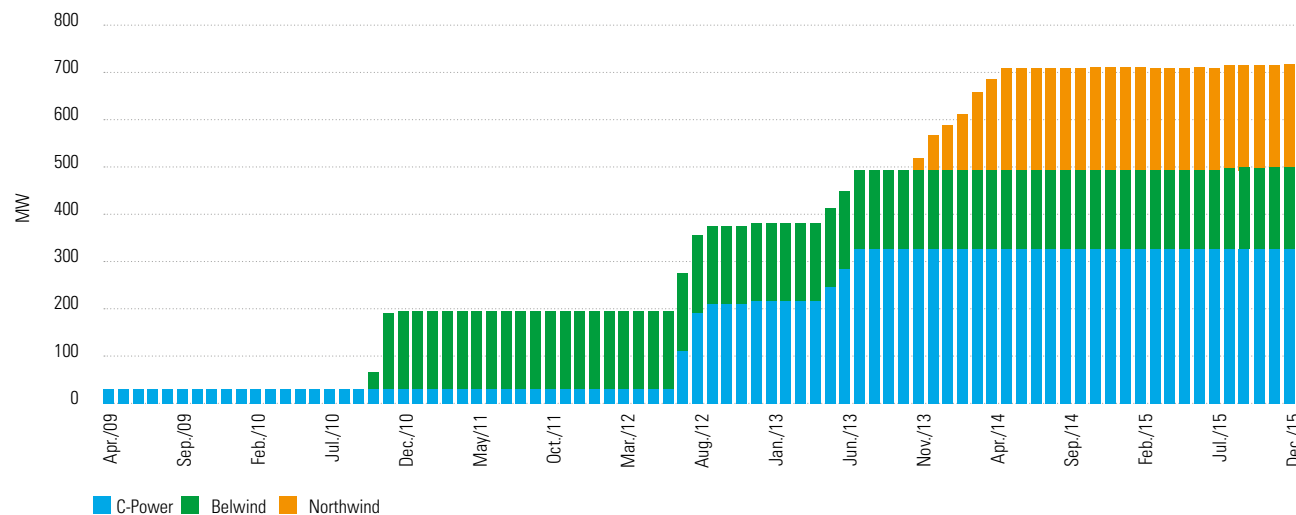
22 Final decision (B)151015-CDC-1464 on the application for approval of the agreement on the partial sale by Belwind to Nobelwind of the rights and obligations under the contract dated 23 June 2008, between Elia and Belwind, for the purchase of green certificates.

Table 1: Rated output of offshore wind farms, existing and under construction in 2015 (Source: CREG)

Wind farm name	Capacity start 2015	Capacity end 2015
BELWIND	165.0 MW	171.0 MW
C-POWER	326.1 MW	326.1 MW
NORTHWIND	216.0 MW	216.0 MW
Total	707.1 MW	713.1 MW

The change in installed capacity of offshore wind turbines since April 2009 is illustrated in figure 1.

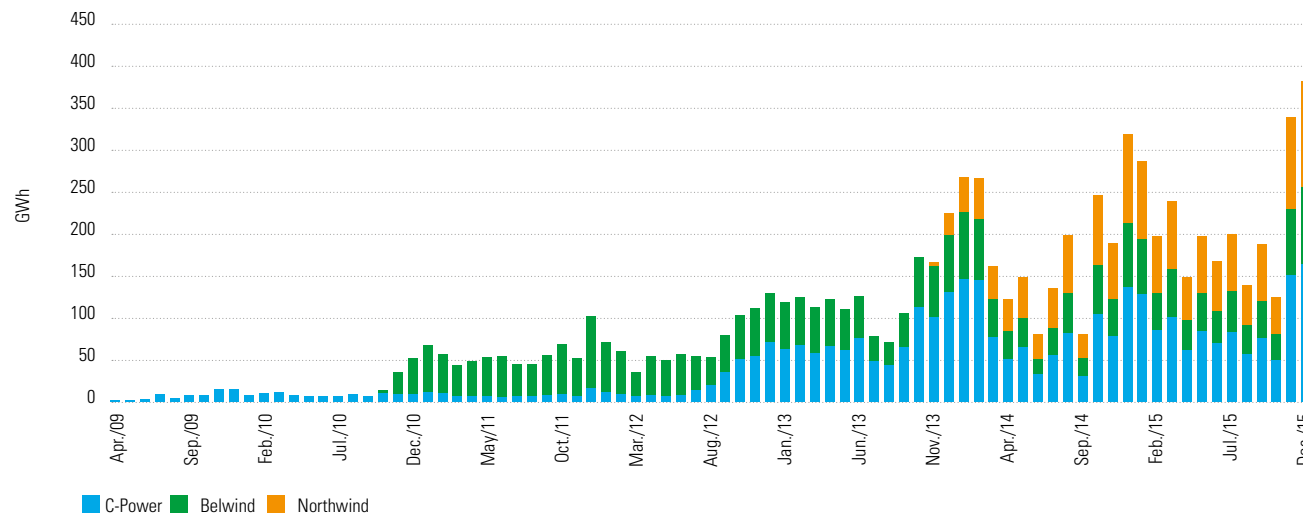
Figure 1: Change in offshore wind power installed capacity between April 2009 and December 2015 (source: CREG)



In 2015, all offshore wind farms together injected 2.533 GWh into the transmission network. Net electricity production (prior to transformation) from all certified offshore wind farms reached 2.612 GWh in 2015, an increase of almost 18% on net production in 2014 (2,221 GWh). Net monthly production per domain concession holder is illustrated in figure 2. The average load factor in 2015 (production divided by installed capacity) varies from the minimum of 24% in October to the maximum of 72% in December. The load factor also varies significantly between wind farms (39% for C-Power and 42% for Belwind, not including the Haliade turbine, and 46% for Northwind).

The CREG grants the green certificate per net MWh produced. In 2015, the CREG granted three operational offshore wind farms green certificates to the amount of 272,807,071 euros.

Figure 2: Net production of offshore green electricity per wind farm on a monthly basis in 2015 (source: CREG)



D. Guarantees of origin

The CREG manages a database of guarantees of origin, which became fully operational in 2015. This is an electronic platform which is used to grant and exchange guarantees of origin. The guarantees granted by the CREG cover renewable power generated within the Belgian marine area. Given that no supplier or consumer is active in the Belgian offshore area, guarantees of federal origin cannot be used "locally" to provide information to consumers, but must be used elsewhere.

The producers of offshore wind power registered as account holders and requested the guarantees of origin to which they were entitled under the regulations. In the first phase, the

guarantees granted were used in Belgium, following coordination between the CREG and the regional regulators on recognition of federal guarantees of origin. In a later phase, the CREG became a member of the "Association of Issuing Bodies" (AIB). This organisation manages a hub linking the databases of affiliated members which is used for simple, standardized and reliable transfer of certificates. To this end, the CREG established a domain protocol in which the AIB requirements (the "EECS Rules") were implemented in accordance with national regulations. The CREG's membership was approved at the AIB's general meeting of 19 May 2015, with the special concession under which offshore wind power generation would be taken into account from March 2015 for exchanges through the hub.

E. Study of the shareholding of the domain concession holders.

In January 2015, the CREG carried out a study²³ on the ownership of domain concessions for the construction and operation of offshore wind farms in the North Sea.

This study, updated for the second consecutive year, provides an overview of the main groups of companies operating in this sector. Four of them are active in four wind farms. Compared to the previous years, two changes in shareholding are of note - the consolidation of the Ackermans Van Haaren Group and the resumption of operations in Electrawinds wind power by the Publifin Group. Note that in the eight planned facilities, three are currently fully or partially operational.

F The Belgian Offshore Grid and the so-called "sea socket"

The study of the construction of a central connection station at sea and the connection of offshore wind farms still to be built continued in 2015. As mentioned in the Agreement of 11 October 2014, Elia and the offshore wind farms must build a profitable sea socket. The route towards a common modular offshore infrastructure is being explored. Representatives of Elia and the offshore wind farms met under the auspices of the CREG to address the connection problem. They sought a solution that would satisfy both Elia (construction of a central offshore hub) and the farms (timely implementation of their offshore wind farm). The Modular Offshore Grid, a concept of modular connection enabling the farms, or Elia in part, to build the wind energy transmission infrastructure in phases and modules, has been developed within this framework. The award and execution are at the initiative of the wind farms involved, but always following the

²³ Study (F)150122-CDC-1368 on the shareholding of the domain concession holders for the construction and operation of wind farms in the North Sea.

concept of a mutually agreed modular offshore grid. Once the Modular Offshore Grid is completed, the assets can be transferred to Elia. In 2015, the CREG examined the various design options and their costs in a note entitled "Modular offshore grid - Connecting the Rentel, Seastar, Mermaid and Northwester II wind farms", which was forwarded to the Minister for Energy.

3.1.1.3. Call for tenders for the establishment of new power generation facilities

Readers are referred to section 3.4.5.2. of this report.

3.1.2. Electricity supply

3.1.2.1. Supplying customers connected to the transmission network

The following table shows the market share of Electrabel and other suppliers regarding net electricity supply²⁴ to major industrial customers connected to the federal transmission system (voltage above 70 kV).

Compared to 2014, the total volume of energy offtake in 2015 by final customers of the transmission system decreased by 6.9% (945 GWh), the third lowest level of the period studied, after 2009 and 2012

According to an initial estimate, Electrabel's market share stood at 50.6% in 2015, its lowest level for 9 years, down 24.8% on 2014. The number of Electrabel access points in 2015 was lower than for other suppliers.

Federal permits for electricity supply to customers connected directly to the transmission system are granted by the Minister for Energy at the proposal of the CREG for a period of five years.

In 2015, the CREG received five applications for electricity supply licences, from Energie der Nederlanden, Energie I&V België, E.ON Belgium, Essent Belgium and Enovos Luxembourg, one of which resulted in a favourable response (proposal to grant licence) by the CREG²⁵. The last two were still being processed as of 31 December 2015.

During 2015, the Minister for Energy granted an individual power supply licence to E.ON Belgium²⁶.

3.1.2.2. Price caps

• For unprotected customers whose supply contract has been terminated

The maximum prices applicable by the distribution system operators to unprotected customers whose supply contract has been terminated (also termed "dropped customers") are calculated every six months by the distribution system operators and verified by the CREG. They are established as

Table 2: Energy offtake by customers connected to the federal transmission system, 2007 to 2015 (sources: Elia, CREG)

Suppliers	Electrabel		Other suppliers		Total	
Access points at	1/01/2015	44		44	84*	
	31/12/2015	43		45	84*	
Energy offtake (GWh)	2007	12,469	(87.7%)	1,743	(12.3%)	14,211
	2008	11,470	(84.0%)	2,183	(16.0%)	13,654
	2009	10,807	(87.6%)	1,526	(12.4%)	12,333
	2010	12,163	(88.7%)	1,551	(11.3%)	13,714
	2011	11,693	(90.2%)	1,265	(9.8%)	12,958
	2012	8,247	(67.0%)	4,069	(33.0%)	12,316
	2013	7,484	(57.6%)	5,519	(42.4%)	13,004
	2014	8,598	(62.6%)	5,130	(37.4%)	13,728
	2015	6,465	(50.6%)	6,318	(49.4%)	12,783

(*) Since four access points were supplied at the same time during 2015 by two suppliers, the total number of access points is generally lower by four units than the total number of access points of all suppliers.

²⁴ These figures do not take account of the energy supplied directly by local production or customers located in the Grand Duchy of Luxembourg.

²⁵ Proposal (E)150122-CDC-1392 on renewal of the power supply licence of E.ON Belgium.

²⁶ Ministerial Decree of 26 February 2015 (Moniteur belge, 5 March 2015).

follows: price of energy + transmission + distribution + margin. The CREG is responsible for monitoring the terms of the margin calculation.

As in 2014, in particular to ensure that consumers have clear information to check and understand their bills better, in 2015 CREG posted the energy tariffs, network tariffs and surcharges applicable to the dropped customers of the distribution system operators on its website.

• **For protected household customers on low incomes or in precarious situations**

Under current legislation, the CREG calculated and published the social tariffs applicable from 1 February 2015 to 31 July 2015 (Moniteur belge, 19 March 2015) and from 1 August 2015 to 31 January 2016 (Moniteur belge, 30 July 2015) for the supply of electricity to protected household customers on low incomes or in precarious situations.

The maximum social tariff (excl. VAT and other taxes) for the supply of electricity from 1 February 2015 to 31 July 2015, was 13.537 c€/kWh (0.13537 €/kWh) for the simple tariff, 13.927 c€/kWh (0.13927 €/kWh) for the two-part tariff (peak hours), 10.979 c€/kWh (0.10979 €/kWh) for the two-part tariff (off-peak hours) and 6.309 c€/kWh (0.06309 €/kWh) for the night only tariff. These tariffs do not include the following elements: federal contribution, connection fee (Wallonia). Other taxes on network tariffs are included.

The maximum social tariff (excl. VAT and other taxes) for the supply of electricity from 1 August 2015 to 31 January 2016, was 14.118 c€/kWh (0.14118 €/ kWh) for the simple tariff, 15.681 c€/kWh (0.15681 €/kWh) for the two-part tariff (peak hours), 10.752 c€/kWh (0.10752 €/kWh) for the two-part tariff (off-peak hours) and 7.042 c€/kWh (0.07042 €/kWh) for the night only tariff. These tariffs do not include the following elements: federal contribution, connection fee (Wallonia). Other taxes on network tariffs are included.

The CREG also evaluated the amount necessary for the supply of the protected customers' electricity fund which is the basis of calculation of the protected customer component of the federal contribution (see section 5.10.2.E hereof). To this end, and as part of protected customer reimbursements, the CREG publishes twice a year the 'reference energy' components for electricity and natural gas for the attention of suppliers and distribution system operators.

3.1.2.3. Trends in and fundamentals of electricity prices

In 2015 the CREG continued with the monthly publication of a dashboard, launched in September 2012, to inform all stakeholders of the important developments in the factors influencing the electricity price.

In the wholesale market, the CREG mainly follows changes in a number of key parameters in the formation of the price of electricity and natural gas in the Belgian and neighbouring stock markets (Germany, France, Netherlands).

For the retail market, the CREG shows trends of the all-in price of electricity and natural gas by region in Belgium:

- DC electricity household customers (3,500 kWh/year, single-rate meter)
- T2 gas household customers (23,260 kWh/year)
- social customers
- dropped customers
- SMEs

The CREG also compares the average all-in price of electricity and natural gas for DC electricity, household T2 gas customers and SMEs in Belgium and neighbouring countries (Germany, France, the Netherlands and the United Kingdom).

The following are some trends observed in 2015:

Electricity:

- In early 2015, a new contribution to the energy fund was introduced in Flanders: this is a monthly surcharge per electricity offtake point;
- during 2015, the network activities of distribution system operators were subject to corporation tax in Belgium (Brussels: March 2015; Wallonia: June 2015; Flanders: August 2015);
- in March 2015, a new electricity-related surcharge was introduced in Belgium for the strategic reserve;
- since September 2015, VAT on all the components of the energy bill of Belgian residential customers' electricity has risen from 6% to 21%;
- in neighbouring countries, no new surcharge was introduced in 2015; existing network tariffs and surcharges, however, were adapted, as is the case every year.

Natural gas:

- in the course of 2015, the network activities of distribution system operators were subject to corporation tax (Brussels: March 2015; Wallonia: June 2015; Flanders: August 2015);
- in neighbouring countries, no new surcharge was introduced in 2015; existing network tariffs and surcharges, however, were adapted, as is the case every year.

3.1.3. Transmission and distribution

3.1.3.1. Unbundling and certification of the transmission system operator

In line with its ongoing remit to monitor the compliance of transmission system operators with unbundling requirements, in 2015 the CREG oversaw the successive appointments of two new members of the management boards of Elia System Operator and Elia Asset - first an interim Chairperson and then a new Chairperson and CEO of the two management boards (see also section 3.1.3.2 below).

Under this same authority, the CREG also sent several letters to Elia System Operator regarding its new subsidiary Nemo Link Ltd. It also submitted a number of questions in order to ensure constant compliance with the requirements of the ownership unbundling model. These questions were submitted following a communication sent to the CREG by Elia on the signing, on 27 February 2015, of a joint venture agreement between Elia System Operator and the British transmission system manager, National Grid, for construction of the first electrical interconnection between Belgium and Great Britain (see also section 3.4.4 hereof). The two system operators therefore set up a new company (under English law), Nemo Link Ltd, a joint venture between Elia System Operator and National Grid Interconnector Holdings Ltd.

In letters dated 21 May and 25 June 2015, among other things the CREG asked Elia to forward documents and information about Nemo Link, for which a working meeting was held with Elia. Because this interconnection involves cross-border infrastructure, contacts were made and a consultation undertaken between the CREG and OFGEM, the UK regulator. There will also be conversations and structural consultation with Ofgem in 2016 on this case.

Finally, pursuant to Article 23 (1)(31) of the Electricity Law, the CREG has set up an "unbundling monitoring" initiative, i.e. systematic annual monitoring of ongoing compliance with unbundling requirements by transmission system operators (see also section 4.1.2.1 hereof on the same unbundling monitoring for natural gas transmission system operators).

In early 2015, the CREG requested and received information about this (including information on changes made since the initial certification of Elia System Operator, in 2012, as the transmission system operator, which may have an influence on the case) from the transmission system operator. The CREG decided, in the meantime, for reasons of efficiency, to include the annual "unbundling monitoring" in the National Report of Belgium that the CREG must submit each year to the European Commission and to ACER. This national report must report, among other matters, on progress relating to the unbundling and independence of transmission system operators carried out during the previous calendar year, in both legislative and practical terms.

3.1.3.2. Corporate governance

The CREG considered the 2014 business report of the Corporate Governance Committee of Elia System Operator and Elia Asset (monitoring the application of Articles 9 and 9b of the Electricity Law and evaluation of its effectiveness in relation to the objectives of independence and impartiality of the transmission system operator).

The CREG also considered the report of the Compliance Officer on adherence to the compliance programme by the staff of Elia System Operator and Elia Asset in 2014. This compliance programme seeks to ensure that there is no discriminatory treatment of system users and/or categories of system users. The CREG insisted in particular on

the publication of the Compliance Officer's reports, in accordance with the law, and on making information on public consultations easily accessible on the Elia website.

In January 2015, the CREG monitored the appointment of Mr François Cornelis as a new member and interim Chairman of the Management Boards of Elia System Operator and Elia Asset, first as part of its remit to monitor continued compliance by the system operator with the unbundling requirements and, secondly, as part of its general remit to monitor compliance by the transmission system operator with its obligations under the Electricity Law and its implementing regulations. Later in the year, in July 2015, the CREG monitored the appointment of Mr Chris Peters as new member and Chairman of the two Management Boards, replacing Mr Cornelis, as part of its above-mentioned monitoring and supervisory remit.

The CREG did not give an opinion in 2015 certifying the independence of independent directors of the Boards of Directors of Elia System Operator and Elia Asset. The term of office of one independent director of the above companies reached its maximum duration (12 years) in 2015. No new appointments of independent directors were brought to the attention of the CREG.

3.1.3.3. Closed industrial networks

On the proposal of the Directorate General of Energy, and after receiving the opinion given by the CREG and the system operator, the Minister for Energy may confer the title of closed industrial network operator, for the part operated at rated voltage exceeding 70kV, to a natural or legal person owning a network or having right of use thereof and who has requested that title. Under the same procedure, the Minister may recognize the network as a closed industrial network

provided that the regions involved have an opportunity to issue an opinion within sixty days.

The CREG gave four opinions on this matter in August 2015²⁷.

3.1.3.4. Technical Operation

A. Connection and access

On 15 October 2015, the CREG approved²⁸ Elia's request for amendment to the terms and conditions of the access manager contracts in order to bring them into line, firstly with the rules of European harmonized auctions and, secondly, with the strategic reserve operating rules approved by CREG on 12 March, 2015. Furthermore, Elia proposed a limited number of changes under the heading "Miscellaneous" (see also section 3.4.5.1 hereof).

On 3 December 2015, the CREG approved²⁹ Elia's request for amendment to the terms and conditions of access contracts. The main objective of the amendments proposed by Elia were: (i) to bring the contract into line with the new tariff methodology for the electricity transmission system and electricity networks with a transmission function, as set by the CREG on 18 December 2014; (ii) to clarify the procedures for appointing the access holder and the access manager(s). Furthermore, Elia proposed a limited number of changes under the heading "Miscellaneous".

The proposed changes, in both cases, were subject to public consultation by Elia.

B. Ancillary and balancing services

• Reserve capacity

Elia must evaluate and determine the primary, secondary and tertiary reserve capacity that contributes to ensuring the security, reliability and efficacy of the transmission system in the control area. It must send its assessment methodology and its result to the CREG for approval.

On 12 February 2015, the CREG decided³⁰ to approve the amendments proposed by Elia to the method of evaluation and determination of the primary, secondary and tertiary reserve capacity for 2015. The amendments proposed by Elia were of two types: firstly, those relating to clarification of the primary reserve volume to be procured in 2015 and, secondly, those relating to the primary reserve product selection rules. Following its analysis, the CREG believes that these amendments are in the interests of the network user as they provide for better technical and economic efficiency of the primary control of resources, while continuing to adhere to the ENTSO-E rules. The decision of the CREG follows public consultation with market players.

On 17 July 2015, the CREG decided³¹ to approve the method of evaluation and determination of the primary, secondary and tertiary reserve capacity for 2016, proposed by Elia. However, the CREG qualifies its decision with considerations relating, among other matters, to information made available to the market by Elia on prior knowledge of the availability and pricing of the inter-TSO reserve, on the participation of the demand for different types of reserves and

on the desired development of the method for evaluation of the powers of the secondary and tertiary reserves. The decision of the CREG follows its own public consultation with market players.

• Price bids and volumes for ancillary services

The procurement of these services under reasonable volume and price conditions has been difficult since the beginning of regulation, as there is only one buyer in Belgium (Elia) and a very limited number of sellers. Pursuant to Article 12(5) of the Electricity Law, it has become necessary to promulgate royal decrees imposing price and volume conditions on several occasions (see in particular the 2012 Annual Report, page 46).

Encouraged to do so by the CREG in particular, Elia has made significant efforts in recent years to develop the ancillary services market, especially for reserve capacity, in such a way as to reduce their price, including by enabling more market stakeholders to participate in auction procedures.

Accordingly, following the 2014 success of the partial shift in the time horizon of the primary and secondary control capacity tenders (FCR and aFRR in European terminology), on 15 May 2014, the CREG approved Elia's proposal to acquire 100% of the volume of primary and secondary control capacities via monthly tenders from 1 January 2015.

The other major development in the ancillary services market that the CREG approved³², and which entered into force on 1 January 2016, was the contracting of part of the tertiary

27 Opinion (A)150827-CDC-1447 on the application submitted by BASF Antwerp for recognition of an industrial closed network and appointment of its manager for the part operated at a rated voltage above 70 kV; Opinion (A)150827-CDC-1448 on an application submitted by BP Chembel for recognition of an industrial closed network and appointment of its manager for the part operated at a rated voltage above 70 kV; Opinion (A)150827-CDC-1449 on application submitted by Solvic for recognition of an industrial closed network and appointment of its manager for the part operated at a rated voltage above 70 kV; Opinion (A)150827-CDC-1450 on application submitted by Total Petrochemicals Feluy for recognition of an industrial closed network and appointment of its manager for the part operated at a rated voltage above 70 kV.

28 Decision (B)151015-CDC-1463 on amendments to the terms and conditions of access managers' contracts, proposed by the network operator.

29 Decision (B)151203-CDC-1488 on amendments to the terms and conditions of access managers' contracts, proposed by Elia System Operator.

30 Decision (B)150212-CDC-1402 on the request for approval of the proposed amendments to the method for evaluation and determination of the primary, secondary and tertiary reserve capacity for 2015.

31 Decision (B)150717-CDC-1423 on the request for approval of the method of evaluation and determination of the primary, secondary and tertiary reserve capacity for 2016.

32 Decision (B)150717-CDC-1424 on the proposal of Elia System Operator on adaptation of the operating rules of the market in relation to offsetting quarter hourly imbalances.

control volumes (mFRR in European terminology) through monthly auctions. These monthly auctions only relate to "R3 Production" products and "R3 Dynamic Profiles" for a volume limited to 70 MW.

Note the removal of the maximum limit of tertiary control provided by the profile adjustment services, via the R3 Dynamic Profile, enabling end customers and aggregators³³ to provide tertiary reserve capacity from resources connected to either the Elia transmission network or to the distribution systems, including consumption curtailing resources.

Furthermore, in order to maintain increases in the costs of ancillary services at a reasonable level, the Electricity Law of 29 April 1999 requires Elia to submit a report annually to the CREG on proposed prices for the supply of ancillary services. The CREG then states and explains the manifestly reasonable or unreasonable nature of the proposed prices.

In 2015, the CREG received Elia reports for tertiary control services, control of voltage and reactive power as well as for the "black start". In its own reports³⁴, the CREG established that the prices of certain selected offers, for each of these services, were manifestly unreasonable. Accordingly, the Minister for Energy produced draft royal decrees to impose price and volume conditions on the producers involved. The CREG issued opinions³⁵ on these projects.

Based on assumptions about the availability and use to be made of ancillary services in 2016, the cost difference between selections of offers made by Elia and the final

selections, adapted following the above-mentioned royal decrees, reached an amount of about six million euros.

The primary and secondary control services are subject to monthly reports produced by Elia. The CREG noted a significant decrease in the cost of these services in 2015 due to the purchase of 100% of the volume via monthly tenders.

• Balancing

The TSO is responsible for monitoring, maintaining and, if needs be, re-establishing the balance between supply and demand for electrical power in the control area, among other things further to any individual imbalances caused by the various access-responsible parties. Elia is required to submit a proposal for the operating rules of the market for offsetting 15-minute imbalances to the CREG for approval.

On 27 May 2015, Elia submitted a proposal for amendment to the market's operating rules regarding the offsetting of 15-minute imbalances. The proposal is structured around three priorities: the introduction of rules concerning the primary reserve, the introduction of short-term tenders for reservation of part of the tertiary reserve volume and the definition of new restrictions applied to tertiary reserve bids. The CREG, following market consultation, approved Elia's proposal by decision of 17 July 2015³⁶. The new rules are fully applicable from 1 January 2016.

• Volumes activated and concentration of bids

In 2015, activations to offset imbalances in the control area fell by 0.2% compared with 2013, totalling 1,012 GWh³⁷. The

proportion of secondary reserves in these activations reached 57.3% in 2015, compared with 52.7% in 2014 and 54.8% in 2013. This increase is mainly due to the decrease in offsetting of imbalances as part of the IGCC, which decreased by 19.7% (255 GWh) for 2015 compared with 2014 (317 GWh). In 2015, there were 250 MWh of downward activation of reserves located abroad by the transmission system operators, while these activations were zero in 2014 (Source: Elia data).

The HHI index relating to bids of secondary and tertiary reserves on the generating plants amounted to 4.299 in 2015 compared to 4.251 in 2014 and 3.266 in 2013. Activations relating to these resources account for 99.8% of the total power activated in 2015 to offset imbalances in the control area, whereas they accounted for 99.9% in 2014 compared with 99.6% in 2013. The increase in the HHI rate, though small, is explained by the increase in the relative participation of EDF Luminus on the market for production reserves, almost unchanged apart from Electrabel.

• Price of offsetting individual imbalances

The imbalance tariff is based on a single-price system that takes account of the direction of the imbalance of the access-responsible party and the direction of the imbalance in the control area.

Table 3 provides an overview of the trend in the average tariff (unweighted) for positive imbalances (injection > offtake) and for negative imbalances (injection < offtake) of the access responsible parties for the period 2007-2015.

32 Decision (B)150717-CDC-1424 on the proposal of Elia System Operator on adaptation of the operating rules of the market in relation to offsetting quarter hourly imbalances.

33 Market stakeholders that pool (aggregate) different access points (injection and/or offtake) in order to benefit from the cumulative effect necessary for their involvement in certain markets, in particular the energy (commodity), reserve capacity and flexibility markets.

34 Report (RA)150717-CDC-1440 on the manifestly unreasonable or reasonable nature of the prices offered to Elia System Operator for the supply of the black-start service for the period 2016-2020; Report (RA)151015-CDC-1466 on the manifestly unreasonable or reasonable nature of the prices offered to Elia System Operator for the supply of the voltage control system in 2016; Report (RA)151120-CDC-1477 on the manifestly unreasonable or reasonable nature of the prices offered to Elia System Operator for the supply of tertiary reserve capacity for operating year 2016.

35 Opinion (A)151203-CDC-1490 on a draft royal decree imposing price and supply conditions for procurement during the 22-month period of the black-start service by a producer; Opinion (A)151217-CDC 1497 on a draft royal decree imposing a public service obligation on a producer covering the volume and price of the voltage and reactive capacity control service from 1 January 2016 to 31 December 2016; Opinion (A)151217-CDC-1498 on a draft royal decree imposing a public service obligation on a producer covering the volume and price of the voltage and reactive capacity control service from 1 January 2016 to 31 December 2016; Opinion (A)151217-CDC-1499 on a draft royal decree imposing a public service obligation on a producer covering the volume and price of the voltage and reactive capacity control service from 1 January 2016 to 31 December 2016; Opinion (A)151217-CDC-1500 on a draft royal decree imposing a public service obligation on a producer covering the volume and price of the tertiary reserve service from 1 January 2016 to 31 December 2016.

36 Decision (B)150717-CDC-1424 on the proposal of Elia System Operator on adapting the operating rules of the market in relation to offsetting quarter hourly imbalances.

37 By synthesizing the activations in the opposite direction of the secondary reserves within the same quarter hour, consistent with data from previous years

Figure 3 can be used to compare these average prices with the trend in average prices on the Belpex day-ahead market over the same period. A switch may be observed from dual pricing up to 2011 to single pricing from 2012, with a slight difference between the negative imbalance price and that of the positive imbalance, devised as an incentive to discourage gaming. In 2012 and 2013 these two prices were very similar and were, on average, higher than the average price of the Belpex DAM, but the difference from the Belpex DAM price shrank between 2012 and 2013. In 2014, these two prices are on either side of the Belpex DAM price. In 2015, average imbalance tariffs increased, while they decreased in 2013 and 2014 compared to the previous year. Both are also below the average price of the Belpex DAM, although close.

C. Rules on grid security and reliability and standards for quality of service and supply

Over the course of 2015, the CREG took various initiatives concerning the security and reliability of the electricity grid. The CREG in particular discussed with Elia possible improvements to the black-start contracts when renewed at the end of 2015, and set out a course of action for their subsequent development.

D. Time taken by the transmission system operator to carry out connections and repairs

On the federal transmission system, the AIT (Average Interruption Time) was 4 minutes 58 seconds (3 minutes 12 seconds in 2014) and the AID (Average Interruption Duration) was 27 minutes 55 seconds (59 minutes 25 seconds in 2014).

There were 61 incidents on the transmission system in 2015 (66 in 2014). As the network is configured as a grid or mesh, such incidents do not usually result in customer supply

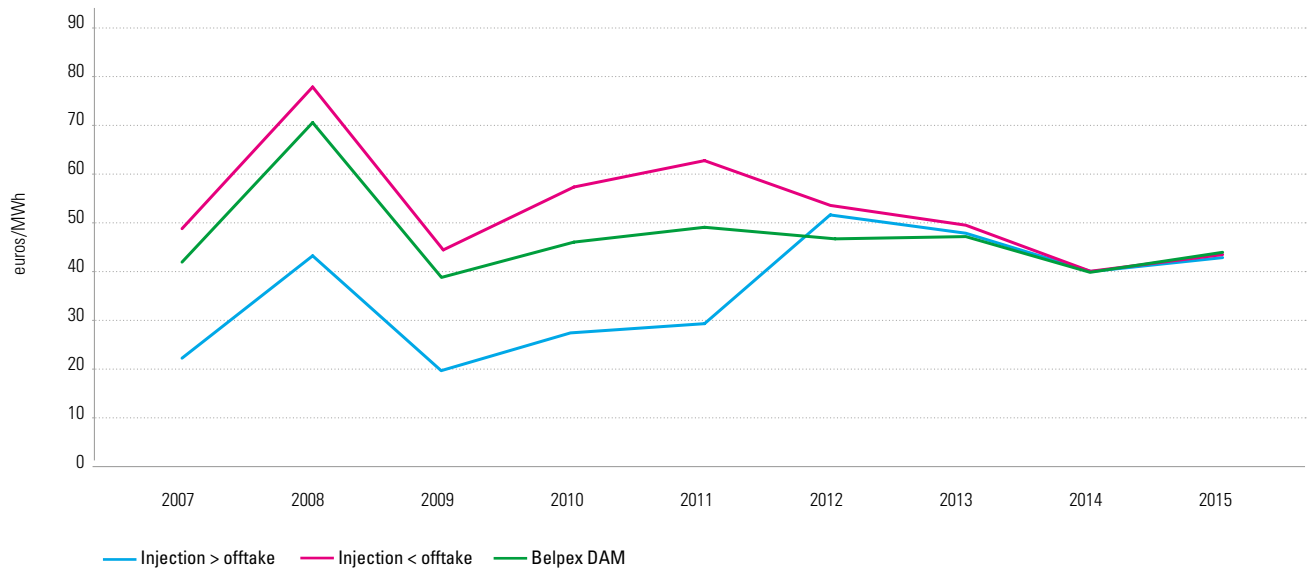
interruptions. In 41% of cases, automatic reconnection is attempted. These attempts were successful in 90% of cases on the 380 kV and 220 kV systems, and in 87% of cases on the 150 kV network.

In four cases, a connection to the federal transmission-network was unavailable for more than 24 hours. The unavailability times for these connections were between 42 and 1,178 hours.

Table 3: Average unweighted imbalance tariff during the period 2007-2015 (Source: Elia data)

euros/MWh	2007	2008	2009	2010	2011	2012	2013	2014	2015
Injection > offtake	22.09	43.24	19.86	27.76	29.22	51.84	47.91	40.33	43.48
Injection < offtake	48.64	77.92	44.25	57.24	62.70	54.05	49.36	41.07	44.18

Figure 3: Average unweighted imbalance tariff and Belpex DAM price during the period 2007-2015 (Sources: Elia and Belpex data)



E Backup measures

The reader is referred to section 3.4.5. hereof, which addresses in particular the load shedding and strategic reserve plan which are among the measures that may be implemented as part of the safeguarding plan.

3.1.3.5. Network tariffs

A. The transmission system

a) Tariff methodology

As detailed in its Annual Report of 2014, the CREG adopted on 18 December 2014 its tariff methodology for the electricity transmission network and electricity networks having a transmission function³⁸, for application during the regulatory period 2016-2019.

This tariff methodology contains the rules that the operator of the transmission system, Elia System Operator (hereinafter: Elia) must adhere to, for the preparation, drafting and introduction of its tariff proposal for the regulatory period 2016-2019 and which CREG used to approve the tariffs derived therefrom (see b) below Tariff trends).

On 26 November 2015, the CREG approved Annex 4³⁹ to the tariff methodology for 2016-2019. The Annex addresses the incentive for significant and specific investments in the electricity transmission system that the CREG may allocate to Elia for a specific ad hoc period.

A draft of Annex 4 had already been put out for public consultation from 24 August to 14 September.

b) Tariff trends

• 2012-2015

Concerning the rates applicable in 2015, as detailed in its 2014 Annual Report, on 18 December 2014, the CREG approved, first, from 1 January 2015, Elia's tariffs for public service obligations and a set of surcharges applied by Elia and, secondly, Elia's proposal for the transition to two new services as of 1 January 2015 (the new service supply involves, respectively, connection and access to the local transmission system for a distribution network with an operating voltage of 36 kV).

By a decision of 29 January 2015⁴⁰, the CREG approved a proposal put forward by Elia for the introduction of a tariff for the "strategic reserve" public service obligation. The tariff was 0.6110 euro/MWh offtake net, and came into force on 1 February 2015.

By decision of 17 July 2015⁴¹, the CREG approved the tariff proposal submitted to it by Elia for the application, from 1 September 2015, of the second tariff term for the public service obligation for the financing of measures to support renewable energy in Wallonia.

By decision of 24 September 2015⁴², the CREG extended its approval of the tariff adjustment proposal for the maintenance and restoration of the individual balance of the access managers of 7 October 2014 for November and December 2015 (see CREG 2014 Annual Report, section 3.1.3.4.A.b).

Finally, on 17 December 2015, further to Decree No. 2015/258 of the Brussels Court of Appeal of 25 March 2015, the CREG took the decision⁴³ to amend the Dutch version of Decision No 658E/26 of 16 May 2013.

38 The concept of networks with a transmission function relates firstly to the transmission system, and secondly to distribution systems of local or regional transmission with a voltage level between 30kV and 70kV used primarily to route energy to non-residential customers and other networks established in Belgium, and the interaction between power generation facilities and electrical networks that have a transmission function.

39 Decree (Z)151126-CDC-1109/9 setting Annex 4 to the tariff methodology for the electricity transmission system and power systems having a transmission function.

40 Decision (B)150129-CDC-658E/32 on the proposal of Elia System Operator of 25 November 2014 on the adaptation from 1 January 2015 of the tariffs for public service obligations and taxes and surcharges - strategic reserve.

41 Decision (B)150717-CDC-658E/35 on the request for approval of the tariff proposal submitted by Elia System Operator for the application from 1 September 2015 of the second tariff term for the public service obligation for the financing of measures to support renewable energy in Wallonia.

42 Decision (B)150924-CDC-1461 on the proposal to adapt the procedures for application of the tariff for the maintenance and restoration of the individual balance of the access managers.

43 Decision (B)151217-CDC-658E/37 on amendment to the Dutch version of decision (B)130516-CDC-658E/26 on the rectified tariff proposal of Elia System Operator of 2 April 2013 for the regulatory period 2012-2015.

• **2016-2019**

On 25 June 2015, CREG and Elia entered into an agreement on the terms of the incentive regulation applicable to Elia for the period 2016-2019⁴⁴.

On 30 June 2015, Elia submitted its tariff proposal for the regulatory period 2016-2019 to the CREG.

On 9 October CREG issued its draft decision⁴⁵, concluding that Elia's tariff proposal needed to be adapted on several points in order to be approved by the CREG. In the interests of transparency, and to enable the most effective possible application of the new tariffs in January 2016, on 30 October

2015 the CREG published the elements of the new tariff structure which were not rejected in its draft decision of 9 October 2015.

On 3 December 2015, the CREG approved⁴⁶ Elia's tariff proposal for the regulatory period 2016-2019. In accordance with the CREG tariff methodology, Elia's new tariff structure presents a number of changes compared to previous regulatory periods. The following are among the changes: lower number of customer groups (from four down to three), the removal of power subscription tariffs, the introduction of tariffs for monthly and annual peak offtakes, the generalization of the tariff for power made available and, finally, the new market integration tariff.

These changes make it impossible to compare the tariff burden between regulatory periods based on historical customer profiles type. The CREG therefore established new customer profiles to be able to compare the change in their respective tariff burdens over the period 2013-2019,

The trend in the tariff burden (not including connection, PSO tariffs and surcharges) for users of the transmission system is illustrated in the table below.

⁴⁴ The full text of the agreement is available on the CREG website.

⁴⁵ Draft decision (B)151009-CDC-658E/36 on application for approval of the tariff proposal submitted by Elia System Operator for the regulatory period 2016-2019.

⁴⁶ Decision (B)151203-CDC-658E/36 on application for approval of the tariff proposal submitted by Elia System Operator for the regulatory period 2016-2019.

Table 4: Trends in the tariff burden (not including connection, PSO tariffs and surcharges and VAT) for users of the transmission system during the period 2013-2019 (Source: CREG)

Cost of network use and ancillary services standard customers (EUR/MWh)	Tariffs 2013 (1)	Tariff 2014-2015 (2)	Tariff 2016 (3)	Tariff 2017 (4)	Tariff 2018 (5)	Tariff 2019 (6)	Average tariff 2016-2019 (7)	2016-2019 vs 2014-2015 (8) = (7)/(2)%
By CREG decision of	658E/26 16/05/2013	658E/26 16/05/2013	658E/36 3/12/2015	658E/36 3/12/2015	658E/36 3/12/2015	658E/36 3/12/2015		
STANDARD CUSTOMER ON 150-220-380 KV NETWORK (45 MVA; 30 MW/YEAR; 35 MW/MONTH; 155 GWH)								
NETWORK USE	n.a.	n.a.	3.5643	3.4807	3.5120	3.6228	3.5450	
CAPACITY RESERVES AND BLACK START	n.a.	n.a.	0.9165	1.1189	1.3710	1.5626	1.2423	
MARKET INTEGRATION	n.a.	n.a.	0.3492	0.3604	0.3870	0.3946	0.3728	
TOTAL	4,8400	5,4200	4.8300	4.9600	5.2700	5.5800	5.1600	95%
STANDARD CUSTOMER ON 70-36-30 KV NETWORK (12 MVA; 6 MW/YEAR; 7 MW/MONTH; 32 GWH)								
NETWORK USE	n.a.	n.a.	6.6343	6.5607	6.5420	6.7028	6.6100	
CAPACITY RESERVES AND BLACK START	n.a.	n.a.	0.9165	1.1189	1.3710	1.5626	1.2423	
MARKET INTEGRATION	n.a.	n.a.	0.3492	0.3604	0.3870	0.3946	0.3728	
TOTAL	7,9000	9,0050	7.9000	8.0400	8.3000	8.6600	8.2250	91%
STANDARD CUSTOMER TRANSFORMATION TO AVERAGE VOLTAGE (50 MVA; 20 MW/YEAR; 17 MW/MONTH; 90 GWH)								
NETWORK USE	n.a.	n.a.	10.1343	10.0707	9.9620	10.0828	10.0625	
CAPACITY RESERVES AND BLACK START	n.a.	n.a.	0.9165	1.1189	1.3710	1.5626	1.2423	
MARKET INTEGRATION	n.a.	n.a.	0.3492	0.3604	0.3870	0.3946	0.3728	
TOTAL	9.9900	11.4000	11.4000	11.5500	11.7200	12.0400	11.6775	102%
INJECTION TARIFF - CAPACITY RESERVES AND BLACK START	0.9111	0.9111	0.9644	0.9644	0.9644	0.9644	0.9644	106%

• Offshore surcharge

The CREG concluded, for the 2016 financial year, that firstly the estimated amount to be covered by the surcharge referred to in Chapter III of the Royal Decree of 16 July 2002 on the establishment of mechanisms for the promotion of electricity produced from renewable energy sources amounted to 265,428,568 euros and secondly, that the estimated volume of net energy extracted amounted to 69,372,690 MWh. On this basis the CREG proposes⁴⁷ to set the offshore surcharge to be used to offset the real net cost to Elia resulting from the green certificates purchase and sale obligation in 2016 at 3.8261 euros / MWh. This amount is a 5.5% reduction in the offshore surcharge compared to 2015.

C) Balances

In its draft decision of 7 May 2015⁴⁸, based on the annual tariff report for the financial year 2014 submitted to the CREG by Elia on 25 February 2015, the CREG asked Elia to amend its tariff report in order to obtain approval regarding the 2014 operating balances.

Considering the adapted tariff report, including the operating balances for the operating year 2014 submitted by Elia on 10 June 2015, the CREG decided⁴⁹:

- to approve part of Elia's adapted tariff report of 10 June 2015 concerning (i) the Class 1 balance, which must be transferred to the 2016-2019 tariffs; and (ii) balances relating to tariffs for public service obligations and surcharges;
- to reclassify certain elements relating to the 2014 tariff result, the 2014 non-tariff result and the result of unregulated activities, although these items have no direct financial consequences for network users.

Accordingly, the tariff surplus in 2014, set for the 2014 operating year at 69,908,313.56 euros, is to be added to the sum of the operating balances for 2011, 2012 and 2013.

Thus Elia must apply a global tariff surplus of 142,539,081.54 euros in its tariff proposal for the regulatory period 2016-2019. The amount is deducted in full from the net costs that network tariffs must cover during this period.

The balance on the public service obligations and surcharge tariffs amounted to 63.431.543,36 euros. This sum is recorded as a receivable in Elia's balance sheet accounts.

B. Distribution networks

• Tariff trends

Unlike previous years, the 2015 Annual Report no longer includes the tariff methodology applicable to distribution tariffs or the comparison tables for distribution system operator tariffs. Following the sixth State reform, jurisdiction in electricity grid and natural gas tariffs has in fact been transferred to the regions (see our 2014 Annual Report, section 2.1).

Nonetheless, in a study of 30 April 2015 on electricity and natural gas price components (see also section 3.2.1.1 hereof), the CREG continued to analyse distribution rates.

Regarding electricity, the study concludes that for residential customers, the distribution network tariff between January 2007 and December 2014 increased by 145.73 euros (+99.96%) in Flanders, 48.31 euros (+32.42%) in Wallonia

and 67.49 euros (+47.81%) in Brussels. This is partly due to the higher costs of public service obligations, energy costs to offset network losses and the introduction of multi-year tariffs.

For business customers, the distribution network tariff applied between January 2007 and December 2014 increased by 1,553.05 euros (+43.25%) in Flanders, 1573.33 euros (+37.48%) in Wallonia, while it decreased by 101.37 euros (-1.87%) in Brussels. This is partly due to the higher costs of public service obligations, energy costs to offset network losses and the introduction of multi-year tariffs.

Regarding natural gas, the study concludes that for residential customers, the distribution network tariff applied between January 2007 and December 2014 increased by 88.60 euros (+37.71%) in Flanders, 125.91 euros (+51.51%) in Wallonia and 60.52 euros (+23.34%) in Brussels. This is due to deficits of past years being carried forward, the increase in public service obligations and the introduction of multi-year tariffs. For business customers, the increase in the distribution network tariff applied between January 2007 and December 2014 (1668.68 euros in Flanders, +3205.69 euros in Wallonia and 3383.77 euros in Brussels) is less due to the costs of public service obligations being charged mainly to residential customers.

47 Proposal (C)151203-CDC-1493 on the calculation of the surcharge for offsetting the real net cost to the operator of the system resulting from the obligation to purchase and sell green certificates in 2016. The amount of the surcharge used to offset the real net cost to the network operator resulting from the green certificates purchase and sale obligation for 2016 was set at 3.8261 euros/MWh by the ministerial order of 22 December 2015 (Moniteur belge, 28 December 2015).

48 Draft decision (B)150507-CDC-658E/33 on the tariff report including the balances submitted by Elia System Operator for operations for financial year 2014.

49 Decision (B)150625-CDC-658E/2933 on the tariff report including the balances introduced by Elia System Operator for operating year 2014 as modified by the appropriate tariff report.

• Balances

In early 2011, 2012, 2013 and 2014, the CREG received reports from all the distribution system operators relating to the application of their tariffs in 2010, 2011, 2012 and 2013. The CREG had decided not to take any decision on the reported balances (see 2014 Annual Report, section 3.1.3.4.B.c).

In March 2014, INFRAx filed proceedings against the CREG and the VREG (third party notice). Infracx (acting for its distribution system operators InterEnergia, Infracx West, IVEG and PBE) wanted, through this procedure, to obtain the judge's clarity on the question of which regulator (federal or regional) must make a decision about the definition of the balances for the period 2010 to 2013 inclusive.

In a judgement of 30 June 2015, the Brussels Court of Appeal ruled that CREG was wrong to refuse to make a decision on regulatory balances and specified that the VREG is now the competent regulator to determine and apply balances. This decision also ordered the CREG to send all the information necessary for this purpose to the VREG, upon first request, which it did in July and August 2015. In anticipation of the transfer of jurisdiction over the setting of distribution network tariffs, the CREG had already sent some data.

3.1.4. Cross-border issues

3.1.4.1. Access to cross-border infrastructures

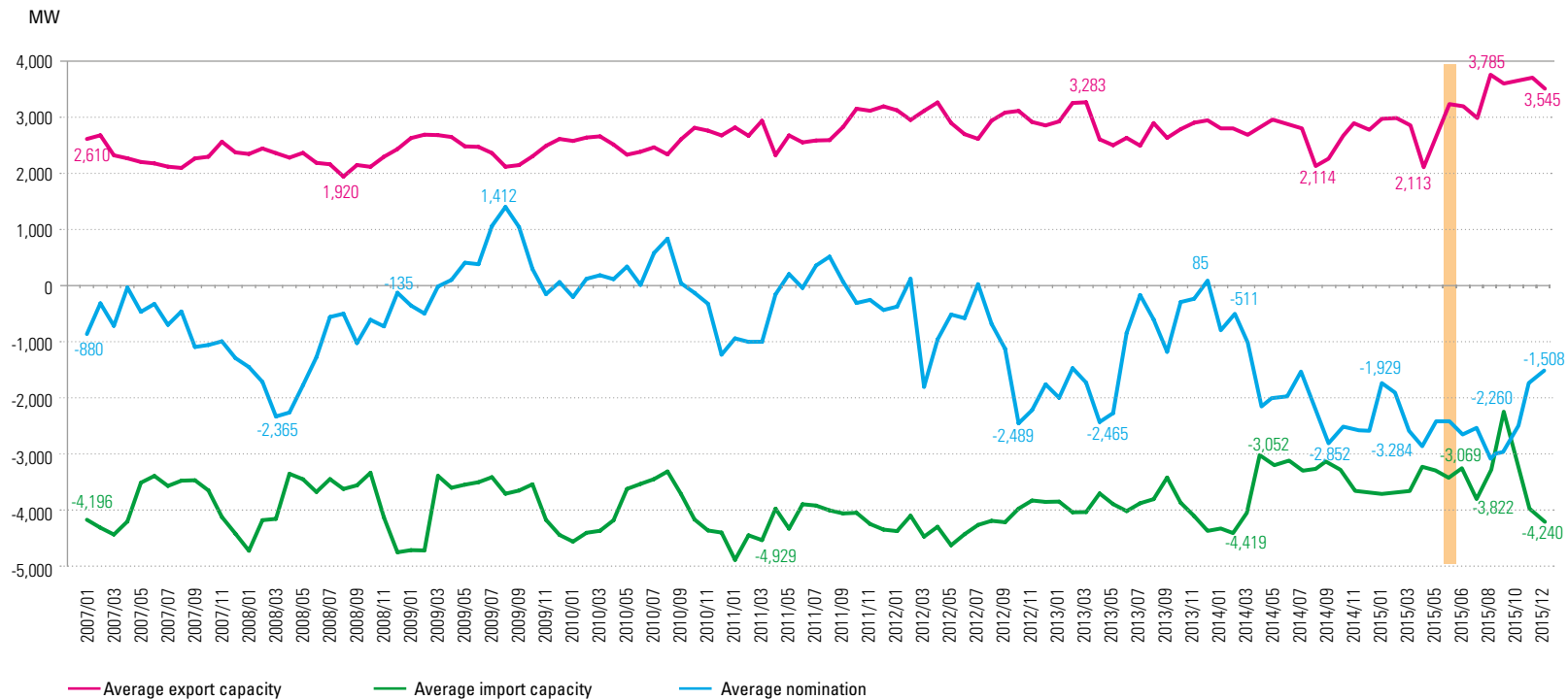
There was a further small increase in gross electricity imports in 2015, for the sixth consecutive year. Gross physical imports in fact totalled approximately 23.7 TWh in 2015, compared with 23.4 TWh in 2014 and gross physical exports totalled approximately 2.7 TWh in 2015, compared with 4.7 TWh in 2014. Gross physical exports rose again by about 12.2%, while they had already almost doubled between 2013 and 2014.

The following figure shows the trends in the import and export capacity (monthly average) made available to the day-ahead market, and their total net use. It is clear from this figure that 2015, like 2012 to 2014, saw abrupt changes in the use (nomination) of interconnection capacity. Apart from the special situation of the Belgian nuclear power plants since 2012, flow-based market coupling between the five countries of the CWE region was implemented on 20 May 2015, for delivery on 21 May 2015 (red vertical rectangle on graph). This replaced the Available Transmission Capacity (ATC) calculation mechanism. Flow-based market coupling is a method for the calculation and allocation of combined commercial transmission capacity. It enables the market to provide transmission capacity to the place where creation of social welfare is highest. Theoretically this means that more capacity can be allocated to the daily market, which may result in lower commercial transmission capacity within the intraday time frame.

Average maximum commercial use per month in 2015 was more than 2,000 MW in imports for eight months out of twelve. August 2015 was the peak for the reporting period. Analysis based on averages shows that imports for August 2015 (3,069 MW) were higher than those for September 2014 (2,852 MW). Net imports for 2015 were again higher than in 2014. This was mainly due to the unavailability of several nuclear power plants, including Tihange 2 and Doel 3, which were shut down from 25 March 2014 until they restarted, respectively, on 14 and 20 December 2015.

Overall, average import capacity has been decreasing since 2011. This decrease is related to elements that the transmission system operators of the CWE region, specifically Elia, take into account in their calculation of commercial import and export capacity. This development is the consequence not only of the absence of several nuclear plants and the corresponding reactive power, but also the volume and unpredictability of loop flows, forecasts of network status or technical failures of network elements. The seasonal nature of import capacity (more capacity in winter and less in summer) has appeared less marked since 2011. While 2014 again reflected this seasonal trend, 2015 followed a different trajectory. For the period under review, average imports of electricity experienced their lowest monthly level in September 2015, the month of the lowest production of electrical energy from nuclear sources.

Figure 4: Availability and use of interconnection capacity from 2007 to 2015 (Source: CREG)



The table below shows that average export capacity in 2015 increased by 516 MW compared with 2014. By contrast, average import capacity contracted for the fourth consecutive year. Average nomination (use) remained negative in 2015, continuing the trend from 2011 (which indicates commercial imports), compared to positive nominations in 2009 and 2010 (which indicates commercial exports). In 2015, the Belgian control area was therefore a net importer of energy, to a greater extent than all the years in the period under review.

Table 5: Average export and import capacity and average nomination per year (MW) (Sources: Elia data, CREG calculations)

Year	Average export capacity	Average import capacity	Net average export nomination
2007	2,317	-3,908	-711
2008	2,242	-3,882	-1,212
2009	2,460	-3,877	316
2010	2,558	-4,023	23
2011	2,791	-4,250	-253
2012	2,971	-4,245	-1,050
2013	2,821	-3,933	-1,109
2014	2,697	-3,562	-1,910
2015	3,213	-3,492	-2,379
Average	2,674	-3,908	-921

The following table shows the evolution of annual revenues from import and export capacities purchased by market actors in explicit auctions, valid for the following year or the following month. The table shows that in 2015, market actors were able to procure annual and monthly capacity for 35.5 million euros more than the previous year. Total auctions increased from 15.3 in 2011 to 102.1 million euros in 2015.

In 2015, market actors therefore expected, even more so than in previous years, significant price differentials with the Netherlands and France.

Table 6: Annual revenues from capacities offered for auction (in millions of euros) (Sources: Elia data, CREG calculations)

Year	Annual auctions	Monthly auctions	Total
2007	38.9	16.0	54.9
2008	27.1	11.6	38.7
2009	30.9	12.3	43.2
2010	25.5	8.1	33.6
2011	10.1	5.2	15.3
2012	15.6	8.5	24.1
2013	36.7	20.7	57.4
2014	42.6	24.1	66.6
2015	65.1	37.1	102.1

Despite the establishment of market coupling in November 2010 between the five countries of the CWE region (Luxembourg, Belgium, Netherlands, France and Germany), price discrepancies between day-ahead exchanges can still be observed. These discrepancies indicate saturation of the commercial interconnection capacity between two markets. The price gap is a reflection of the severity of the observed congestion. In flow-based market coupling, commercial congestion in the CWE market is caused by congestion on major CWE network elements, the so-called critical branches. Congestion limits Belgium's J-1 import and

export opportunities. The daily market congestion rents depend on the price differential and additional flows on critical branches, generated by flow-based market coupling.

Changes in J-1 commercial congestion rents for the Belgian market from 1 January 2007 to 20 May 2015 are illustrated in figure 5. The figure shows the total revenues of the daily market by border. In practice, this amount is shared by the holders of long-term rights and transmission system operators on both sides of the border.

2015 is no longer comparable with previous years because of the implementation of flow-based market coupling between the five CWE region countries, which took place on 21 May 2015. Until that date, congestion rents could be compared by border. Since 21 May 2015, congestion rents have been determined by transmission system operators.

On 20 May 2015, congestion rents by border totalled 35.6 million euros, compared to 33.3 million euros for the same period in the previous year. While rents have increased on the borders from France (21.6 million euros) and the Netherlands (14.0 million euros) to Belgium, the rent increases in the reverse direction have been insignificant. Congestion rents were generated mainly by imports from France (60.7%) and the Netherlands (39.2%).

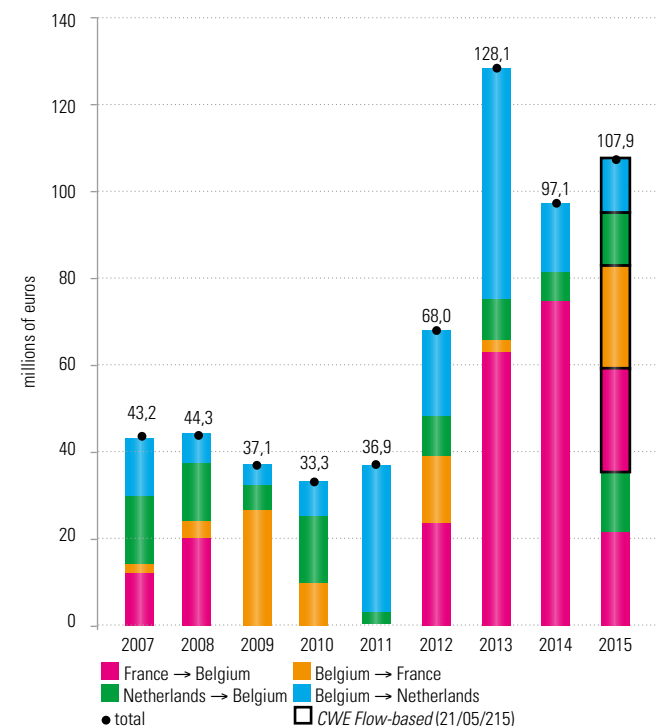
Between 1 June and 31 December 2015 (data from 21 to 31 May 2015 are not available), congestion rents were estimated at 72.3 million euros.

In total, congestion rents were 107.9 million euros for 2015, an increase of 11.1% compared to congestion rents for 2014. Under a flow-based model, congestion rents are supposed to be lower than under the the ATC system that was in place before 21 May 2015. However, conditions in 2015 were different to 2014 in terms of the need for exchanges between CWE countries, loop flows and network availability. This partly explains why congestion rents did not decrease in 2015 compared to 2014.

The current allocation of congestion rents in the CWE region was accepted by the region's regulators provided that they were

regularly monitored. The allocation method may be reviewed at the request of the CWE regulators. Moreover, all European transmission system operators will introduce an allocation method under Regulation (EU) 2015/1222 of the Commission of 24 July 2015, establishing guidelines for capacity allocation and congestion management.

Figure 5: Daily congestion rents from market coupling (sources: Elia data, CREG calculations)



3.1.4.2. Analysis of the TSO's investment plan as regards consistency with the network development plan across the European Union

Readers are referred to section 3.4.2 hereof.

3.1.4.3. The allocation of capacity between Belgium and the Netherlands

On 9 October 2015, the CREG approved⁵⁰ the proposal submitted by the transmission system operator, Elia, on the capacity allocation method between the yearly, monthly and daily time-frames over the connection between Belgium and the Netherlands. In its decision, the CREG also asked Elia to harmonize and optimize these rules in the future, in collaboration with other transmission system operators in the Central Western European region (CWE). The decision was subject to prior consultation organized by the CREG. The documents relating to the consultation can be found on the CREG website.

3.1.4.4. The allocation of long-term capacity

On 9 October 2015, the CREG approved⁵¹ the proposal submitted by the transmission system operator, Elia, concerning, firstly, the method for the allocation of available annual and monthly capacities to access managers, for energy exchanges with other supply zones and, secondly, the rules for capacity allocation via shadow auctions.

The decision sets out the European rules for harmonized auctions of long-term rights (rules for allocation of annual and monthly transmission capacity) and the rules for allocation of capacity via shadow auctions of daily capacity when implicit market coupling fails. These rules will be applied to auctions of annual and monthly transmission capacities in 2016. The main change involves the introduction of Financial Transmission Rights (FTR) instead of Physical Transmission Rights (PTR). The CREG expects that the FTR will offer the same level of firmness as the current PTR.

The CREG has, by contrast, only approved Annex 1 of the new harmonized auction rules for one year. The CREG asked Elia to submit a new proposed text for Annex 1 which addressed the introduction of transmission financial rights, in a year or where applicable earlier when the provisions of the Forward Capacity Allocation Guideline require resubmission. The decision was subject to prior consultation organized by the CREG. The documents relating to the consultation can be found on the CREG website.

3.2. Competition

3.2.1. Monitoring wholesale and retail prices

3.2.1.1. CREG studies in 2015

• **SMEs and the self-employed in the energy market**
At the end of 2014, the CREG organised a workshop entitled "Energy prices for SMEs and the self-employed: Have you got some time?". As part of this initiative, the CREG drafted a study⁵² in March 2015 showing the savings that can be made by SMEs and the self-employed. Based on an energy bill, it takes only 15 minutes to make a proper comparison of prices and thus achieve substantial savings.

• **Cost structure of nuclear plants**
At the request of the Minister for Energy, the CREG carried out⁵³ a study in March 2015 on the updated cost structure and economic evaluation of nuclear power generation based on 2014 data. The purpose of the study was to provide the minister with the most comprehensive evaluation possible of the profits available from nuclear activities based on information provided by all stakeholders.

• **Price components**
The study on the price components of electricity and natural gas⁵⁴, carried out in April 2015, examined the trends in final customer electricity and natural gas prices over the period 2007-2014. The study highlights important information on the trends in specific components of natural gas and electricity prices.

50 Final Decision (B)151009-CDC-1436 on the method for allocation of capacity between different time horizons on the link between Belgium and the Netherlands.

51 Final decision (B)151009-CDC-1446 on the proposal submitted by Elia System Operator on the method for allocation to access managers of annual and monthly available capacities for energy exchanges with other supply zones and the rules for allocation of capacity through shadow auctions.

52 Study (F)150305-CDC-1408 on the SMEs and the self-employed in the energy market.

53 Study (F) 150312-CDC-1407, in relation to an update to the cost structure of electricity generation by nuclear plants in Belgium, of the economic evaluation of nuclear power generation as well as an estimate of the profits from these activities.

54 Study (F) 150430-CDC-1419 on electricity and natural gas price components.

For electricity, the average price to the end residential customer increased by 20.78% between January 2007 and December 2014. The invoiced price increased by 38.02 euros/MWh in Flanders, by 32.59 euros/MWh in Wallonia and by 15.05 euros/MWh in Brussels. The increase is explained by the development of the distribution network tariff, the renewable energy and cogeneration contribution and public offtakes.

The final average electricity price to business customers rose by 3.31%. The end user billed price decreased by 11.79 euros/MWh in Brussels and 0.07 euros/MWh in Flanders. In Wallonia, the billed price rose by 19.52 euros/MWh. These changes are explained by the development of the distribution network tariff, the renewable energy and cogeneration contribution and public offtakes.

For natural gas, the average price to the residential end customer increased by 27.90%. The end customer price increased by 12.43 euros/MWh in Flanders, by 16.52 euros/MWh in Wallonia and by 11.43 euros/MWh in Brussels. These increases are explained by the development of the energy price, the distribution network tariff and public offtakes.

The average final gas price to the business customer rose by 20.90%. The invoiced price increased by 5.99 euros/MWh in Flanders, by 7.23 euros/MWh in Wallonia and by 7.06 euros/MWh in Brussels. These increases are explained by the development of the energy price, the distribution network tariff and offtakes.

Figure 6: Average change in electricity price components by region for a Dc customer⁵⁵ (01/2007-12/2014) (source: CREG)

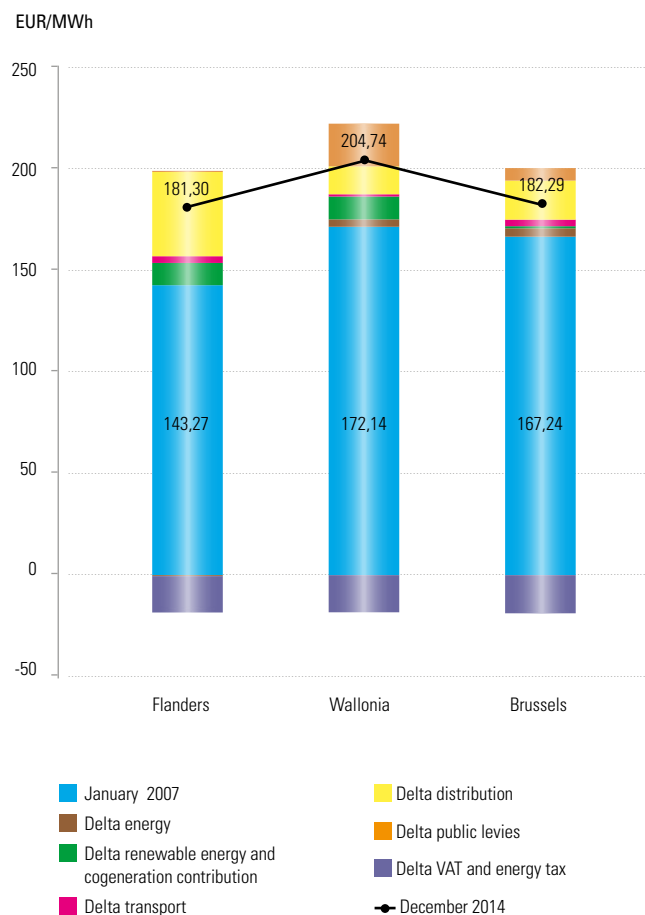
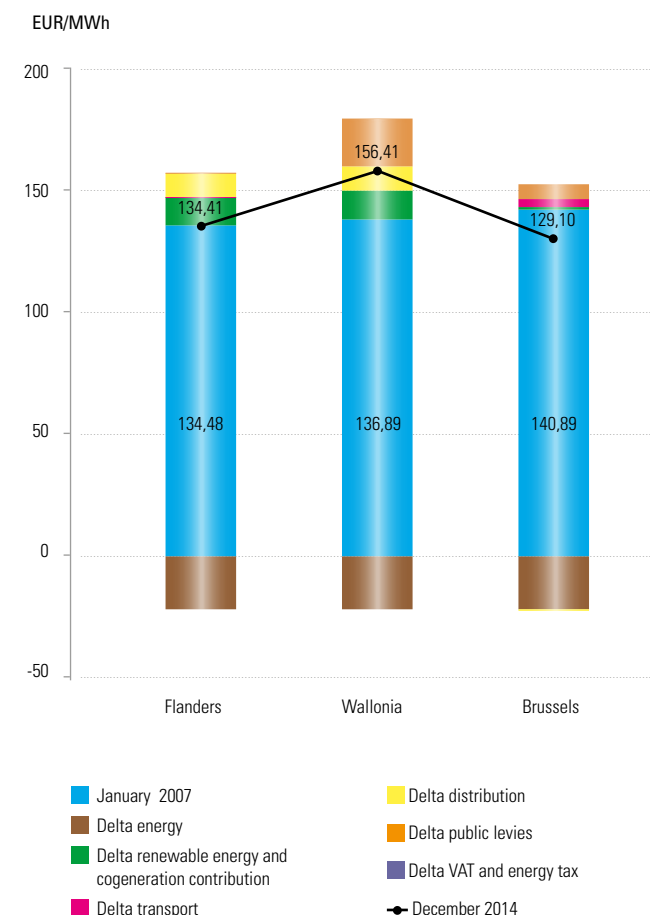


Figure 7: Average change in electricity price components by region for an Ic1 customer⁵⁶ (01/2007-12/2014) (source: CREG)



⁵⁵ Dc is a residential customer consuming 3,500 kWh per year. The power connection is between 4 and 9 kW and is supplied at low voltage. The customer's consumption is distributed between 1,600 kWh per day and 1,900 kWh per night. The calculations are based on a four-person household (500 free kWh in Flanders).

⁵⁶ Ic is a business customer with maximum annual power of 111 kVA supplied at low voltage (0.23 to 0.4 kV). The customer's consumption is distributed between 135.000 kWh per day and 25.000 kWh per night

Ic1: the study also presents the main changes in price components for customers with a consumption profile identical to Ic customers but connected via a medium voltage supply (MV) (26-1kV network). This customer type is referenced Ic1.

Figure 8: Average change in natural gas price components by region for a T2 customer⁵⁷ (01/2007/12/2014) (source: CREG)

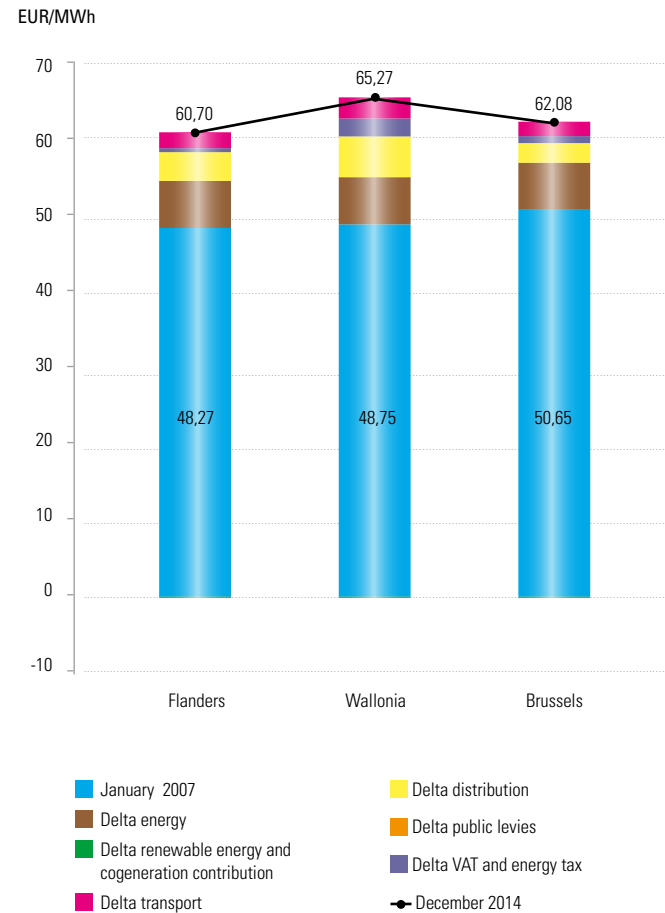
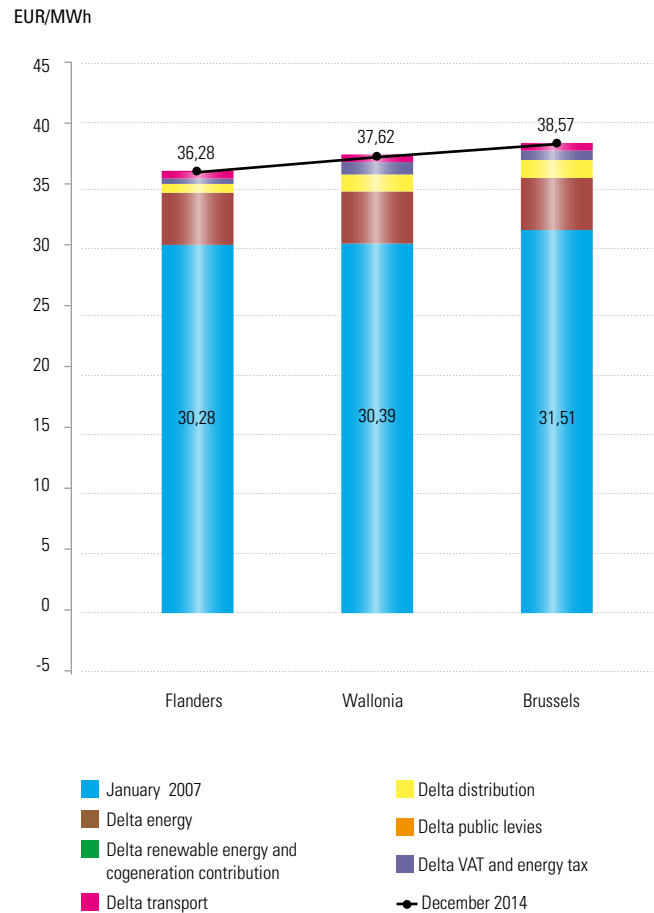


Figure 9: Average change in natural gas price components by region for a T4 customer⁵⁸ (01/2007/12/2014) (source: CREG)



• **Functioning of and price trends on the wholesale electricity markets in 2014**

As it has done every year since 2007, the CREG examined⁵⁹ the functioning of and price trends on the Belgian wholesale electricity market in the past year. The objective of the study is to report certain important aspects of the Belgian electricity market, including generation, consumption, exchange of electricity on power exchanges, interconnections with abroad and balancing.

The CREG's findings were as follows:

- The downward trend in the operating hours of gas power plants was reversed in 2014. Simultaneous shut-downs of several nuclear power plants, with a combined total capacity of up to 4,000 MW for several weeks, led to a significant increase in hours of operation of gas plants in Belgium by year-end. Imports from abroad also increased significantly;
- In 2014, the peak capacity requirement did not decrease, despite an increase in wind generation. It is striking that this increase causes a decrease in the degree of use of peak capacity. This phenomenon undermines the profitability of peak production plants, but rewards the evolution of demand response;
- The downward trend in peak consumption, as measured by Elia, continued in 2014. Compared to 2007, peak consumption declined by 1,300 MW. The decrease in average consumption also continued. In this study, the CREG did not conduct a thorough analysis of the potential reasons for this trend, but believes that the possibility of lower, or at least stagnant, electricity consumption in Belgium, should be taken into account in the assessment of future consumption;

⁵⁷ T2 is a residential customer using natural gas for cooking and heating. This is equivalent to consumption of 23,260 kWh/year at an estimated connection capacity of 2.5 m³/h.

⁵⁸ T4 is a small industrial customer (1,000 to 10,000 MWh/year) with annual use of 200 days/year. This is equivalent to consumption of 2,300,000 kWh/year at an estimated connection capacity of 100 m³/h.

⁵⁹ Study (F)150604-CDC-1411 on the functioning of and price trends on the Belgian wholesale electricity market - monitoring report 2014. On 22 January 2015, the CREG had already issued a first briefing note ((Z)150122-CDC-1398) providing an overview of key developments in prices and consumption in the Belgian wholesale electricity and gas markets in 2014. This note anticipated the more detailed studies conducted annually by the CREG and referred to in this report.

- Electricity consumption is sensitive to ambient temperature: if the equivalent temperature increases by one degree, the increase in consumption is estimated at 110 MW. The temperature sensitivity is almost exclusively observed on the distribution networks, where equivalent temperature accounts for 72% of variation in electricity demand;
- Despite the unavailability of nuclear capacity and 800 MW of gas-fired plants (included in the strategic reserves and not, therefore, to be placed on the market), the daily market remained relatively resilient; relative price sensitivity was similar to 2013. On average, prices increased by about 3 euros/MWh for additional demand of 500 MW, and decreased by about 2 euros/MWh to additional supply of 500 MW. It is essential to plan as much commercial interconnection capacity as possible for the proper operation of the Belgian wholesale market;
- Following the shut-down of the Doel 2 and Tihange 3 nuclear plants at the end of March, and especially following the unavailability of Doel 4, there was a marked increase in prices on forward markets. This peaked in late September before recovering its previous level before the winter. The market is demonstrably highly sensitive to changing market conditions and sends price signals to market participants, who can react to them;
- Belgian imports increased sharply due to the unavailability of nuclear generation capacity. In 2014, 17 TWh net were imported, 10 TWh through the daily market. In the CWE region, France and, especially, Germany, are net exporters via the daily market, with volumes of 5 and 20 TWh, respectively. The Netherlands, like Belgium, is an importer, with a total of 15 TWh, although both countries have excess production capacity. Electricity exchange is thus based on economic grounds;

- The continuous upward trend in price discrepancies and congestion rents in the daily market was reversed in 2014: the average price differential with Germany contracted to 8 euros / MWh (as opposed to 10 euros/MWh in 2013) and congestion rents at the Belgian borders decreased from 128 to 97 million euros. However, in the forward market (Cal+1), the average price discrepancy with Germany increased by 4.5 euros/MWh in 2013 to almost 12 euros/MWh. The difference between spot and forward market prices was therefore significant in 2014;
- The transmission system operator must have sufficient reserves to maintain the balance of the network. For the second consecutive year, the volume of these reserves decreased. This is explained by more efficient use of interconnection capacity. Accordingly, an imbalance in Belgium can be offset by an imbalance in the opposite direction in another country. Balance managers also seem to be controlling their balance better, with the result that the TSO needs to intervene less. Beyond this aspect, the volatility of imbalance prices has declined. These findings show that the economic value of flexibility surprisingly declined in 2014. The question is whether this trend will continue in the coming years.

• Profitability of electricity storage in Belgium

In April 2015 the CREG conducted a study⁶⁰ on the profitability of electricity storage in Belgium. The study is part of the CREG strategic plan and in the context, on that date, of different decisions and governmental agreements.

The study starts with an inventory of the various currently available electricity storage technologies. It then identifies the current costs in Belgium to be borne by operators of power storage units. Finally, it makes suggestions and recommendations in order to encourage, if deemed appropriate by the

relevant governments, the maintenance and development of power storage capacity in Belgium.

• European comparison of prices for large industrial customers

In April 2015, PwC conducted a study on behalf of the CREG entitled "A European comparison of electricity and gas prices for large industrial consumers", analysing the electricity and natural gas prices charged to four types of Belgian industrial consumers (three for electricity and one for natural gas) and their counterparts in four neighbouring countries (Germany, Netherlands, France and United Kingdom). The study focused in particular on the different capping, degressivity and reduction mechanisms observed in taxes and network tariffs in the countries studied. The relevant foreign regulators were consulted.

Given the differences in taxes between the various countries and regional differences sometimes observed within the same country (in Belgium and Germany, for example), the study illustrates major differences between the categories of consumers and adds detail to the previous findings of other bodies.

• Supply of major industrial customers in Belgium

In September 2015, the CREG conducted a study⁶¹ on electricity supply to major industrial customers in Belgium in 2014 with the aim of improving the transparency of the supply of electricity to major industrial customers.

An analysis of supply contracts for industrial customers (cf. billed annual consumption over 10 GWh) shows that this relates mainly to short-term contracts (1 or 2 years). In 2014, energy prices (commodity component) were found to be between 12 and 87 euros/MWh with the median between 52 and 65 euros/MWh.

⁶⁰ Study (F)150423-CDC-1412 on the profitability of electricity storage in Belgium.

⁶¹ Study (F)150910-CDC-1453 on the supply of major industrial customers in Belgium in 2014.

In addition to the analysis of supply contracts, the study examined the offtaking behaviour of the 122 major industrial customers connected to the Elia network. The annual electricity offtake from the Elia network by these customers rose to 18.34 TWh in 2014. This increase is especially evident in the top five industrial customers in terms of electricity offtake volume.

This study is based, in particular, on three previous studies (January and September 2015) on energy price-setting mechanisms in force in 2013 and 2014 in the electricity supply contracts of the large industrial customers EDF Luminus⁶² and Electrabel⁶³. The CREG compiled a detailed inventory of the mechanisms for setting the different energy price components based on which major Belgian industrial customers were billed. These studies aimed to identify the main factors that influenced - and will still influence in the future - the energy prices charged to major Belgian industrial customers.

• Shareholding of the suppliers

In September 2015, the CREG conducted a study⁶⁴ on the shareholding and boards of directors of the main suppliers of electricity and natural gas that hold a federal and/or regional supply licence in Belgium.

Based on data collected on 31 December 2013, there are few, or no, links between the shareholders and the boards of directors of the groups owning these supply companies. Information on certain suppliers not subject to the annual requirement to file balance sheets and income statements with the National Bank of Belgium, is either much too difficult to obtain or

is even inaccessible in some cases - this could prevent end users being able to choose their supplier knowingly.

• Suppliers' product portfolios

In a study carried out in December 2015⁶⁵, the CREG provides an overview of the composition of the product portfolios of the different suppliers operating in the Belgian electricity and natural gas market for households, SMEs and the self-employed. The market shares and product prices give an idea of the actual composition of the energy market. In addition, the potential for savings is clear. The study shows that the Belgian energy consumer is active but rarely changes product for a better market offer, still less for the best market. It is possible that the customer does not have enough knowledge of the offer on the market or that non-price factors determine the choice. The CREG advises customers not only to continue to compare offers, but especially to remain informed, preferably on price comparison websites carrying the CREG label.

3.2.1.2. Safety net

The main objective of the safety net mechanism is to bring the energy prices offered by suppliers to both residential and business customers closer to the average of our neighbouring countries (Germany, France, the Netherlands).

The safety net mechanism is in operation, in principle, until 31 December 2017. The Belgian King may, however, decide at any time to end the mechanism if it appears to result in significant disruptive effects on the market; the CREG and the National

Bank of Belgium are tasked with continuous monitoring of the mechanism to this end.

As part of the continuous monitoring, in May 2015 the CREG drafted a report⁶⁶ on possible disruptive effects on the market due to the safety net mechanism. The CREG analysis focuses on market concentration, entry and exit barriers, transparency, product offers and price changes. The CREG found no disruptive effect on the market due to the safety net mechanism in 2014. In fact, the mechanism contributes to improvements in the accuracy, clarity and transparency of the information available to market actors. Much more relevant information is available to suppliers and customers. Since the beginning of the safety net mechanism (January 2013), market concentration has decreased and Belgium has recorded one of the highest percentages of supplier change in Europe.

In September 2015, the CREG also drafted an evaluation report⁶⁷ on the mechanism. The report focuses on current transparency and competition conditions and on consumer protection within the Belgian energy market. Since its implementation on 1 January 2013, the safety net mechanism has made a clear contribution to increasing the transparency of the energy market. Suppliers, for example, are required to apply price formulas and indexing parameters that have a direct link with the electricity and gas wholesale markets.

The possible early termination of the safety net mechanism may result directly in reduced transparency, for example by the re-introduction of parameters specific to suppliers.

62 Study (F) 150122-CDC-1396 on energy price setting mechanisms in effect in 2013 in the electricity supply contracts of the large industrial customer EDF Luminus; Study (F) 150910-CDC-1441 on energy price setting mechanisms in effect in 2014 in the electricity supply contracts of the large industrial customer EDF Luminus.

63 Study (F) 150910-CDC-1439 on energy price setting mechanisms in force in 2014 in the electricity supply contracts of the major industrial customers of Electrabel.

64 Study (F) 150903-CDC-1431 relating to the shareholding of the main suppliers of electricity and gas holding federal and / or regional supply licences.

65 Study (F) 151217-CDC-1496 on the composition of product portfolios by supplier and potential savings for households, SMEs and the self-employed in the Belgian electricity and natural gas market.

66 Report (Z) 150507-CDC-1416 on the monitoring of disruptive effects on the market as part of the safety net mechanism introduced by Article 20bis, §§1 to 5 of the Electricity Law and Article 15/10bis, §§1 to 5 of the Gas Law.

67 Report (RA) 150924-CDC-1458 on the safety net mechanism introduced by article 20bis, §§1 to 5 of the Electricity Law and article 15/10bis, §§1 to 5 of the Gas Law.

In terms of consumer protection, there have been developments in the supply of products by suppliers that require future monitoring. Some suppliers offer a variety of products under the same name, but with different characteristics. Others no longer offer certain products, but still retain a significant number of customers on this product, while removing important price information from the market.

The CREG is therefore convinced that it can contribute significantly in terms of protection and provision of information to the consumer on the basis of the information available through the safety net mechanism.

Monitoring and control of the energy market - in this case more specifically the retail market - remains a future requirement.

Finally, also as part of its legal tasks related to monitoring the safety net mechanism, the CREG annually undertakes an analysis of the parameters used by energy suppliers to calculate their prices. The 2014 analysis shows⁶⁸ that all the parameters used show a clear link with the energy stock exchanges and that they indicate the elements on which they base their calculations. Market players can thus access clear and transparent information. The report focuses on composition and trends in indexing parameters, as required by the law. The price formulas themselves, as communicated by the suppliers, also include a subscription cost, possible multiplication factors and mark-ups.

• Databases of energy prices

Since 2012, the CREG has established, for each supplier operating in Belgium, for any variable type of contract and for any new standard contract, by consultation with them, a database to record the methodology for calculation of variable energy prices, including indexation formulas and the parameters that they use. To this end, and in order to keep the database up to date, the CREG makes use of publicly available data (suppliers' websites) and the data that suppliers are obliged to submit to the CREG every month.

In addition to the variable components, the database also includes all the products that have a fixed energy component.

All the elements included in the price formula of the energy component (subscription, indexation parameters and related coefficients, renewable energy and combined heat and power contributions) are included separately in the database. The energy component of the annual energy bill is then calculated for certain standard customers⁶⁹ using relevant annual consumption levels.

The results are compared by sampling with those from the suppliers' calculation modules and the existing price comparison modules.

The CREG also continuously compares the energy component for the supply of electricity and natural gas to household and SME end customers with the average energy component of neighbouring countries.

In the context of its general monitoring missions and in particular, as part of the safety net mechanism, in 2012 the CREG also established a permanent database of energy prices in the neighbouring countries (Germany, France, the Netherlands) and in the United Kingdom.

In addition to the energy component, the CREG therefore monitored the all-in prices (total bill) in Belgium and in neighbouring countries on a monthly basis since 2012.

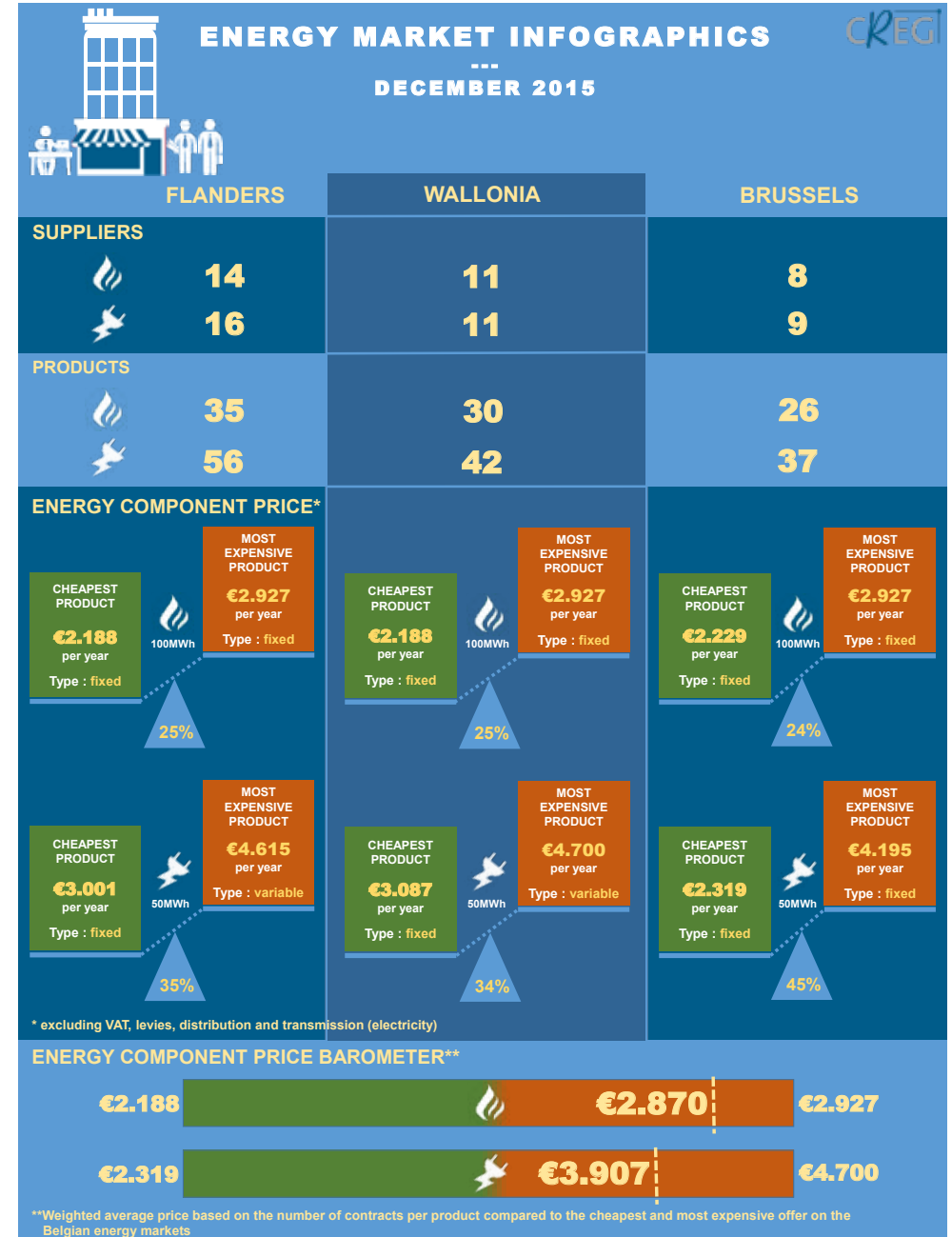
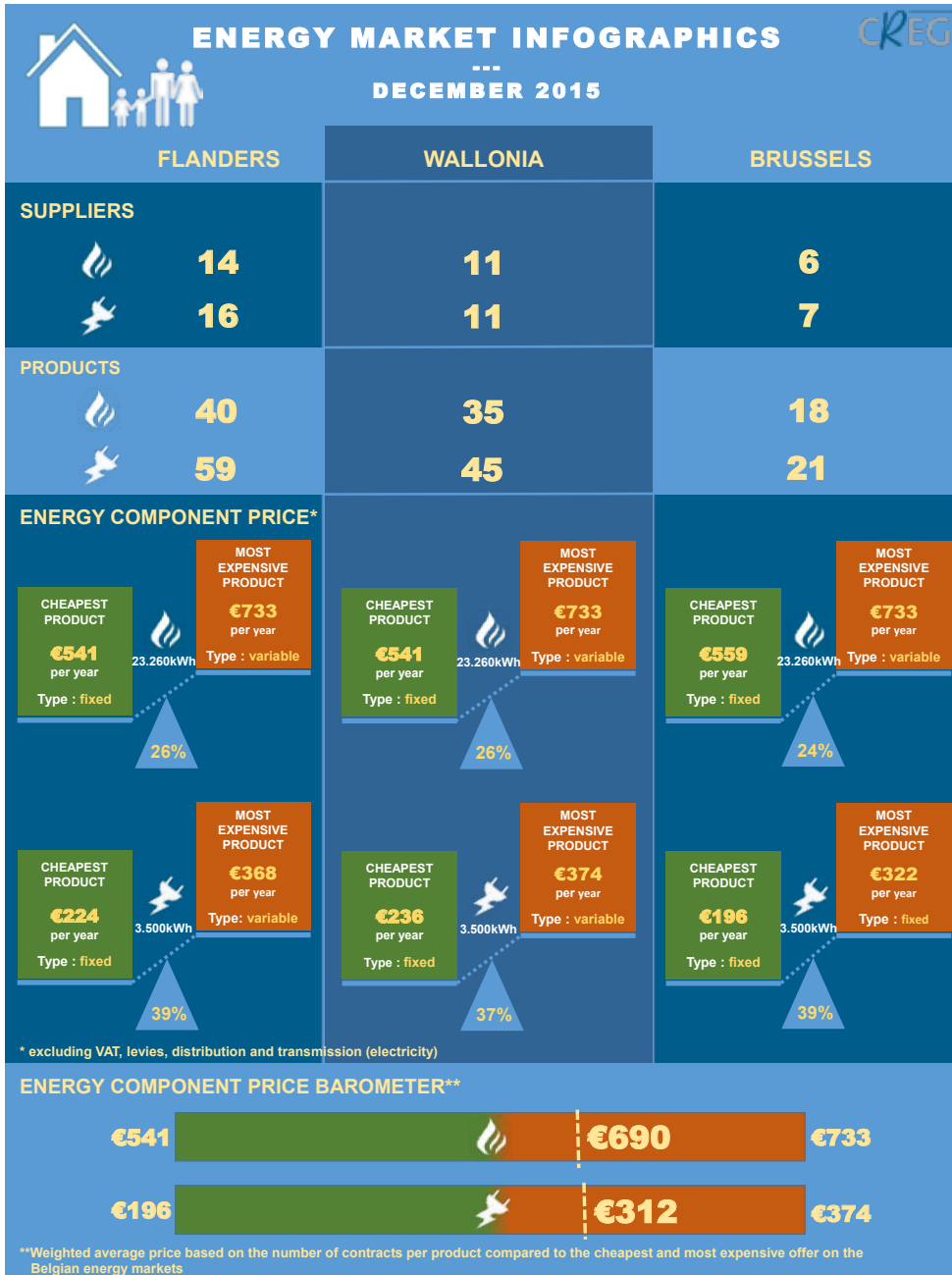
The results obtained by the CREG are, furthermore, checked by country by comparing them with the results obtained using the price simulators of neighbouring countries.

The main findings and trends for 2015 are illustrated and commented on by the CREG in its monthly publications entitled "Overview and trends of electricity and natural gas prices offered to household customers" and "Overview and trends of electricity and natural gas prices for SMEs and the self-employed". The monthly overview of prices by provider and product has been available for SMEs and the self-employed since January 2015. SMEs and the self-employed can now have a clear idea of the position of their contract over the past six months, both for electricity and natural gas.

In an effort to improve both the content and clarity of communication, since November 2015 the CREG has used infographics that provide a clear overview of the number of active suppliers and their product offer, as well as potential savings. The first infographic relates to the residential sector, and the second to businesses (SMEs and the self-employed).

68 Report (Z)150326-CDC-1413 on gas and electricity supplier indexing parameter trends.

69 Residential electricity: 3,500 kWh/year, simple meter and SME electricity: 50,000 kWh/year, simple meter; household natural gas: 23,260 kWh/year and SME natural gas: 100,000 kWh/year



Analysis of the energy component of prices and the continuous price comparison between Belgium and neighbouring countries shows, as illustrated in the figures below, that implementation of the safety net mechanism has brought about convergence between Belgian energy prices and those in neighbouring countries. Monitoring nonetheless remains necessary.

Figure 10: Monthly trends in the price of electricity in 2015 for a standard household customer = 3,500 kWh/year (energy component) (source: CREG)

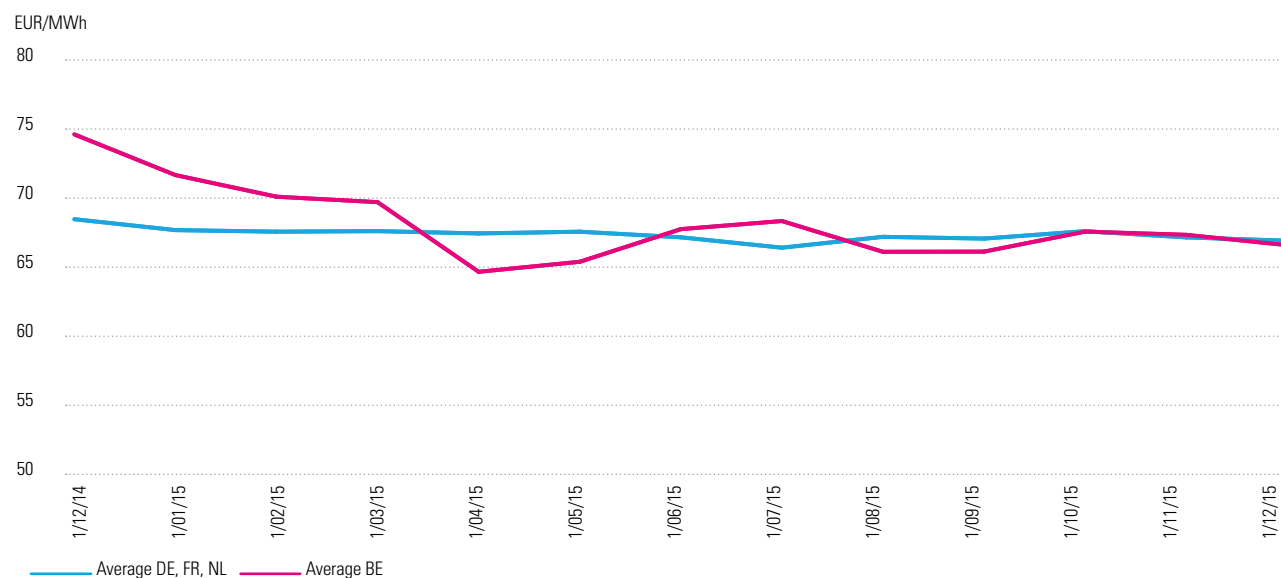


Figure 11: Monthly trends in the price of natural gas in 2015 for a standard household customer = 23,260 kWh/year (energy component) (Source: CREG)

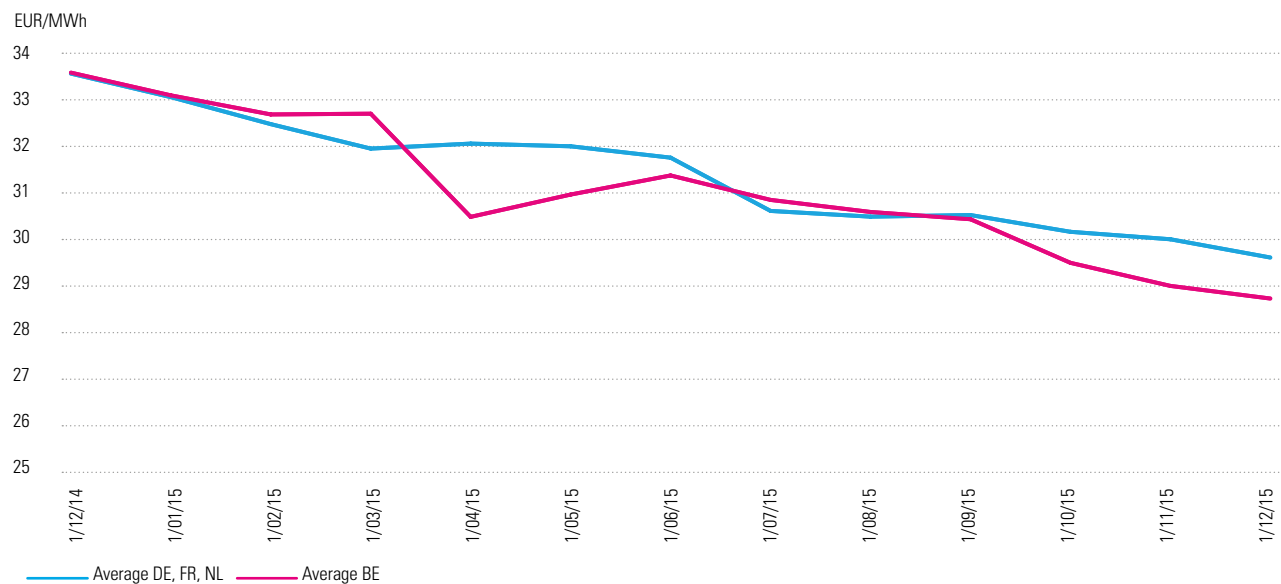


Figure 12: Monthly trends in the price of electricity in 2015 for SMEs and the self-employed (standard customer = 50,000 kWh/year (energy component) (Source: CREG)

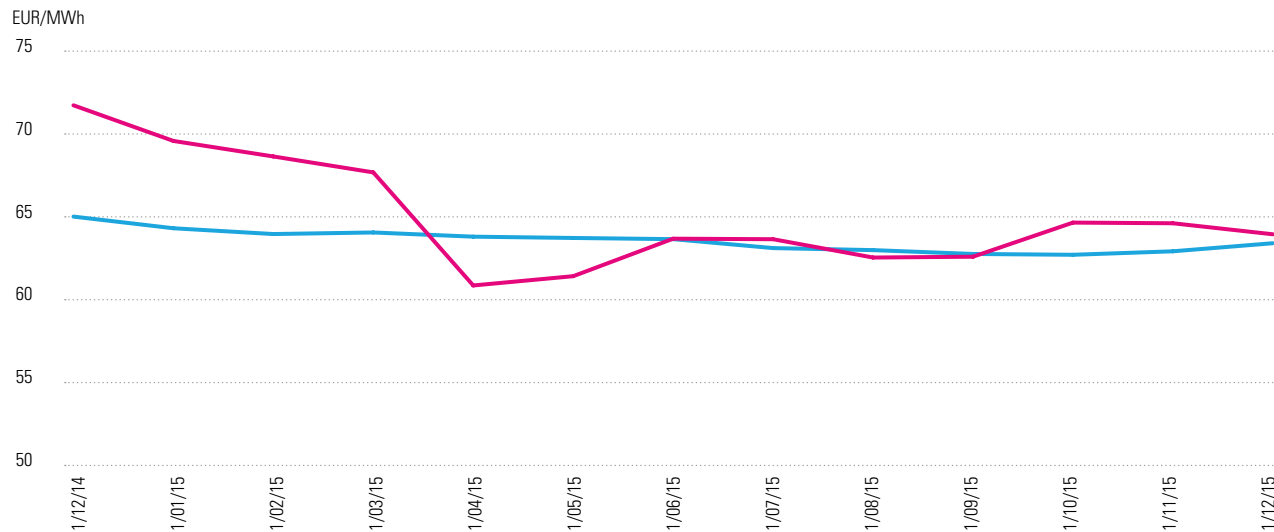
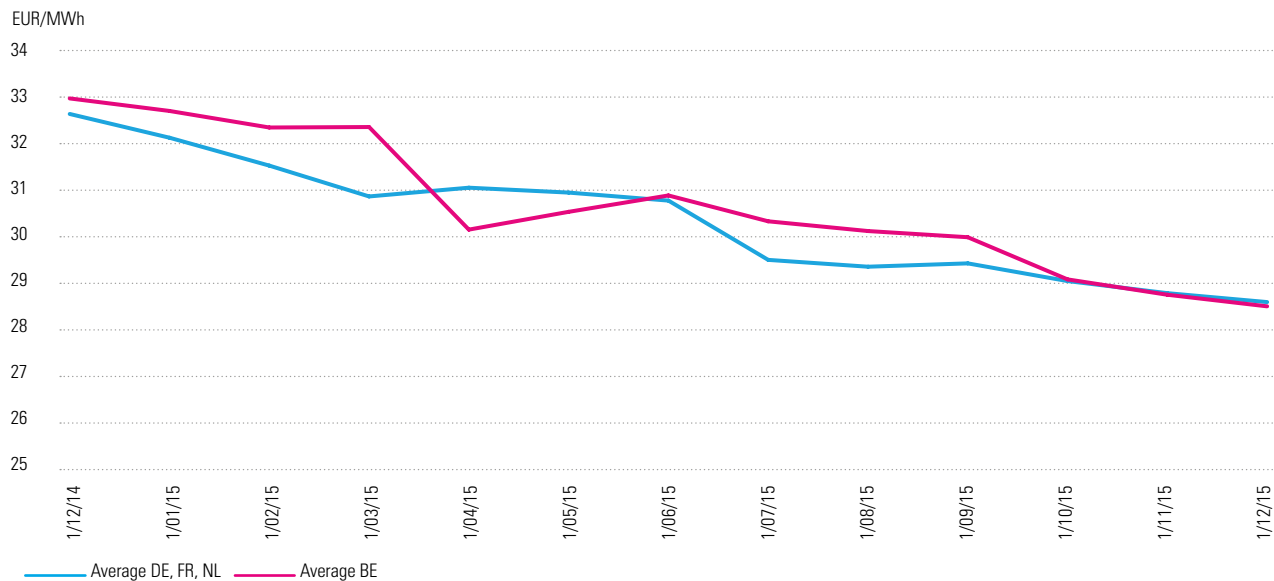


Figure 13: Monthly trends in the price of natural gas in 2015 for SMEs and the self-employed (standard customer = 100,000 kWh/year (energy component) (Source: CREG)



• Scrutiny of price indexation criteria

The CREG takes a decision per quarter per supplier, whereby it determines whether the indexation formula for the energy component was correctly applied in variable-price contracts for the energy offered to household end customers and SMEs. Furthermore, the CREG determines whether the aforementioned indexation formula complies with the full list of criteria permitted by the aforementioned Royal Decree of 21 December 2012.

As of 31 December 2015, suppliers were using thirteen different indexation parameters. The thirteen indexation parameters were used in the standard variable-price contracts of fourteen suppliers, all of which notified the CREG of standard variable-price energy contracts via the safety net mechanism. The CREG's analysis found that the aforementioned indexation parameters and the resulting indexation formulas were stated in the tariff schedules in accordance with the full list of permitted criteria.

The CREG analysed the developments in the indexation parameters and examined data accuracy. The values as calculated by the CREG matched the values used by suppliers on their tariff cards.

Lastly, the CREG used these values in the relevant price formulas and compared them with the prices stated on the tariff schedules. The CREG found, for all suppliers, that the prices stated on their tariff schedules for the energy component accurately reflected application of the price formulas with the relevant indexation parameters.

Suppliers had therefore correctly applied their standard contract indexation formulas to the variable energy component.

3.2.2. Monitoring market transparency and openness

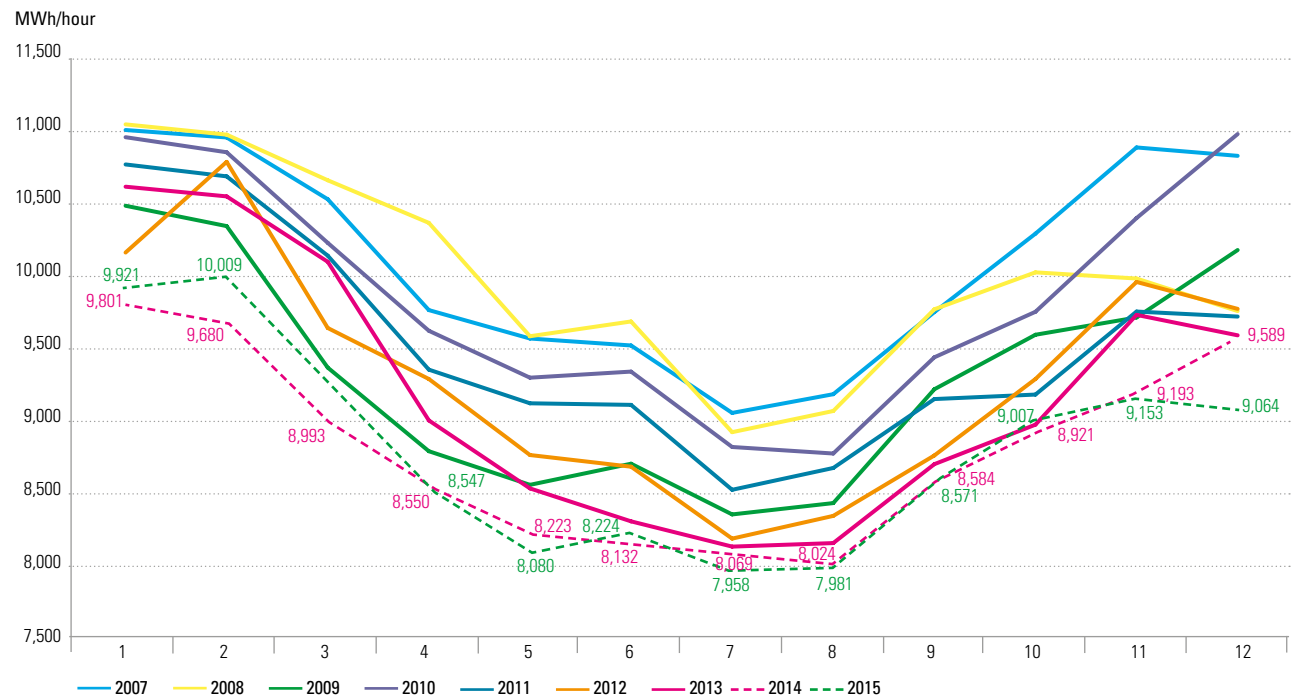
3.2.2.1. Electrical power demand

According to the data submitted to the CREG, the load⁷⁰ of Elia's network⁷¹, excluding power used by pumping power plants, in other words net consumption plus grid losses, was estimated at 77184 GWh in 2015, compared with 77.161 GWh in 2014, i.e. almost identical to the year before; the last two years of the period under review were the lowest level of the last nine years. The peak 15-minute load in 2015 was estimated at 12,634 MW, compared with 12,736 MW in 2013 (Source: Elia for 2015: provisional data, February 2016).

Figure 14 shows the average monthly load on the Elia network for the years 2007 to 2015. After a steep reduction in the load from October 2008 following the economic crisis, which also continued into 2009, levels recovered in early 2010. The recovery did not last, however, as the decline in load recommenced the following year to reach its lowest average levels in 2014 and 2015. Compared to 2007, the decrease in the average load was 12.9% in 2015. These figures have not been weighted for meteorological factors.

Local power generation by sites connected to the Elia network is not fully taken into account in these figures. Synergrid has estimated local generation at 9.5 TWh in 2015 (8.2 TWh in 2014), i.e. a 15.9% rise compared with 2014.

Figure 14: Average monthly load on the Elia network from 2007 to 2015. (Sources: Elia data, CREG calculations)



3.2.2.2. Wholesale generation market share

The table below provides an estimate, in both absolute value (in GW) and in relative value of the Belgian market shares in electricity generation capacity at the end of each year.

The table shows that Electrabel still has a substantial market share (63.5%) of total generation, although this market share

has declined in previous years. The second player in order of size is EDF Luminus, which has a market share of 12.0% in terms of generation capacity. The third player in terms of size in Belgium is the company E.ON, which has 8.7% of generation capacity. The fourth and fifth players are T-Power

⁷⁰ The Elia network load is based on the injections of electrical power into Elia's grid. It includes the net generation from (local) plants injecting a voltage of at least 30 kV and the net balance of imports and exports. Power generating facilities connected to distribution systems at a voltage under 30 kV are only included if their net injection into the Elia grid is measured. The power needed to pump water into storage tanks in pumping stations connected to the Elia network is subtracted. Injections by decentralised power generating plants connected to distribution systems at a voltage under 30 kV are not included in the Elia grid load.

⁷¹ The Elia network includes grids at a voltage of at least 30 kV in Belgium as well as the Sotel/Twinerg system in the south of the Grand Duchy of Luxembourg.

and Enel, each of which has a CCGT with a capacity of just over 400 MW. A gas-steam turbine of this size represents just under 3% of generation capacity in Belgium.

The HHI, a widely used concentration index, fell slightly again in 2015. It still remains very high at 4,420. By way of comparison, a market is considered to be highly concentrated if the HHI is equal to or higher than 2,000.

Table 8 provides the same estimate, but in terms of the power actually generated. In total, the facilities connected to the Elia grid generated 54.6 TWh in 2015, which represents a continual fall since 2010 (-36.8%).

All major producers saw their market share down to the benefit of smaller producers. For Electrabel, the continuing unavailability of several nuclear power plants is the main reason. EDF Luminus was also affected by the unavailability of these nuclear power plants.

Although it is still very strong, the dominant position of Electrabel is continuing its decline from 2007. In 2015 it reached its lowest level, at 64.8% of the market share.

Table 7: Wholesale market shares in electricity generation capacity (Sources: Elia data, CREG calculations)

(GW)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Electrabel	13.1	13.6	12.0	11.5	11.2	10.9	9.9	9.4	9.3	85%	85%	74%	70%	68%	67%	66%	66%	65%	
EDF-Luminus*	1.9	2.0	2.3	2.4	2.4	2.3	2.2	1.8	1.7	12%	13%	14%	14%	14%	14%	15%	13%	12%	
E.ON	0.0	0.0	1.4	1.4	1.4	1.4	1.0	1.0	1.3	0%	0%	8%	8%	8%	8%	7%	7%	9%	
T-Power	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0%	0%	0%	3%	3%	3%	3%	3%	3%	
Enel	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0%	0%	0%	0%	2%	2%	3%	3%	3%	
Others (< 2%)	0.4	0.4	0.5	0.7	0.7	0.9	1.1	1.3	1.3	3%	3%	3%	4%	4%	6%	7%	9%	9%	
Total	15.3	16.0	16.1	16.3	16.4	16.3	15.0	14.3	12.0	100%	100%	100%	100%	100%	100%	100%	100%	100%	
										HHI	7,440	7,350	5,820	5,220	4,900	4,740	4,660	4,540	4,420

* The shares of SPE and EDF Luminus have been combined since 2010, given the takeover of SPE by EDF.

Table 8: Wholesale market shares in power generated (Sources: Elia data, CREG calculations)

(TWh)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Electrabel	71.2	65.8	69.4	62.4	58.0	49.8	48.9	39.8	35.4	86%	85%	81%	72%	72%	70%	69%	67%	65%	
EDF-Luminus*	9.3	9.4	12.2	12.2	9.3	8.5	8.8	7.8	6.9	11%	12%	14%	14%	12%	12%	13%	13%	13%	
Eneltrade	0.0	0.0	0.0	0.0	0.1	1.3	1.4	0.7	1.2	0%	0%	0%	0%	0%	2%	2%	1%	2%	
E.ON	0.0	0.0	1.3	8.8	8.5	7.8	6.9	6.3	4.7	0%	0%	2%	10%	11%	11%	10%	11%	9%	
Others (<2%)	2.1	2.2	2.6	3.0	4.3	4.1	4.4	5.0	6.5	3%	3%	3%	3%	5%	6%	6%	8%	12%	
Total	82.6	77.4	85.5	86.5	80.1	71.5	70.3	59.6	54.6	100%	100%	100%	100%	100%	100%	100%	100%	100%	
										HHI	7,570	7,370	6,800	5,520	5,490	5,120	5,090	4,720	4,470

* The shares of SPE and EDF Luminus have been combined since 2010, given the takeover of SPE by EDF.

3.2.2.3. Energy exchange

• CWE market coupling

Despite the gradual coupling of markets, price convergence in the CWE (Centre-West Europe) region has clearly not materialised, particularly over the past four years. Several factors could explain this observation, such as the shut-down of several Belgian nuclear power plants over recent years (see section 3.2.2.2 hereof).

In general terms, the highest average prices over the period studied (2007-2015) were seen in the CWE region in 2008, a year not only of tariff inflation but also the first year of the financial and economic crisis. Then, average prices contracted simultaneously to reach their lowest level in August 2014 for France and in May 2015 for Germany. Belgium and the Netherlands have not yet reached their lowest level in 2009. From 2011 to 2014, the average annual price in the Netherlands was always higher than for Belgium, France and

Germany. In 2015, the Belgian average day-ahead price was the highest of the four countries comprising the CWE region. The price differential between Belgium and Germany reached 41.3%. Since 2011, Germany has seen a sharp reduction in its average price, reaching a new low in 2015 for the period under review. Compared to 2014, average short-term wholesale market prices in 2015 decreased in Germany (-3.5%) and the Netherlands (-2.7%) but increased in France (11.1%) and Belgium (9.5%).

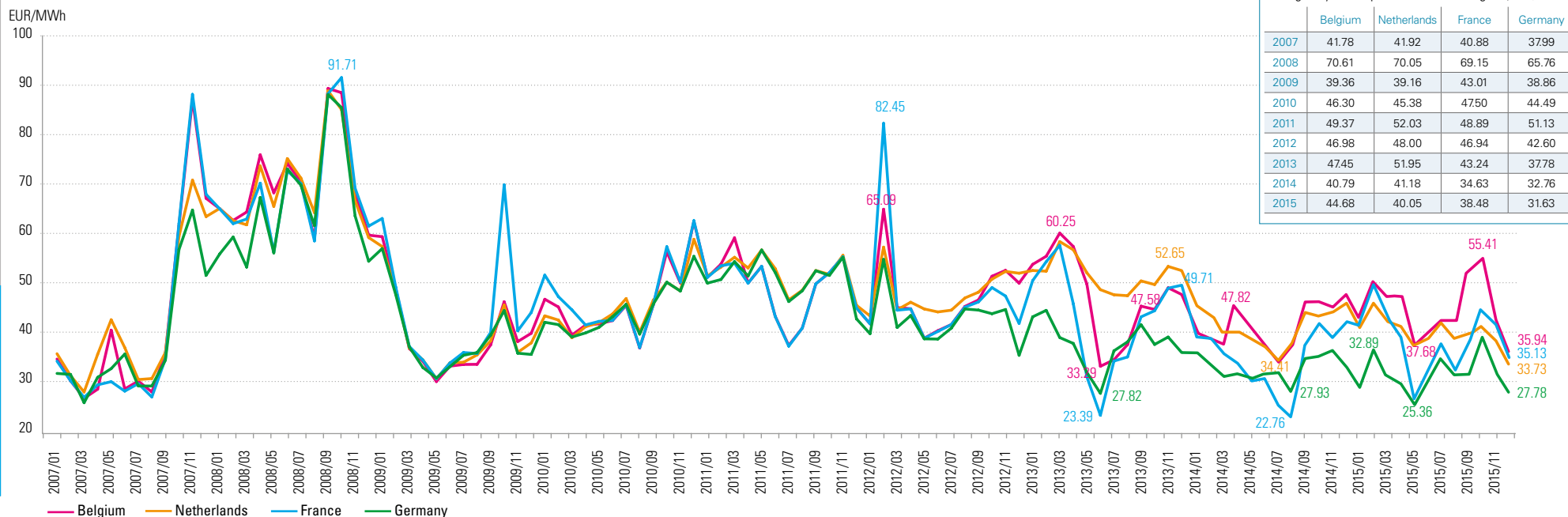
With the exception of February 2012, an extremely cold period, Belgian and French prices converged a great deal over two years from July 2010. However, from August 2012, tariff convergence lessened each month, particularly due to the closure of several Belgian nuclear power plants. This trend was accentuated and even accelerated in 2014. By contrast, in 2015 price convergence between the markets deteriorated on average between Belgium on the one hand, and

the Netherlands and Germany on the other. By contrast, it improved slightly between Belgium and France.

Among the four countries, price convergence between Belgium and Germany is by far the weakest. This drop in price convergence is probably due in large part to the unavailability of an important part of Belgian nuclear capacity from August 2012.

The February 2012 price peak, resulting from the cold snap, was not observed to the same extent thereafter, despite the unavailability of several Belgian nuclear power plants. Thanks to coupling with foreign markets, Belgian short-term prices continued their general downward trend but to a much lesser extent.

Figure 15: Average monthly prices on Belpex, APX, EPEX FR and EPEX GE stock markets between 2007 and 2015 (sources: CREG, Elia, APX, Powernext EEX)



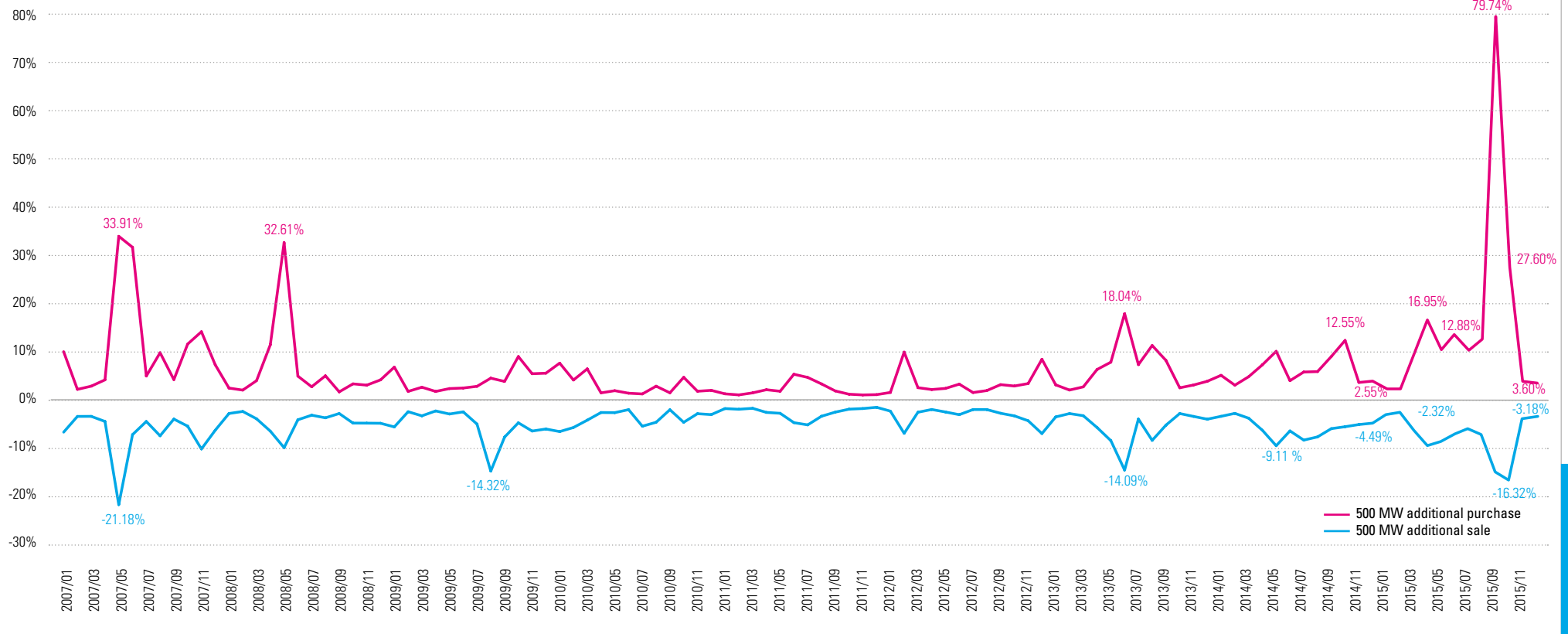
The total volume traded on the Belpex DAM rose to 23.7TWh in 2015, compared to 19.8TWh in 2014, which confirmed the continual increase seen since 2009. The volume traded on Belpex accounts for 30.7% of the total offtake from the Elia grid. This sharp increase in trading volume occurred while the Belgian nuclear power plants experienced major recurring problems from 2012.

In late 2015, the Belpex DAM had fifty-four market players, twelve more than a year ago.

The sensitivity of the electricity price to additional purchase volumes (market depth) is an important factor. Figure 16 illustrates this sensitivity of the Belpex DAM price, i.e. the relative average monthly rise or fall in the price if an additional 500 MW were to be bought or sold. The greater the market sensitivity, the more easily the price can be manipulated. The high sensitivity of the price in 2007 and early 2008 contracted sharply until the end of 2012 (except in February), indicating that the market is becoming more robust in coping with additional supply and demand. From 2013, the trend

reversed, reaching a climax in September 2015 for the period under review. 2015 ended as it began, with renewed strength. The volatility in September 2015 is explained by high prices (peak on 22 September, 2015 at 448.70 euros/MWh) in low volumes. To explain this particular situation in relation to the observed loop flows, the CREG organized a workshop⁷² on 18 November 2015.

Figure 16: Average monthly market resilience of Belpex from 2007 until 2015 (Sources: Belpex, CREG)



72 See also Working Paper (Z)151113-CDC-1476 on the price spikes observed on the Belgian day-ahead spot exchange Belpex on 22 September 2015.

Since March 2008, Belpex has been organising an intra-day stock exchange on which market players can exchange energy on an intra-day basis. The table below shows that the volume traded increased year on year until 2014. The fact that the Belpex intraday exchange was implicitly coupled with the Dutch exchange in 2011 may have had a positive influence on the volumes traded. However, 2015 put an end to this steady progression. The traded volume stood at 642.9 GWh in 2015, i.e. lower than 2013.

The table also shows that the 2015 average price on the intraday market increased to 44.7 euros/ MWh, i.e. comparable, but higher than 2009 and 2014. The intraday prices are higher than the day-ahead prices, mainly owing to the fact that there are more intraday transactions during peak hours, when prices are inevitably higher.

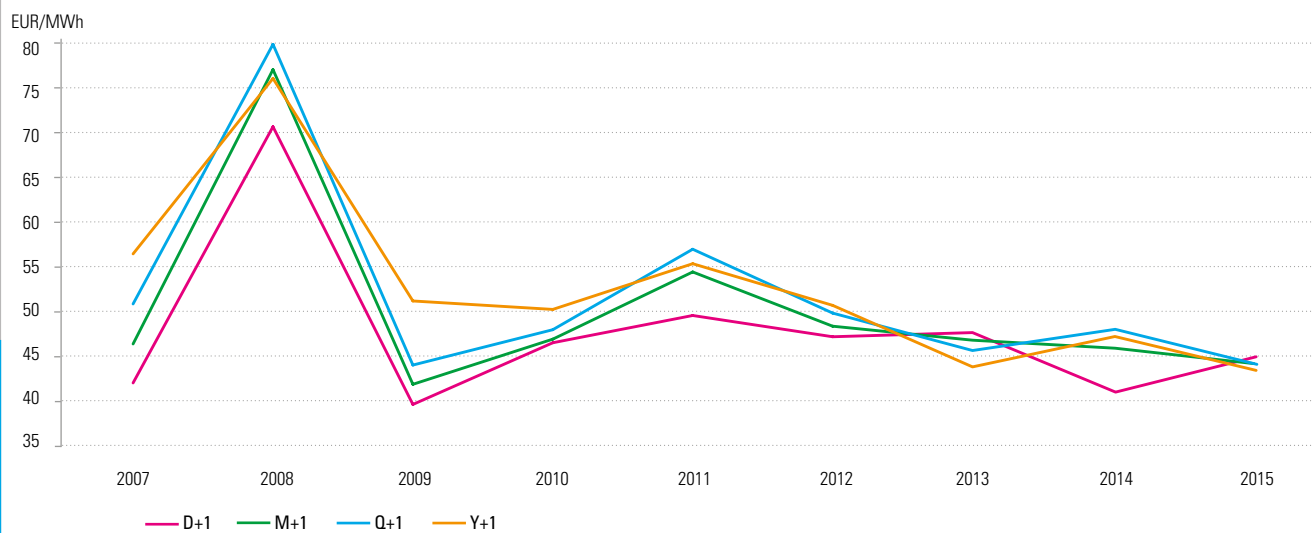
Table 9: Energy exchanged and average price on the intraday stock market (source: Belpex data)

Belpex Intraday	2008	2009	2010	2011	2012	2013	2014	2015
Market Price (euros/MWh)	84.5	41.8	49.9	55.6	51.7	52.4	42.5	44.7
Volume (GWh)	89.2	187.2	275.5	363.5	513.2	651.0	768.2	642.9

Figure 17 compares wholesale prices for short-term and long-term contracts. The long-term contracts considered are contracts for the following month (M+1), the following quarter (Q+1) and the following year (Y+1). The figure gives the average transaction price per calendar year per product. While in 2014 the trend in long-term prices was different to that of short-term prices (D+1), 2015 shows, by contrast, high average price convergence, regardless of deadline. Over the reporting period, long-term prices (Y+1) are on average higher than short-term prices (D+1) for the same period of transaction, with the exception of 2013 and 2015. In 2015, one MWh

of electricity to be supplied the following month was on average 1.6% cheaper than power to be supplied the following day. For supplies to be made the following quarter and the following year, the percentage was 1.4% and 3.0% respectively. Compared to 2014, average and M+1, Q+1 and Y+1 prices are falling and average D+1 prices are rising. For the four deadlines, the D+1 average prices were the highest in 2015. For the period 2007-2015 as a whole, one MWh for the following month, the following quarter and the following year was on average 5.4%, 9.0% and 10.6% more expensive than a day-ahead contract.

Figure 17: Comparison of wholesale prices for short-term and long-term contracts (Sources: Belpex data, EEX, APX, CREG calculations)



- **Study on the results of the auction of 17 May 2013 of cross-border capacity from Belgium to the Netherlands**
The CREG examined⁷³ the monthly auction of interconnection capacity from Belgium to the Netherlands, organized on 17 May 2013 at 11:30, following a remarkable change in the price margin between month-ahead futures traded in Belgium and those traded in the Netherlands the day before and the day following the auction: the price margin increased by 6.58 euros/MWh to 15.7 euros/MWh, i.e. an increase of 9.12 euros/MWh.

A survey was conducted to determine whether there had been a breach of Regulation No 1227/2011 of the European Parliament and of the Council of 25 October 2011 concerning the integrity and transparency of the wholesale energy market (REMIT). The CREG completed its investigation in 2015 and, in accordance with its legal powers, submitted the findings to the interested parties, including the ACER and the

ACM, the Dutch regulator. At the time, the CREG did not yet have enforcement powers under Article 13 of REMIT.

To maintain the confidence of all market players in the operation of the electricity and gas markets, the CREG encourages them to continue to report possible violations to REMIT

3.2.2.4. REMIT

The REMIT regulation (Regulation on wholesale energy market integrity and transparency) set out a series of instructions aimed at preventing and punishing market abuse in the wholesale energy sector. Since 28 December 2011, market stakeholders have had to comply with REMIT's basic rules, but the creation of coordinated monitoring structures (registering market stakeholders, data collection, monitoring, sanctions) did not become operational until 2015.

At European level, the European Commission adopted an implementing regulation on 17 December 2014, in order to determine the data to be reported accurately (including orders and transactions)⁷⁴. The regulation, in force since 7 January 2015, stipulates that by 7 October 2015, market players engaging in transactions on organized market places must have registered with their national regulator and must declare their standard contracts while market players engaging in non-market place transactions must register and declare their contracts, usually non-standard, by 7 April 2016.

For its part, the ACER created a REMIT portal on which it published several lists (organized market places, standard contracts, Registered Reporting Mechanisms (RRMs) and

insider information platforms) and manuals for the attention of market players, notably on data to be reported and the structure of the data for information sharing.

The CREG provided awareness raising for market players on these regulations by organizing two workshops. The first presented REMIT and the registration process. The second was more focused on large energy consumers covered by REMIT (see 5.7 hereof). The CREG supported the market players in their registration procedure on the CEREMP (Central European Registry for Energy Market Participants) platform, and responded to questions by market players on the declaration of contracts for the first phase from 7 October 2015.

The CREG also sought, in late 2015, a tool to assist the monitoring and management of REMIT cases. This will continue during 2016.

Also in 2015, the CREG tested the case management tool; it should be operational during the year 2016.

3.2.2.5. Charter of best practices for electricity and gas price comparison websites

In July 2013, the charter of best practices for electricity and gas price comparison websites was signed by various price comparison website service providers (see 2013 Annual Report, p. 44). The charter includes a number of requirements based on criteria that a quality price comparator must meet, as set out in the CEER "Guidelines of good practice on price comparison tools". Service providers may voluntarily sign the charter, thus undertaking to respect its requirements.

Charter signatories failing to meet its provisions will be subject to the penalties stipulated in the law of 6 April 2010 on market practices and consumer protection.

In 2015, the CREG monitored compliance with the charter by the service provider signatories using sample checks. In this context, the CREG was faced with the rapid development of these websites. It posted on its website the names of the price comparison websites that had signed the charter and are complying with all of its requirements.

3.2.3. Supply price recommendations

In 2015 the CREG carried out and published a study on the composition of product portfolios by supplier and potential savings for households, SMEs and the self-employed in the Belgian electricity and natural gas market (see 3.2.1.1. hereof). This study shows that a large majority of residential consumers, SMEs and the self-employed could still make considerable savings, both by changing the product of their supplier and by changing supplier.

3.3. Consumer protection

The CREG continued to stress the consumer protection aspect of its work in 2015.

It addressed, on a voluntary basis, questions and complaints addressed to it and cooperated with the federal and regional energy mediation complaints services (see 5.6. hereof).

⁷⁴ Commission Implementing Regulation (EU) No 1348/2014 of 17 December 2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (OJEU, 18 December 2014).

The CREG also continued to publish the "Overview of and trends in electricity and gas prices for household customers and SMEs", which emphasises the energy component and the comparison of Belgian all-in prices with those in neighbouring countries (the Netherlands, Germany and France) and the UK (see 3.2.1.2 hereof), and its "Monthly scoreboard for electricity and gas" (see section 3.1.2.3 hereof) on its website.

The CREG also publishes the monthly TTF101 and TTF103 listed gas prices and the quarterly indexing parameters of the variable products used by each supplier and controlled by the CREG.

In 2015 the CREG carried out and published a study on the composition of product portfolios by supplier and potential savings for households, SMEs and the self-employed (see 3.2.3. hereof).

In 2015, the CREG also conducted and published a study on electricity and natural gas price components (see section 3.2.3 hereof) that provides a clear picture of the evolution of the specific component parts of electricity and natural gas prices for residential and small industrial customers.

Finally, the specific needs of SMEs and the self-employed in the energy market (see also section 3.2.1.1 hereof) were

discussed by the CREG in a study. The study shows that SMEs and the self-employed have significant savings potential through change of supplier or at the conclusion of a new contract with the same supplier.

All these publications are intended to provide the consumer with better information on the prices in force in the retail market as well as their evolution.

Lastly, readers are referred to 5.9.2 and 5.9.3, which provide details of the work carried out by the CREG within the ACER working groups of the CEER and European Commission dealing with aspects relating to consumer protection in the field of energy.

3.4. Security of supply

3.4.1. Monitoring the balance between supply and demand

- Demand⁷⁵

The load on the Elia network was 77.18 TWh in 2015 compared with 77.16 TWh in 2014, almost a status quo between 2014 and 2015.

Table 10: Elia network load (power and peak capacity) for the period 2007-2015 (source: Elia, 2015: provisional data)

	Energy (GWh)	Peak capacity (MW)
2007	86,619	14,033
2008	87,760	13,431
2009	81,575	13,513
2010	86,501	13,845
2011	83,350	13,201
2012	81,717	13,369
2013	80,534	13,446
2014	77,161	12,736
2015	77,184	12,634

- Installed capacity and generated power

During the year 2015, the installed production capacity connected to the Elia grid in Belgium that is not part of the strategic reserve declined by 89 MW compared with 2014, from 14,591 MW to 14,502 MW. A number of small production units were effectively decommissioned and partially contracted in the strategic reserve for winter 2015-2016. The total production capacity which was part of the strategic reserve at the end of 2015 was 1,177 MW.

⁷⁵ The demand under consideration here is the Elia network load, calculated as the balance of net power generation injected into the Elia network, imports and exports, minus the energy pumped by pumping power plants. It is therefore the sum of net offtake plus network losses.

Table 11: Breakdown by plant type of installed capacity connected to the Elia network as at 31 December 2015 (source: Elia)

Power plant type	Installed capacity	
	MW	%
Nuclear plants	5,926	40.9
CCGT and gas turbines	3,867	26.7
Conventional power plants	785	5.4
Co-generation	815	5.6
Incinerators	230	1.6
Diesel engines	5	0.0
Turbojets	219	1.5
Hydro (excluding pumping powerplants)	86	0.6
Pumping power plants	1,308	9.0
Onshore wind turbines	163	1.1
Offshore wind turbines	713	4.9
Biomass	385	2.7
Total	14,502	100.0

Table 12: Breakdown by primary energy type of electricity produced in 2015 by plants located on sites connected to the Elia network

Primary energy	Power generated	
	GWh	%
Nuclear ¹	24,822	43.4
Natural gas ¹	18,097	31.6
Coal ¹	3,702	6.5
Fuel ¹	0,0	0.0
Other self-generated power used locally ³	1,782	3.1
Hydro (including pumping power plants) ¹	1,295	2.3
Others ¹	7,501	13.1
Total²	57,200	100.0

¹ Source: Elia, provisional data

² Source: SYNERGRID, provisional data

³ Source: CREG calculations (values not supplied by Elia)

3.4.2. Monitoring TSO investment plans

The Elia TSO has to draw up a plan for the development of the electricity transmission grid in conjunction with the Directorate General of Energy and the Federal Planning Bureau. The draft development plan has to be submitted to the CREG for an opinion.

The plan covers a period of ten years and has to be updated every four years. It includes a detailed estimate of transmission capacity needs. In addition, the development plan defines the investment programme to be implemented by the TSO and takes account of the need for adequate reserve capacity and projects of common interest defined by the institutions of the European Union with regard to trans-European grids.

In 2015, Elia established, in this context and in cooperation with the General Directorate of Energy and the Federal Planning Bureau, a plan for the development of the federal transmission network covering the years 2015 to 2025. The draft development plan was submitted for review to the CREG (among others), which made several recommendations⁷⁶.

On 18 November 2015, the Minister for Energy approved the final version of the transmission network federal development plan 2015-2025.

The CREG also continued to monitor the implementation of the planned investment in network infrastructure in 2015.

3.4.3. Operational security of the grid

A substantial proportion of the physical energy flows comes from cross-border transits of electricity crossing the Belgian grid. According to Elia, physical transmissions amounted to approximately 2.5 TWh in 2015, compared to 3.9 TWh in 2014, or a decrease of 36.7%.

The graph below illustrates the changes in the maximum physical load for the interconnectors with France and the Netherlands.

On both the French and Dutch borders, peak flow occurs when the direction is from the neighbouring country into Belgium.

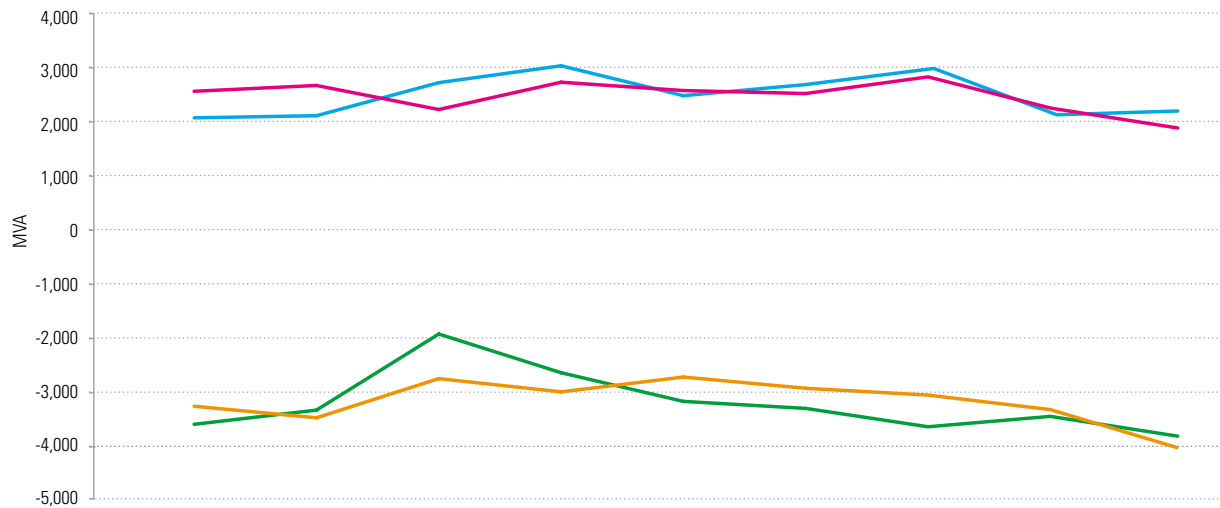
Peak flow from France has once again increased over recent years, after dropping significantly in 2009, the year when phase-shifting transformers were fully operational on the Dutch border for the first time. Peak flows from France increased by 334 MVA compared to the previous year, reaching

3,795 MVA in 2015. This is the highest quarter-hourly peak for the reporting period. For 2015, 88 peak flows over connections with France were higher than the peak value recorded in 2014.

Peak flows with the Netherlands, for the first time for the reporting period, reached 4,005 MVA in 2015 and even exceeded peak flows with France. Thus the peak quarterly-hourly value for 2014 (3,312 MVA), was exceeded 360 times in 2015.

To be able to cope with difficult situations, coordination with neighbouring TSOs once again appears to be even more essential. Coreso, the first regional technical coordination centre shared by several TSOs, created on 19 December 2008 by the Belgian and French TSOs (Elia and RTE), probably plays a major role here. National Grid (the British TSO) became a member of Coreso in mid-2009, while Terna (the Italian TSO) and 50 Hertz (TSO of northern and eastern Germany) have been members since late 2010.

Figure 18: Changes between 2007 and 2015 in the maximum physical load for the interconnections with France and the Netherlands (source: CREG, based on Elia data)



	2007	2008	2009	2010	2011	2012	2013	2014	2015
Max. load, BE → FR	2,055	2,095	2,714	3,030	2,470	2,678	2,963	2,154	2,199
Max. load, BE → NL	2,553	2,663	2,208	2,724	2,567	2,510	2,825	2,235	1,898
Max. load, FR → BE	-3,597	-3,333	-1,917	-2,637	-3,171	-3,301	-3,643	-3,461	-3,795
Max. load, NL → BE	-3,260	-3,477	-2,740	-2,989	-2,711	-2,922	-3,050	-3,312	-4,005

3.4.4. Investment in cross-border interconnections

Elia's short- and medium-term ambition is to strengthen existing interconnections with the Netherlands and France and to develop new interconnections with the United Kingdom, Germany and the Grand Duchy of Luxembourg.

- **Planned strengthening of the northern border (BRABO project)**

In late 2015, Elia commissioned the second Zandvliet phase shifter⁷⁷. This provisional serial configuration comprising the first phase shifter has been performed at Zandvliet. This configuration does not specifically increase import capacity but will optimize it.

During 2016, the second Zandvliet phase shifter will be erected in a configuration in parallel with an upgrade of the second Doel - Zandvliet term from 150 to 380 kV. This goes along with the installation of a 380 / 150 kV transformer at Doel and adaptations of the 150 kV network around Doel. In the scenarios studied with a maximum output of 2,000 MW at Doel, interconnection capacity with the northern border from the Netherlands will increase by about 1,000 MW. Elia estimates that if Doel's production exceeds 2,000 MW, the additional northern border interconnection capacity of 1,000 MW will only be fully used after the completion of the second and third phases of the BRABO project.

The second and third phases provide for the installation of a new 380 kV high-voltage line between the existing high voltage substations at Zandvliet and Lillo and the Mercator high-voltage substation in the municipality of Kruibeke. The second phase, consisting of the Zandvliet-Lillo part and the Escaut spur

at Liefkenshoek, is expected by 2020. Now that all the Doel nuclear units have returned to service and the total production of Doel is approximately 2,900 MW, the calendar of the third phase of the Brabo project should be updated to take account of changes in international energy flows and possibly be moved forward to 2020.

- **Planned strengthening of the southern border**

To respond to the current context of security of supply, "Ampacimon" modules were installed on existing links with France for the winter of 2014-2015. Installing these Ampacimon modules, which monitor the actual transmission capacity of lines via a thermal image of the conductors, enables Elia to make maximum use of these connections to their actual limits.

In the medium term, the links with France shall nonetheless require more structural reinforcements to continue to facilitate the operation of the market. The planned reinforcement involves replacing the conductors between Avelin / Mastaine (FR) and Avelgem (BE) and then up to Horta in Zomergem with so-called "high performance" conductors⁷⁸, in order to increase the south border capacity by about 1,000 MW.

- **Planned interconnection between Belgium and the United Kingdom (Nemo project)**

The Nemo project involves the construction of a 1,000 MW direct current submarine cable about 140 km long. The project will connect Richborough in the UK to the "Gezelle" substation, which is part of the Stevin project erected in Bruges.

The project is included in the European Commission's list of "Projects of Common Interest" (PCI)⁷⁹, confirming its general

importance in the context of European energy policy and the need to strengthen the electrical infrastructure derived from it.

For Belgium, this means that energy can be exchanged directly with the UK, which should lead to greater security of supply in view of the diversification engendered by a new interconnection.

The final investment decision was taken in spring 2015 and the transformer station and cable connection contracts were allocated in mid-2015. Construction work will start in mid-2016, thus making it technically possible to deliver the new connection by the end of 2018 and launch commercial operation in 2019.

- **Planned interconnection between Belgium and Germany (ALEGrO project)**

In this project, named ALEGrO (Aachen Liège Electric Grid Overlay), a DC cable with a capacity of about 1,000 MW will be installed over a distance of about 100 km between the substations of Lixhe (Visé) in Belgium and Oberzier in Germany. The project is also included in the European Commission's list of PCI.

The new interconnection will contribute mainly, through the market diversification offered through direct energy exchange between Belgium and Germany, to an increase in security of supply and will also facilitate further market integration, which will result in price convergence within the CWE region. Moreover, ALEGrO can play an important role in the integration of an increasing number of renewable energy sources.

⁷⁷ The fourth on the northern border: two at Zandvliet and two at the Van Eyck substation at Kinrooi.

⁷⁸ High performance or HTLS (high-temperature low-sag) conductors expand less than conventional conductors when operating at higher temperatures. A higher power flow can therefore be conveyed in the conductors and connection capacity is thereby increased.

⁷⁹ Commission Delegated Regulation (EU) No 1391/2013 of 14 October 2013 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure as regards the Union list of projects of common interest.

Elia and Amprion (the German network operator) plan to obtain, by the end of 2017, all the licences to begin the work, thus providing the technical possibility of building the new connection by the end of 2019, and starting commercial operations from 2020.

• Planned interconnection between Belgium and the Grand Duchy of Luxembourg

The transmission system of the Grand Duchy of Luxembourg is currently in two parts: the first (SOTEL) connected to the Belgian network (Elia) and the French network (RTE) and the second part (Creos) connected to the German network (Amprion). At present there is no direct connection between the two parts in normal network operation.

This structure must be adapted and extended for better integration of the Luxembourg transmission system with the European network. This integration will improve security of supply to the Grand Duchy of Luxembourg and increase the interconnection capacity between Germany, Luxembourg and Belgium in this region.

In 2015, Elia, Creos and Amprion collaborated on a project for the connection of their networks to increase security of supply in Luxembourg and carry out the first commercial coupling of the Belgian and German markets.

As part of this project, Creos will install a 400 MVA / 220 kV phase shifter at the Schifflange high voltage station (Luxembourg). Through better management of energy flows, this phase shifter will help to create a corridor for commercial exchanges between Belgium, Luxembourg and Germany. At the same time, the construction of two new 220 kV lines (the "LuxRing" project) on the Creos network will ensure better connection between the three countries. This project is also

ongoing. The targeted interconnection capacity will rise initially to approximately 300 to 400 MW.

The first results of the study show, according to Elia, that a continued increase in interconnection capacity between Belgium and Luxembourg is only possible in the long term if an additional connection is made. The connection currently being studied consists of two 220 kV cables between the Aubange (BE) and Bascharage (LU) substations, equipped with optional phase-shifting transformers to control the total flow. Interconnection capacity could therefore increase to 700 MW.

Regarding the execution of a coupling between the Belgian hub and the German / Austrian / Luxembourg hub, Elia and Creos reported in January 2016 that the commercial commissioning of the BeDeLux interconnection will not take place in the first half of 2016 as originally planned. Elia and Creos also announced that they will provide market players with more information on the new schedule during 2016.

3.4.5. Measures to cover peak demand and to deal with shortfalls

3.4.5.1. Strategic reserve

A law, dated 26 March 2014, amended the Electricity Law by inserting a chapter on the strategic reserve. This law is explained in section 2.2 of the CREG 2014 Annual Report.

• Winter 2014-2015

The strategic reserve did not need to be activated during winter 2014-2015.

On 15 September 2015, the CREG published a study⁸⁰ on the strategic reserve and the operation of the market during

winter 2014-2015. The study states that the Belgian control area was far from activation of strategic reserves during the winter of 2014-2015, which saw normal average temperatures and no cold snaps. The study also analyses in detail the two most critical days of last winter. Then security of supply was simulated in more extreme conditions. Finally, the study provides the outlook for next winter 2015-2016.

The CREG study shows that both the day ahead market and the real time system remained 1,000 MW below activation of the strategic reserve. A fortiori, Belgium comfortably avoided load-shedding generated by a supply security problem.

An analysis of the day with the highest price during the last winter (24 March 2014) shows that even outside the winter period, the market may experience a relative shortage, not following a cold snap but due to lower availability of generation capacity and interconnection capacity. Given this lower available capacity, rising prices enhance the economic value of production capacity and demand management, which may, in turn, positively affect security of supply.

A simulation shows that even under extreme conditions for winter 2014-2015, activation of the strategic reserve would, without doubt, have been unnecessary.

The CREG did not consider it any less necessary to create a strategic reserve to provide an indispensable supplement in the Energy Only Market to ensure security of supply in the event of a real cold snap. Moreover, the CREG believes that the current definition of the volume of the strategic reserve could be improved because at this stage its result is sometimes difficult to understand.

The available production capacity planned for next winter will be of the same order of magnitude as that of last winter.

Compared to last year, the highest available capacity of the strategic reserve will enhance the resistance of the system to unplanned outages and any cold snaps.

Following this study, the CREG was heard by the Economy Committee of the House of Representatives⁸¹ on 27 October 2015.

• Winter 2015-2016

Under the Law of 26 March 2014, a ministerial decree of 15 January 2015⁸² instructed the electricity TSO, Elia, to set up from 1 November 2015 a strategic reserve for an additional volume of 2,750 MW, compared to the 750 MW already procured on the basis of the ministerial decree of 16 July 2014. In January 2015, the CREG gave its comments on the terms of the process for the constitution of strategic reserves proposed by Elia for the winter period 2015-2016⁸³.

In March 2015, the CREG rendered a decision⁸⁴ on the operating rules of the strategic reserve applicable from 1 November 2015. This was preceded by a consultation organized in February 2015 on Elia's proposal for the strategic reserve operating rules and on the CREG's draft decision on this proposal.

In June 2015, based on Elia's report containing the data on prices and volumes offered and a technical/economic selection of bids received in the call for tenders organized in March 2015 to set up the strategic reserve, the CREG gave an opinion⁸⁵ on the manifestly unreasonable or reasonable nature of the offered price.

The terms and conditions of the contracts of the access management parties were also adapted to ensure their compliance with the strategic reserve mechanism (see section 3.1.3.3.A.b hereof).

The "strategic reserve" public service obligation tariff, set by the CREG⁸⁶, which entered into force on 1 February 2015, amounted to 0.6110 euro/MWh of net offtake (see also section 3.1.3.5.A.b hereof).

3.4.5.2. Call for tenders for the establishment of new power generation facilities

A ministerial order of 27 March 2015 brought an end to the tender procedure for the establishment of new gas-fired open or combined-cycle power generation facilities in Belgium (cf. section 2.4 hereof)..

3.4.5.3. Shortage of electricity and load shedding plan

• CREG opinion on a draft royal decree amending the technical regulation and a draft ministerial decree modifying the load shedding plan

At the request of the Minister for Energy, the CREG issued an opinion⁸⁷ on 6 July 2015, firstly on a draft royal decree amending the technical regulations for operation of the electricity transmission system and access to it and, secondly, a draft ministerial decree modifying the load shedding plan of the electricity transmission system. The CREG made general comments and reviewed the text, article by article.

The Royal Decree of 6 October 2015 amending said technical regulation and ministerial decree of 13 November 2015 amending the load shedding plan of the electricity transmission system are detailed in section 2.3 hereof.

81 The report is available at <http://www.lachambre.be/doc/CCRI/pdf/54/ic008.pdf>.

82 Ministerial Decree of 15 January 2015 instructing the system operator to provide an additional strategic reserve from 1 November 2015 (Moniteur belge, 21 January 2015).

83 Note (Z)150115-CDC-1395 on proposed methods for the establishment of strategic reserves - winter 2015-2016.

84 Final decision (B)150312-CDC-1403 on the proposal of Elia System Operator on the operating rules of the strategic reserve from 1 November 2015.

85 Opinion (A) 150625-CDC-1433 on the manifestly unreasonable nature or not of the prices offered to Elia System Operator for the supply of the strategic reserve in response to the call for tenders of 17 March 2015.

86 Decision (B)150129-CDC-658E/32 on the proposal of Elia System Operator of 25 November 2014 on the adaptation from 1 January 2015 of the tariffs for public service obligations and taxes and surcharges - strategic reserve.

87. Opinion (A) 150706-CDC-1430 on a draft Royal Decree amending the Royal Decree of 19 December 2002 establishing technical regulations for operation of the electricity transmission system and access thereto, as well as a draft ministerial decree amending the ministerial decree of 3 June 2005 establishing the electricity transmission system load shedding plan.

• **The measures to be taken in order to ensure an adequate volume of conventional production means to assure the security of Belgium's electricity supply.**

In June 2015, the CREG carried out a study⁸⁸ on the measures to be taken in order to ensure an adequate volume of conventional production means to assure the security of Belgium's electricity supply.

This study is part of a mission entrusted to the CREG by the Minister for Energy in fulfilment of decisions taken by the federal government. A public consultation was undertaken to obtain the views of market players.

The study defines the concept of adequacy, addresses evaluation of the need for short to medium term capacity and presents the possible means to obtain the desired level of security of supply under the current market model. It then considers the addition of a capacity payment mechanism by first examining the experiences of neighbouring countries and then suggesting avenues for possible implementation in Belgium.

Following the public consultation, meetings with various market players and an analysis of the operation of the Belgian market, the CREG reached the following conclusions:

- short and medium term evaluation of power generation capacity requirements and demand management needs to be improved. The regulations and methodology in force to date should, inter alia, provide for objectification and validation by the authorities with jurisdiction, including the CREG;

- the operation of the Energy Only Market needs to be improved, both in the short term and through structural reforms, including the strategic reserve (e.g. definition of the conditions under which a unit participating in the strategic reserve can return to the market);
- on the basis of the needs analysis, a capacity payment mechanism (CRM) could be set up in Belgium. It should be noted that, the establishment of certain CRMs abroad has often been complex and has needed several years at a cost, with efficiency that must sometimes be further demonstrated.

3.4.5.4. The Elia backup code

In accordance with the technical regulations, Elia notified the CREG, in a letter dated 2 December 2015, of a new version of the backup code incorporating legislative changes to the Royal Decree of 19 December 2002 establishing technical regulations for operation of the electricity transmission system and access to it; and to the Ministerial Order of 3 June 2005 establishing the load shedding plan of the electricity transmission system (see section 2.3 hereof).

The backup code lays down in particular the operational procedures for access managers, network users and other network operators in order to ensure the safety, reliability and efficiency of the network.

4. The natural gas market

4.1. Regulation

4.1.1. Natural gas supply

4.1.1.1. Federal natural gas supply permits

The supply of natural gas to customers (distribution companies or end customers whose gas offtake at each supply point permanently amounts to a minimum of one million m³ per year) established in Belgium is subject to the prior granting of an individual permit issued by the Minister for Energy (except when it is carried out by a distribution company on its own distribution system).

The federal permit application dossiers are sent to the CREG which examines the criteria and then sends its opinion to the Minister for Energy.

In this context, the CREG provided three opinions in 2015 following requests submitted by Bayerngas Vertrieb⁸⁹, Essent Belgium⁹⁰ and Enovos Luxembourg⁹¹.

In 2015, total natural gas⁹² consumption amounted to 175.8 TWh, which represents an increase of 9.6% compared with consumption in 2014 (160.4 TWh). This increase results from an increased consumption of natural gases in all consumer segments. We observe a far greater consumption for end customers connected to the distribution systems (+10.7%), a slight increase in consumption for the generation of electricity (possibly combined with heat production) (+12.4%) and a limited increase in consumption by industrial customers (+4.8%).

In 2015, just one additional company began to supply the wholesale market in natural gas: ArcelorMittal Energy S.C.A. Moreover, it should be mentioned that GDF Suez changed its name to Engie, but it still carries out its transmission activities from its Electrabel subsidiary. If we include the takeover or integration of transmission operations in a business of the same group, 23 companies were active in 2015 on the Belgian natural gas transmission market.

The top three supply companies also remain unchanged in 2015, as do their rankings. Electrabel (Engie/GDF Suez) retains first place and has seen its market share grow from 30.8% in 2014 to 31.4% in 2015 (+0.6%). Eni Gas & Power holds on to second place and has seen its market share reduced by 4.4% to 24.5%. Eni Gas & Power has seen the sharpest drop in market share. EDF Luminus remains stable at 9.6%.

RWE Supply & Trading is in fourth place this year, with an increase of 0.7%, reaching 5.2%. Statoil is fifth, but has shown a loss of 1.7% with 5.0%. In 2015, five companies hold a market share greater than 5%.

WINGAS has seen a 1.4% drop with 4.4%. Lampiris has shown a slight drop (-0.2%), but is still in seventh place (4.2%). Vattenfall Energy Trading Netherlands is showing the largest growth in terms of volume (3.6%). In view of the fact that it only performed a very limited number of provisions in 2015, its growth in terms of volume almost corresponds with its market share (3.6%). The market share of newcomer ArcelorMittal Energy S.C.A. has immediately obtained 2.4%. Gas Natural Fenosa has dropped slightly (-1.4%), to 1.9% of

the market share. SEGE (Société européenne de Gestion de l'Énergie) has seen a slight drop to 1.6%. Eneco België BV has also suffered a slight loss, at 1.4%. Enel Trade has seen its share increase from 1.2% to 1.3%. Total Gas & Power has progressed by 0.2% and takes last place in the rankings, with a market share greater than 1% (1.1%).

The other active system users are Antargaz, Belgian Eco Energy, Direct Energie Belgium, E.ON Global Commodities (which has since changed its name to Uniper Global Commodities), Enovos Luxembourg, European Energy Pooling, GETEC ENERGIE, NATGAS and Progress Energy Services. All of these companies each have a market share of less than 1%. The nine companies jointly hold a market of share of just 2.4%.

As at the 31 December 2015, thirty-six system users held a federal supply permit. Twenty-three of them conducted, over the course of 2015, operations on the transmission system for shipping natural gas to Belgian end customers. By way of comparison, at the end of 2007, just six system users were operating on the Fluxys Belgium transmission system for supplies to Belgian end customers.

89 Opinion (A)151113-CDC-1474 relating to an individual natural gas supply permit granted to Bayerngas Vertrieb GmbH. By ministerial decree of 10 December 2015, an individual natural gas supply permit has been granted to Bayerngas Vertrieb GmbH (Moniteur belge, 18 December 2015).

90 Opinion (A)151210-CDC-1491 relating to an individual natural gas supply permit granted to Essent Belgium NV.

91 Opinion (A)151217-CDC-1492 relating to an individual natural gas supply permit granted to Enovos Luxembourg SA.

92 On this matter, it should be noted that this evaluation is based on figures related to shipping activities as disclosed by the transmission system operator, such as they are communicated by the transmission system operator.

Table 13: Companies active in 2015 on the Belgian market for shipping natural gas - Changes compared with 2014 (source: CREG)

Volume routed in Belgium (in TWh)* Market share in Belgium (in %)	2014		2015		Δ2015/2014	
	TWh	%	TWh	%	(%)**	(%-point)***
ANTARGAZ SA	0.09	0.057	0.26	0.147	181	0.09
ARCELORMITTAL ENERGY SCA	0.00	0.000	4.25	2.416		2.42
BELGIAN ECO ENERGY NV	0.04	0.027	0.09	0.049	99.5	0.02
DIRECT ENERGIE	0.00	0.000	0.06	0.034	8902	0.03
EDF LUMINUS	15.47	9.646	16.94	9.637	9.5	-0.01
ELECTRABEL ENGIE	49.46	30.835	55.23	31.418	11.7	0.58
ENECO BELGIË BV	2.37	1.476	2.45	1.396	3.7	-0.08
ENEL TRADE SpA	0.28	0.175	2.33	1.326	728	1.15
ENI SpA	46.33	28.883	43.00	24.461	-7.2	-4.42
ENOVOS LUXEMBOURG SA	0.62	0.387	0.45	0.253	-28.2	-0.13
EUROPEAN ENERGY POOLING	0.20	0.122	0.44	0.248	122	0.13
GAS NATURAL EUROPE	5.16	3.218	3.27	1.859	-36.7	-1.36
GETEC ENERGIE AG	0.27	0.166	0.26	0.150	-0.8	-0.02
LAMPIRIS SA	7.13	4.442	7.43	4.225	4.2	-0.22
NATGAS AKTIENGESELLSCHAFT	0.99	0.617	1.55	0.881	56.5	0.26
PROGRESS ENERGY SERVICES	0.09	0.057	0.24	0.137	166	0.08
RWE SUPPLY & TRADING GmbH	7.16	4.463	9.09	5.169	26.9	0.71
SOC. EUROP. DE GESTION DE L'ENERGIE SA	2.68	1.673	2.88	1.639	7.4	-0.03
STATOIL ASA	10.66	6.647	8.78	4.992	-17.7	-1.65
TOTAL GAS & POWER Ltd	1.42	0.882	1.95	1.110	37.9	0.23
UNIPER GLOBAL COMMODITIES SE	0.77	0.482	0.90	0.513	16.8	0.03
VATTENFALL ENERGY TRADING NETHERLANDS NV	0.00	0.000	6.28	3.575		3.57
WINGAS GmbH	9.21	5.744	7.67	4.364	-16.7	-1.38
Final total	160.4	100.0	175.8	100.0	9.6	

* These figures only concern supplies to customers connected to the transmission system and to the offtake points on the distribution systems. For separate statistics on supplies to customers connected to the transmission and distribution systems, please consult the joint publication of the four energy regulators on the CREG website (www.creg.be).

** Relative change in 2015 compared with 2014 (2014 is the baseline).

*** Absolute change in market share.

4.1.1.2. Price caps

Readers are referred to section 3.1.2.2 hereof which applies mutatis mutandis to natural gas.

The social price cap (excluding VAT and other taxes) for the natural gas supply, for the period of 1 February 2015 to 31 July 2015 inclusive, is €c3,244/kWh (€0.03244/kWh). This tariff is expressed without the federal contribution, protected customer surcharge and connection fee (Wallonia). Other taxes relating to system tariffs (transmission and/or distribution) are included.

The social price cap (excluding VAT and other taxes) for the natural gas supply, for the period of 1 August 2015 to 31 January 2016 inclusive, is €c3,155/kWh (€0.03155/kWh). This tariff is expressed without the federal contribution, protected customer surcharge and connection fee (Wallonia). Other taxes relating to system tariffs (transmission and/or distribution) are included.

4.1.1.3. Trends in and fundamentals of the natural gas price

Readers are referred to section 3.1.2.3 hereof, which also applies to natural gas.

4.1.2. Transmission and distribution

4.1.2.1. Unbundling and certification of TSOs

■ FLUXYS BELGIUM

Following the decision made on 27 September 2012 relating to the certification request of Fluxys Belgium, the latter has raised the call option relating to the rTr channel in January 2015 and took possession of it on 15 September 2015.

As part of the integration of the Belgian and Luxembourg systems (see also section 4.1.3.3 hereof), Fluxys Belgium

and Creos, the Luxembourg transmission network operator, founded, on 7 May 2015, the jointly-run Balansys company, in which both companies each hold a 50% share.

Some modifications were made within the Fluxys group in 2015.

On 7 December 2015, Fluxys Belgium took over trading services from Huberator (90% stake in Fluxys Europe subsidiary), allowing it to expand the range of services it offers to shippers from 2016 onwards. The remaining 10% remain the property of Gasbridge 1 and Gasbridge 2, in which Fluxys Europe and SNAM each hold a 50% stake.

Fluxys Europe and Enagas agreed, on 23 March 2015, to each acquire 50% of Swedegas from EQT Infrastructure Ltd. Swedegas holds some 600 km of high pressure gas pipelines, as well as the Skallen underground gas storage facility located in Sweden.

On 29 December 2015, Fluxys Europe transferred its entire stake of 25% in Interconnector (UK) Ltd to Fluxys UK Ltd, a 100% stake subsidiary of Fluxys Europe. Additionally, Fluxys Europe has created a new subsidiary (Fluxys Interconnector Ltd) which holds a 10% stake in Interconnector (UK) Ltd.

Mr Andries Gryffroy was appointed administrator to the Fluxys Belgium Board of Directors in May 2015, having been put forward by Publigras. His term will come to an end during the ordinary general meeting of May 2021. Mr François Fontaine was appointed government Commissioner by the federal government.

Mr Pascal De Buck has held the presidency of the Management Board of Fluxys Belgium since 1 January 2015 and performs the role of Managing Director, replacing Mr Walter Peeraer. Fluxys Belgium's Management Board is made up of three members, namely Messrs Pascal De Buck (Chief Executive Officer), Paul Tummers (Chief Financial Officer) and Peter Verhaeghe (Chief Technical Officer).

■ *Interconnector (UK) Ltd*

By Decision of 11 July 2013, the CREG approved the request for certification from Interconnector (UK) Ltd (hereafter: "IUK") on condition, however, of certain conditions that IUK had to meet before 3 March 2015.

In view of the fact that not all of these conditions would be met by 3 March 2015, the CREG began, on 26 February 2015, a certification process with regards to IUK, in cooperation with Ofgem, the British regulatory authority. On 18 June 2015, the CREG submitted a draft decision in this respect⁹³ and sent it to the European Commission for their opinion. The opinion was given on 20 August 2015⁹⁴.

On 9 October 2015, the CREG gave a favourable final decision⁹⁵ concerning the IUK certification. The Gazprom shares were sold to Fluxys Interconnector Ltd on 17 December 2015.

The IUK shareholders at the end of 2015 comprised of the following: Fluxys UK Ltd (25%), Caisse de Dépôt et Placement du Québec (23.5%), Gasbridge 1 (15.75%), Gasbridge 2 (15.75%), CDP Groupe Infrastructures Inc. (10%) and Fluxys Interconnector Ltd (10%).

Mr Denis Sergeevich Anokhin, Gazprom representative, is no longer a member of the IUK Board of Directors, as of 29 May 2015.

4.1.2.2. Corporate governance

Within the control framework of the application of article 8/3 of the gas act and the assessment of its efficiency with regards to the independence and impartiality objectives of the operators, the CREG acknowledged receipt of the activity reports of Fluxys Belgium and Fluxys LNG's company governance committee for the year 2014.

It also examined the report from the Compliance Officer on observance of the programme of commitments by employees of Fluxys Belgium and Fluxys LNG in 2014. This programme must ensure that there is no discriminatory treatment of system users and/or categories of system users. The CREG has particularly requested that, in future, separate reports be submitted by Fluxys Belgium and Fluxys LNG, given that both companies carry out separate activities. In December 2015, the CREG received the 2016 audit programmes from Fluxys Belgium and Fluxys LNG, which must ensure the observance of the non-discrimination requirements.

Finally, in June 2015, the CREG gave its assent⁹⁶ relating to the mandate renewal of an independent administrator of Fluxys Belgium.

93 Draft decision (B)150618-CDC-1429 relating to the opening of a certification procedure with regards to Interconnector (UK) Ltd.

94 European Commission opinion of 20 August 2015, given in application of article 3, paragraph 1, of Regulation no. 715/2009/EC and article 10, paragraph 6 of Directive 2009/73/EC - Belgium and Great Britain - Interconnector (UK) Ltd certification.

95 Final decision (B)151009-CDC-1429 relating to the opening of a certification procedure with regards to Interconnector (UK) Ltd.

96 Opinion (A)150611-CDC-1425 relating to the independence of an independent administrator on the Fluxys Belgium SA Board of Directors.

4.1.2.3. Technical operation

A. Natural gas transmission permits

To build and operate its natural gas facilities, the TSO, Fluxys Belgium, has to submit an application for a transmission permit to the Directorate-General for Energy. The CREG has the power to issue opinions on such applications.

In 2015, the CREG passed fourteen favourable opinions⁹⁷ for transmission permit applications or endorsement for existing permits.

B. The balancing model

Developments relating to the new market-based balancing model in effect from 1 October 2012, summarised in the 2013 Annual Report (pages 55-56), are still applicable in 2015. The reader is also invited to read point E below, in particular the CREG's Decision of 20 May 2015 relating to the modification proposal of the standard natural gas transmission contract, of the access regulations for the transmission of natural gas and for the natural gas transmission programme that aims to integrate the Belgian and Luxembourg gas markets (BeLux project).

C. Regulations governing system security and reliability, and standards and requirements for quality of service and supply

To comply with Article 133 of the Code of Conduct, the natural gas transmission system operator applies a monitoring system that tracks the quality and reliability of its transmission system operations and the natural gas transmission services provided.

In particular, this monitoring system makes it possible to determine quality criteria in terms of:

- frequency of service interruptions and/or reductions;
- average duration of service interruptions and/or reductions;
- causes and remedies for these service interruptions and/or reductions;
- portfolio of natural gas transmission services offered.

There were no service interruptions or reductions in 2015.

D. Time taken by the transmission system operator to carry out connections and repairs

In accordance with the Gas Law, the CREG is responsible for monitoring the time taken by the natural gas transmission system operator to carry out connections and repairs.

In 2015, four new connections were created for end customers and one for public distribution. The creation of these new connections took 41, 53, 23, 29 and 33 months respectively.

Unlike in previous years, in 2015 no repairs were carried out in relation to accidents or incidents. The only repairs were those that took place within the framework of maintenance periods. The twelve repairs under scheduled maintenance periods were carried out to avoid any impact on service delivery. All scheduled operations were for a limited time (usually one day) and were conducted in conjunction with the end user and/or shippers concerned.

E. Code of Conduct

• Natural gas transmission

On 10 May 2012, the CREG approved the standard natural gas transmission contract, the access rules and the natural gas transmission programme put forward by Fluxys Belgium and thereby gave the go-ahead for the implementation of a new transmission model as of 1 October 2012. This new transmission model, known as Entry/Exit, greatly simplifies access to the Fluxys Belgium transmission system and creates the conditions necessary to improve the fluidity of the natural gas market. Amongst other things, it provides easy access to the natural gas transmission system for all market players, the creation of a trading space where, in addition to bilateral trading (OTC), an anonymous (exchange) stock market offers services to market players and a market-orientated balancing system through which Fluxys Belgium buys or sells natural gas on the anonymous exchange to maintain the balance of the system.

The services offered are largely in line with the basic principles set out by the CREG for the new transmission model. Specifically:

- an extensive portfolio of transmission services is made available to market players;
- transmission services at entry points can be reserved independently of transmission services at offtake points;
- no distinction is made between transit and internal transmission;
- the possibility of reserving transmission services for a minimum of one day is provided;
- the maximum period for the reservation of transmission services at entry and offtake points on the transmission system is not limited;

⁹⁷ See opinions 1397, 1401, 1406, 1415, 1428, 1432, 1434, 1435, 1443, 1444, 1455, 1468, 1481 and 1486: their full titles are given under section 5.11 hereof.

- the supply and nature (closed, interruptible) of the transmission services in the new transmission model have not been reduced further to the transition;
- the transmission services can be easily reserved by means of an electronic reservation system available 24/7;
- a virtual trading space has been created for natural gas;
- all the market players (including end customers) can trade in natural gas in this trading space in a very simple manner and then carry the gas to the destination of their choice;
- access to the transmission market and the natural gas trading market has been greatly simplified and improved in structural terms.

Each system user wishing to reserve transmission services or have access to the Fluxys Belgium information and reservation systems must first sign the standard contract for natural gas transmission services. This standard contract provides the means to access the natural gas transmission system and the transmission systems operated by Fluxys Belgium. The system user is registered as a client of Fluxys Belgium and can reserve transmission services as of the subscription date. Depending on their requirements, the system user can reserve the transmission services by means of a written procedure or via the automatic reservation system, available 24/7. In addition to the shippers, traders and suppliers, the end customer can also access the natural gas transmission system and the natural gas stock market using the same methods.

The offtake capacity of end customers connected to the distribution system no longer has to be reserved, but is allocated on a monthly basis by Fluxys Belgium. This greatly simplifies access to the household market and small and medium-sized enterprises. In fact, there is no longer any need for suppliers to reserve offtake capacity for end customers on the distribution network in advance, whereas in the past this was a

complicated technical process, especially for newcomers to the market. Moreover, the offtake capacity is calculated and allocated in the same way for each shipper/supplier, which creates a level playing field and avoids any discrimination.

At the same time that the entry/exit model was implemented in October 2012, a proactive congestion policy was set up in cooperation with the market stakeholders and integrated into the Fluxys Belgium natural gas access regulations. The basic principles are as follows: Fluxys Belgium supplies a maximum entry/exit capacity, the system users (shippers) offer their subscribed but unused capacity on the secondary market, and the use of the capacity is subject to constant monitoring. In the event of congestion, the CREG will intervene depending on the information that has been provided by Fluxys Belgium and the shippers in question. Thanks to this policy, no congestion has yet been reported to date on the gas transmission system. European regulations also include a series of provisions with regards to congestion, including the Long Term Use-It-Or-Lose-It system (LT UIOLI). The previously subscribed but unused capacity is therefore returned to the market, and can be used to prevent congestion and make better use of the system. This LT UIOLI obligation has also already been integrated in Belgium, in the access regulations relating to natural gas transmission, since 2012. However, the European legislative framework has not always been very clear regarding the application of the LT UIOLI system. A guidance document, notably published on the CREG's website on 8 April 2015, which is the result of a shared initiative of the Belgian (CREG), Dutch (ACM) and British (OFGEM) regulators, specifies the criteria applied to the implementation of the LT UIOLI system. The CREG's role is to ensure the system is operating correctly and, where applicable, to take any measures necessary.

In 2015, the CREG issued six decisions relating to amendments proposed by Fluxys Belgium to the standard contract for natural gas transmission, the natural gas transmission programme and the access rules for natural gas transmission:

- Decision of 26 March 2015 relating to the amendments to the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B, C1, and G of the access rules for natural gas transmission

By its letter of 16 March 2015, Fluxys Belgium submitted to the CREG a permit application for amendments made to the standard contract, the natural gas transmission programme and Annexes A, B, C1 and G of the access rules for natural gas transmission.

With these modifications, Fluxys Belgium foresees:

- the introduction of new interconnection points between France and Belgium, resulting from the future entry into service of the new pipeline that will connect the Dunkirk terminal to the Belgian system;
- the introduction of a new service, the "Cross Border Delivery Service", which directly connects the Dunkirk terminal to the Belgian transmission system.

The amendments made take into account feedback received from system users, following the market consultation organised on 2 February 2015 and 20 February 2015.

In its Decision of 26 March 2015⁹⁸, the CREG approved the proposed amendments and decided that they would come into effect on the 2 April 2015.

⁹⁸ Decision (B)150326-CDC-1414 relating to the amendments proposed by Fluxys Belgium to the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B, C1 and G of the access rules for natural gas transmission.

- Decision of 20 May 2015 relating to the amendments to the standard contract for natural gas transmission, the natural gas transmission programme and the access rules for natural gas transmission

By letters dated 15 April 2015, Fluxys Belgium submitted to the CREG a permit application for amendments to the standard contract for natural gas transmission, the access rules for natural gas transmission and the natural gas transmission programme.

The aim of the proposed amendments is to integrate the Belgian and Luxembourg gas markets (BeLux project). They apply to:

- the removal of all provisions relating to balancing;
- the removal of the interconnection points between Belgium and Luxembourg from the list of interconnection points for capacity sales;
- the introduction of some text adaptations, limited to provisions relating to the quality conversion service;
- the removal of the reshuffling service;
- the adaptation of the billing process through the introduction of "self-billing";
- the revision of Annex F of the access rules for transmission, concerning the incident management plan.

Additionally, on 13 May 2015, Fluxys Belgium submitted an amendment proposal for the access rules of natural gas transmission and the natural gas transmission programme approved by the CREG on 26 March 2015 (decision (B)150326-CDC-1414 mentioned above), as well as the associated consultation report. These amendments were indispensable in order to continue the guarantee, from 1 October 2015, pending the entry into effect of the legal framework required for the integration of balancing regimes of Belgium and Luxembourg's gas markets, the balancing of the system

through the implementation of transition measures, as part of which Fluxys Belgium continues to honour all commitments and tasks related to balancing. In this context, Fluxys Belgium has also submitted a new amendment proposal for the standard contract for natural gas transmission to the CREG to replace the amendment proposal for the standard contract for natural gas transmission that was initially submitted.

All these amendments have been subject to a large-scale market consultation by Fluxys Belgium.

The CREG has decided⁹⁹ to approve the amendments proposed by Fluxys Belgium, with the exception of some specific articles. Furthermore, subject to certain condition precedents, the CREG has decided that the approved provisions will come into effect on the launch date of the BeLux integration project on 1 October 2015.

- Decision of 17 September 2015 concerning the permit application for amendments to the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B, C1, C3, E, G and H of the access rules for natural gas transmission

On 4 August 2015, Fluxys Belgium submitted to the CREG a permit application for amendments made to the standard contract for natural gas transmission, the natural gas transmission programme and certain Annexes of the access rules for natural gas transmission.

By means of these amendments, Fluxys Belgium would like to adapt its services offered on the contractual and operational level to the implementation of the CAM network code that will come into effect on 1 November 2015. In view of simplifying the transmission model even further, Fluxys

Belgium has also proposed the total integration of the hub's services into its services offer. The amendments take into account feedback received from system users, following the market consultation organised in the spring of 2015.

In its Decision of 17 September 2015¹⁰⁰, the CREG stated that the provisions set out in the CAM network code have not been fully implemented and that the integration of the hub's services shows significant shortcomings, both at the contractual and the operational level. That is why the CREG has decided not to approve all of the proposed amendments and has invited Fluxys Belgium to draw up a new proposal (see below for the Decision of 29 October 2015).

- Decision of 29 October 2015 relating to the permit application for the adapted proposal of the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B, C1, C3, E, G and H of the access rules for natural gas transmission

In mid-October 2015, Fluxys Belgium submitted a modified permit application to the CREG for amendments to certain contracts. The purpose of these amendments is to adapt the services offer for the introduction of the Capacity Allocation Mechanisms network code. Fluxys Belgium also indicates that the integration of the hub's services will take place at a later date. As this involves Interconnection Agreements, progress updates will be given as part of the implementation of the network code on interoperability rules. Finally, amendments made to the services offer for certain types of end customers will be subject to consultation and will be submitted for approval separately.

By its Decision of 29 October 2015¹⁰¹, the CREG has approved the proposed amendments and has decided that they will come into effect as of 1 November 2015.

⁹⁹ Decision (B)150520-CDC-1420 relating to the amendments to the standard contract for natural gas transmission, the natural gas transmission programme and the access rules for natural gas transmission by Fluxys Belgium.

¹⁰⁰ Decision (B)150917-CDC-1457 concerning the permit application for amendments to the standard contract for natural gas transmission, the natural gas transmission programme and annexes A, B, C1, C3, E, G, H, as well as the new annex C5, of the access rules for natural gas transmission by Fluxys Belgium.

¹⁰¹ Decision (B)151029-CDC-1469 relating to the permit application for the adapted proposal of the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B, C1, C3, E, G and H of the access rules for natural gas transmission by Fluxys Belgium.

- Decision of 10 December 2015 on the amendments made to Appendix 1 of Annex B of the access rules for natural gas transmission

By Decision of the 10 December 2015¹⁰², the CREG has approved the integration - for information purposes for shippers - of the Dutch version of the terms and conditions for the use of the PRISMA Capacities Platform applied by the latter from 1 October 2015 in Appendix 1 of Annex B of the access rules for natural gas transmission, submitted by Fluxys Belgium to the CREG on 16 September 2015.

- Decision of 17 December 2015 relating to the permit application for the adapted proposal of the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B and G of the access rules for natural gas transmission by Fluxys Belgium

At the start of December 2015, Fluxys Belgium submitted to the CREG a permit application for amendments to the natural gas transmission programme and Annexes A, B and G of the access rules for natural gas transmission.

The purpose was to offer a new service to end customers that are directly connected to the transmission system (such as power stations and industrial end customers) in addition to the current offer of annual, seasonal and short-term services. This new service will be sold under the name Fix/Flex. Furthermore, the proposed amendments will offer system

users the option of subscribing to services on a calendar day basis.

In its decision reached on 17 December 2015¹⁰³, the CREG approved the proposed amendments. They came into force on 1 January 2016.

F. Measures to safeguard security of supply

The European Commission's Gas Coordination Group coordinates the application of Regulation (EU) No 994/2010¹⁰⁴ of 20 October 2010 which aims to safeguard security of natural gas supply in Europe. The CREG represents Belgium in the European Coordination Group, alongside the designated competent authority, namely the Directorate General for Energy. In addition to discussing the preventative action plans and emergency plans of the European Member States, special attention has been paid to the amendment of Regulation (EU) No 994/2010 in 2015. The CREG assists the competent authority in the application of Regulation (EU) No 994/2010 in Belgium. In this context, the CREG primarily focuses on the optimisation of market instruments that aim to safeguard security of supply. Residual risks require appropriate intervention on the part of the authorities, which is likely to be integrated within the operation of the market. The CREG was able to work in close conjunction with the Directorate-General for Energy thereby assuming its responsibility as the competent authority. The CREG has provided assistance, notably

for the creation of the annual security of supply monitoring report¹⁰⁵.

In 2014, the European Commission took the initiative of revising the aforementioned Regulation (EU) No 994/2010 in view of the publication of a new regulation proposal at the beginning of 2016¹⁰⁶. In this context, and in close collaboration with the European Commission, the CEER set up a task force on 26 November 2014 in order to help the European Commission with the update and to publish their opinion with regards to security of supply on behalf of the European energy regulators. In 2015, the task force drew up two documents in collaboration with representatives from the European Commission, based on the ongoing revision of the regulation¹⁰⁷. The CREG serves as vice-president of the task force.

As part of its remit to monitor and check the application of the Code of Conduct (see also section 4.1.2.3.E hereof), the CREG monitored balancing on the transmission system for H-gas and L-gas in 2015, and found no critical problems in managing the system's balance. The current system balancing model puts a heavy responsibility on system users, and the system operator now has only to provide residual balancing, if necessary. The market-based balancing mechanism is closely monitored and the CREG believes it to be a successful and important mechanism that also contributes to ensuring the continuity of natural gas supplies for all end users. The

102 Decision (B)151210-CDC-1489 relating to the amendments proposed by Fluxys Belgium to Appendix 1 of Annex B of the access rules for natural gas transmission.

103 Decision (B)151217-CDC-1495 relating to the permit application for the adapted proposal of the standard contract for natural gas transmission, the natural gas transmission programme and Annexes A, B and G of the access rules for natural gas transmission by Fluxys Belgium.

104 Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/CE. Published on 12 November 2010 and in application since 3 December 2010.

105 http://economie.fgov.be/nl/binaries/Yearly_monitoring_report_2014_tcm325-275087.pdf

106 On 16 February 2016, the European Commission published the proposal of a new regulation relating to security of supply (<https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-gas-and-heating-and-cooling-strategy>). The proposal will now be discussed by the European Council and European Parliament in view of official publication during the first quarter of 2017. Needless to say, the current regulation remains in effect until this date.

107 CEER Response Paper: http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Gas/2015/C15-GWG-118-03_EC_SoS_consultation_CEER_final_150407.pdf CEER Concept Paper: http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Gas/2015/C15-GWG-122-04_SoS%20concept%20paper_21072015.pdf

Belgian balancing area for H-gas was expanded on 1 October 2015 through the merger with the Luxembourg natural gas market. Ever since this date, the same balancing rules apply to both markets that have merged into a single balancing area with just one trading platform (the existing Zeebrugge Trading Platform - ZTP) and a single entry/exit area. Market-based balancing in the single area is organised by Fluxys Belgium pending the allocation of this responsibility to the separate company (Balansys) created by Fluxys Belgium and the Luxembourg transmission system operator, CREOS (see section 4.1.3.3 hereof).

G. Pipeline access between Zeebrugge and Bacton

By Decision of 9 October 2015¹⁰⁸, the CREG has approved the access documents it received from Interconnector (UK) Ltd. The access contract, the access regulations and the system user contract comprise the framework contract for users of the pipeline between Zeebrugge and Bacton. The rating test mentioned in the access contract has not been approved. As for future amendments, the CREG invites Interconnector (UK) Ltd to take into account the comments arising from its decision.

4.1.2.4. System and LNG tariffs

A. Transmission system, storage and LNG

a) Tariff methodology

■ *Transmission, storage and LNG*

As announced in its Annual Report of 2014, the CREG adopted, on 18 December 2014, its tariff methodology for the natural gas transmission system, the natural gas storage facility and the LNG facility, in view of an application for the regulatory period 2016-2019 with regards to the natural gas transmission system and the natural gas storage facility¹⁰⁹.

This tariff methodology comprises of the rules that the natural gas transmission system, storage facility and LNG facility operator must adhere to for the preparation, creation and submission of their tariff proposal for the regulatory period 2016-2019 and on which the CREG has based itself to approve the resulting tariffs (please read point b) Tariff trends, below).

■ *Interconnector (UK)*

On 1 October 2018, a large quantity of capacity will be freed up for the transmission of natural gas between Belgium and the United Kingdom by means of the underwater pipeline operated by Interconnector (UK). To this end, the latter has organised a sales procedure and a consultation on the matter

of tariff methodology. The CREG and Ofgem, the British regulator, approved this methodology in July 2015. More specifically, the CREG has decided¹¹⁰, on the one hand, to approve Interconnector (UK)'s tariff methodology (excluding differential pricing) relating to the transmission services that were sold before 1 November 2015 for use starting from 1 October 2018 gas day, and in accordance with the conditions of the access contract concluded with Interconnector (UK) and the Interconnector (UK) access rules, and, on the other hand, to commit Interconnector (UK) to providing them with a detailed report of the tariffs applied, actual costs, revenue and profit, on a yearly basis.

b) Tariff trends

■ *Transmission and storage tariffs*

• **2015**

Fluxys Belgium's natural gas transmission storage tariffs for the year 2015 are identical to those for 2014, excluding the rate of inflation. By the Decision of 13 September 2012 (see Annual Report 2012, page 18), the CREG effectively approved Fluxys Belgium's tariffs for the years 2012-2015.

• **2016-2019**

On 29 October 2015, the CREG approved¹¹¹ the revised tariff proposal from Fluxys Belgium relating to the transmission system connection and operating tariffs, as well as the storage services and ancillary services for the years 2016-2019.

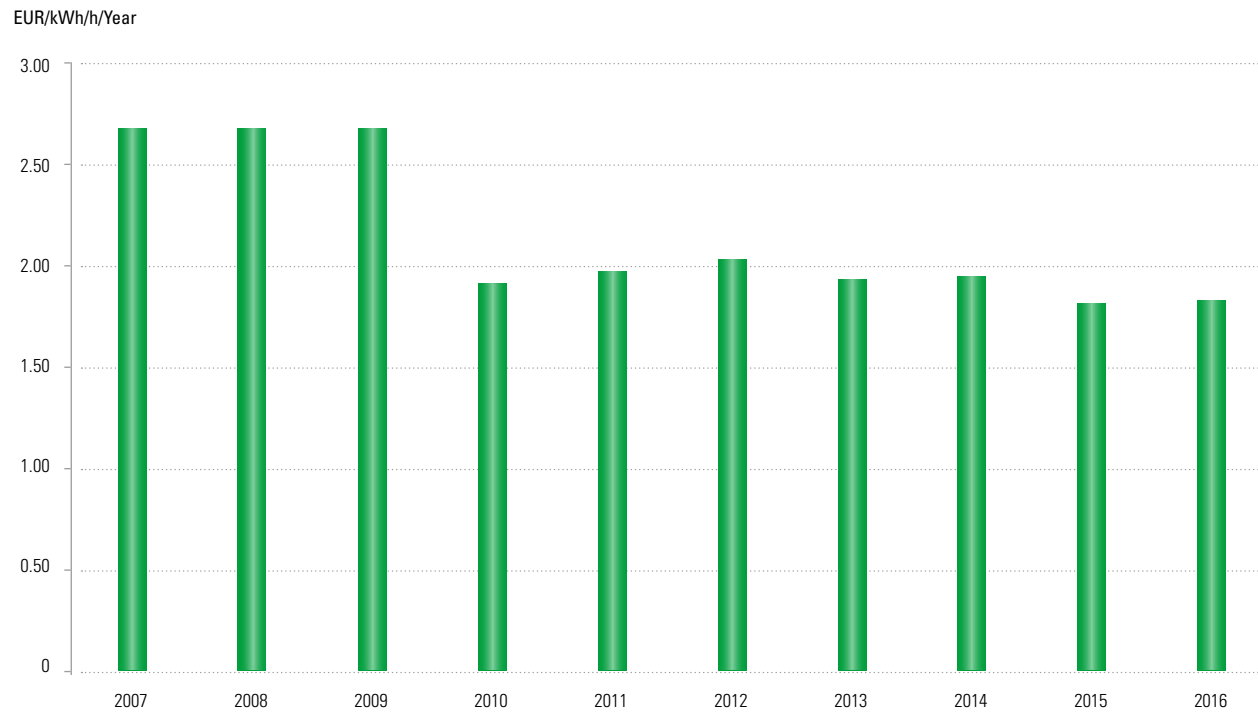
¹⁰⁸ Decision (B)151009-000-1465 concerning the proposal submitted by Interconnector (UK) Ltd for the access contract concluded with IUK, Access Rules concluded with IUK and the System User Contract for access to the Zeebrugge - Bacton Interconnector.

¹⁰⁹ Regarding LNG infrastructures, the CREG had already made a decision on the matter on 30 September 2004, based on the Royal Decree of 15 December 2003, in which it approved Fluxys LNG's multi-annual tariff proposal used for the capacities of the LNG terminal in Zeebrugge after 2006 and valid until the year 2026. On 29 November 2012, the CREG adopted Decision (B) 121129-CDC-657G/06 relating to the tariff proposal updated by Fluxys LNG, thereby prolonging the duration of the application of the tariffs until 1 April 2027. The new decree in no way infringes upon this decision and, on the contrary, it gives it a new legal basis.

¹¹⁰ Decision (B)150730-CDC-1442/1 relating to the tariff methodology relating to the access contract concluded with Interconnector (UK) and the Interconnector (UK) access rules.

¹¹¹ Decision (B)151029-CDC-656G/31 relating to the tariff proposal from Fluxys Belgium SA relating to the connection and operation of transmission system tariffs as well as the storage services and ancillary services for the years 2016-2019.

Figure 19: Fluxys Belgium's tariff trends for natural gas transmission (entry/exit tariffs for H-gas) between 2007 and 2016 (source: CREG)



The European regulation establishing a network code for the balancing of gas transmission systems came into effect on 1 October 2015. This date also marked a significant event in the integration process of the Belgian and Luxembourg gas markets. In this respect, the CREG approved, following a proposal from Fluxys Belgium, the calculation method¹¹²

and tariffs¹¹³ relating to the natural gas transmission system balancing. Luxembourg's regulator, ILR, has done the same, following the proposal from Balansys, Luxembourg's balancing system coordinator. The shared BeLux balancing area can therefore be created (see also section 4.1.3.3 hereof).

■ LNG terminal tariffs

Fluxys LNG's tariffs for the year 2015 for the operation of the facilities at the LNG terminal at Zeebrugge are the same as those for 2014, excluding the rate of inflation. By the Decision of 29 November 2012 (see Annual Report 2013, pages 18-19), the CREG had already approved an updated version of the tariffs, valid from 1 January 2013 until 31 March 2027, confirming the real tariff level of the tariffs approved by its Decision of 30 September 2004.

c) Balances

■ Fluxys Belgium SA

In its draft Decision of 7 May 2015¹¹⁴ based on the annual tariff report and the tariff settlement for the financial year 2014 submitted by Fluxys Belgium to the CREG on 26 February 2015, the CREG decided that Fluxys Belgium needed to amend its tariff report to obtain approval regarding 2014's operating balances.

In view of the amended tariff settlement of 29 May 2015 that Fluxys Belgium submitted to the CREG to scrutinise tariffs for the financial year 2014, the CREG decided¹¹⁵ that the application of the tariffs in 2014 has resulted in a provision made to the accrual account:

- of 50,234,195 euros for the transmission activity, of which the balance was 300,807,167 euros at 31 December 2014, and
- of 10,136,028 euros for the storage activity, of which the balance was -7,962,225 euros at 31 December 2014.

¹¹² Decision (B)150903-CDC-656G/29 on the calculation method for balancing fees for the purposes of neutrality and the calculation method for daily and intra-daily unbalancing fees with regards to the value of small adjustments.

¹¹³ Decision (B)150903-CDC-656G/30 on the balancing fees for the purposes of neutrality and the value of small adjustments.

¹¹⁴ Draft decision (B)150507-CDC-656G/27 on the tariff report including the balance sheets sent by Fluxys Belgium concerning the operations for the financial year 2014.

¹¹⁵ Decision (B)150611-CDC-656G/28 on the revised tariff report including the balance sheets sent by Fluxys Belgium concerning the operations for the financial year 2014.

Additionally, the CREG has decided that the application of tariffs in 2014 has led to an increase in global efficiency, for both activities combined, of 16,490,910 euros, which will be advantageous for the fair margin.

■ Fluxys LNG SA

In view of the tariff settlement of 26 February 2015 that Fluxys LNG submitted to the CREG to scrutinise tariffs for the 2014 financial year, the CREG decided¹¹⁶ that the application of the tariffs for the regulated terminalling activity in 2014 has resulted in the addition of 14,037,233 euros to the accruals account, that had a balance 127,175,551 euros at 31 December 2014.

B. Distribution systems

Readers are referred to section 3.1.3.5.B hereof.

4.1.3. Cross-border issues and market integration

4.1.3.1. Access to cross-border infrastructures

Under the new European TEN-E Regulation No 347/2013¹¹⁷, the project promoters may, during a biannual selection, submit investment projects to the European Commission with a view to securing Project of Common Interest status (hereafter: PCI - Project of Common Interest). Only projects spanning at least one national border within the European Union can be considered. PCI status enables a project to benefit from faster and more efficient permit-granting procedures and revised regulatory conditions. In addition, a cost-benefit analysis of PCI projects for the various countries within such

projects' impact zones is conducted, with a view to possible cross-border cost allocations in the event that projects cannot otherwise be completed. There can be no subsidies from the European Commission to help finance the necessary work other than as a last resort, i.e. if the market cannot finance the cost of the investment and if significant positive externalities are nonetheless linked to the project, such as market integration, competition, security of natural gas supplies and sustainability.

During the second PCI projects selection cycle, Belgium submitted the L/H conversion project to the European Commission (see section 4.4.2 hereof). This Fluxys Belgium project has been grouped together with France's conversion project, put forward by GRTgaz and GDF. The series of European PCI projects proposed was then evaluated in 2015 in "regional groupings" under the aegis of the European Commission. In view of the fact that Fluxys Belgium's L/H conversion project is still not solidified with regards to cross-border issues, it may prove difficult to have it taken into account for the final selection of PCI projects published on 18 November 2015 by the European Commission¹¹⁸. As the list of European PCI projects is updated every two years, there is, of course, nothing stopping them from resubmitting the project once it is better established.

The list of European PCI projects is, therefore, updated every two years and checked by the respective European regional working groups. The CREG's working groups monitor these activities for our region (NSI Gas West)¹¹⁹. Besides its involvement in the PCI selection and monitoring processes, the CREG is helping to successfully enforce the new TEN-E 347/2013 Regulation in close conjunction with the other

regulators and the ACER. This includes, amongst other things, the assessment of costs and benefits for Belgium possibly included in the PCI projects abroad and a possible cost compensation resulting from these foreign projects. Until now, Belgium has not been in receipt of any possible cross-border cost compensation for the completion of PCI.

4.1.3.2. Analysis of the TSO's investment plan as regards consistency with the network development plan across the European Union

Readers are referred to section 4.4.2 hereof.

4.1.3.3. Market integration

• CREG's market integration analysis

The market integration analysis¹²⁰ carried out by the CREG in 2015 for the year 2014 revealed the following facts.

The Belgian natural gas market (160.4 TWh in 2014) represents, along with the natural gas markets of the neighbouring countries (2,559 TWh in 2014), around 58% of European natural gas consumption (EU-28: 4,418 TWh). Increasingly larger natural gas transactions to Belgium are carried out via the Netherlands: from 109 TWh in 2011 to 189 TWh in 2013 and 158 TWh in 2014. Belgium is a large natural gas market, from which France, primarily, draws its supplies. Net natural gas transactions to France were equal to 198 TWh in 2014, which is around 47% of France's natural gas requirements. Over the 2011-2014 period, natural gas transactions with Germany have seen a rapid change in exit flows to Germany and entry flows to Belgium (net entry flow of 4 TWh in 2013,

¹¹⁶ Decision(B)150507-CDC-657G/11 on the tariff report including the balance sheets sent by Fluxys LNG concerning the operations for financial year 2014.

¹¹⁷ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009. Published on 25 April 2013 and in application since 5 May 2013.

¹¹⁸ https://ec.europa.eu/energy/sites/ener/files/documents/5_2%20PCI%20annex.pdf

¹¹⁹ North-South gas interconnections in Western Europe.

¹²⁰ Study (F)151015-CDC-1460 relating to the operation and trend of prices on the Belgian wholesale natural gas market – surveillance report 2014. See also section 4.2.1.1 hereof.

followed by a net exit flow of 7 TWh in 2014). The Grand Duchy of Luxembourg takes around 47% of its supplies from the Belgian natural gas market. The net entry flow from the United Kingdom was still at 97 TWh in 2011, before suddenly changing into a net exit flow to the British market with a volume of 8 TWh in 2013. However, in 2014, a large new net entry flow was noted from the United Kingdom of 44 TWh.

The Belgian natural gas market has a transmission system offering sufficient transmission capacity for cross-border natural gas transactions in both directions. This contractual congestion-free situation on the transmission system promotes integration with neighbouring markets (TTF in the Netherlands, Gaspool and NCG in Germany, PEG Nord in France and NBP in Great Britain).

L-Gas is bought in the Netherlands both for the Belgian market and for transactions on the French L-Gas market. L-Gas transactions from the Dutch TTF trading point to the Belgian ZTP trading point totalled 98.38 TWh in 2011 and 103.68 TWh in 2012 before reaching 104.47 TWh in 2013, followed by a drop in 2014 of up to 86.26 TWh, primarily due to mild temperatures. The share negotiated in the French PEG Nord trading area amounted to 48.68 TWh in 2011 and 51.86 TWh before slightly dropping to 50.7 TWh in 2013 and 42.11 TWh in 2014.

Figure 21 uses multi-coloured lines to show the average annual day-ahead gas prices (DAA), for Belgium (ZTP), the Netherlands (TTF) and Germany (NCG, Gaspool) respectively (in euros/MWh). These lines almost coincide, which shows that fluid cross-border natural gas trade is possible between these three countries (at least for H-gas). The black line shows the average annual year ahead gas price (Y+1) for the Netherlands (NCG, Gaspool); given the almost perfect

convergence of prices on the short-term market, the long-term prices for the Netherlands and Germany can also be used as a reference for the Belgian market.

Both the day ahead price and the year ahead price had a rating, in 2015, that was quite close to 20 euros/MWh. This shows, for both products, a significant drop compared to 2013, during which they had a rating above 26 euros/MWh.

Figure 20: Net natural gas transactions (H-Gas) between the ZTP market and the border markets during the period 2011-2014 (in TWh/year) (sources: CREG, gasdata.fluxys.com data)

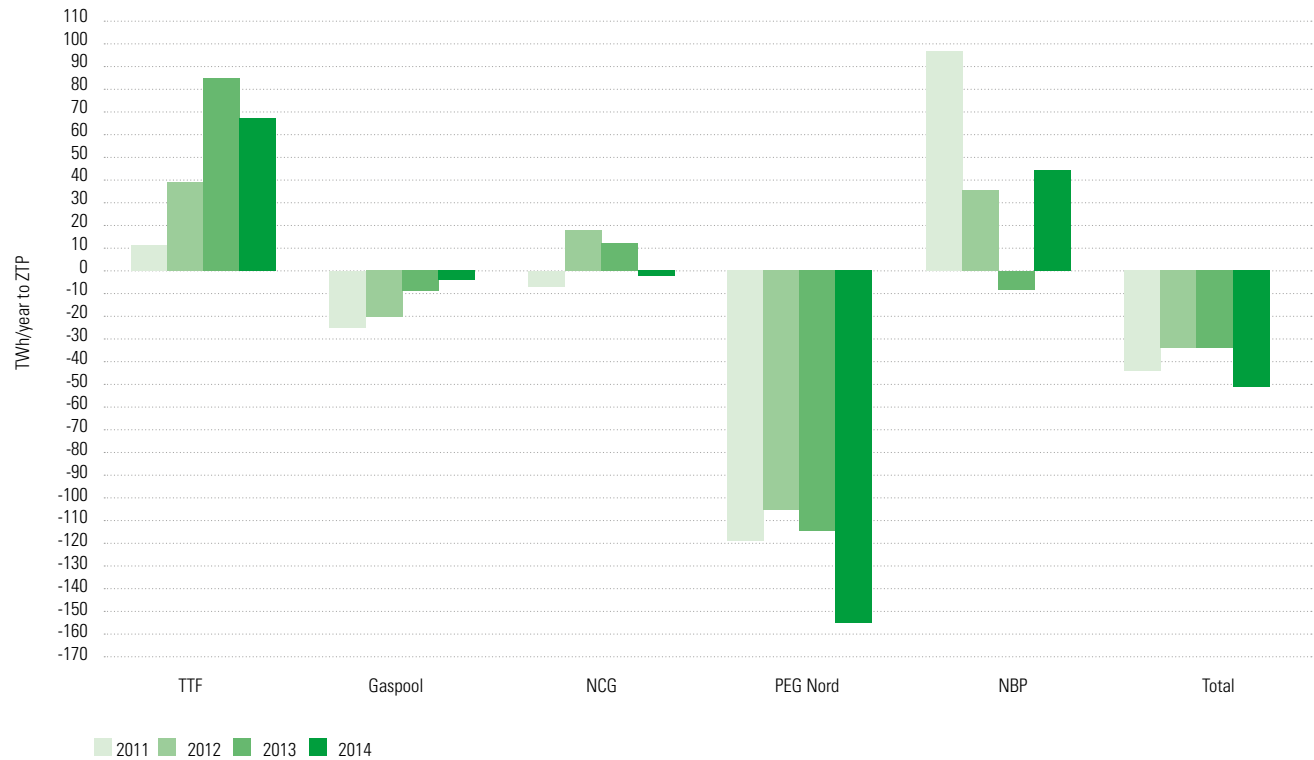
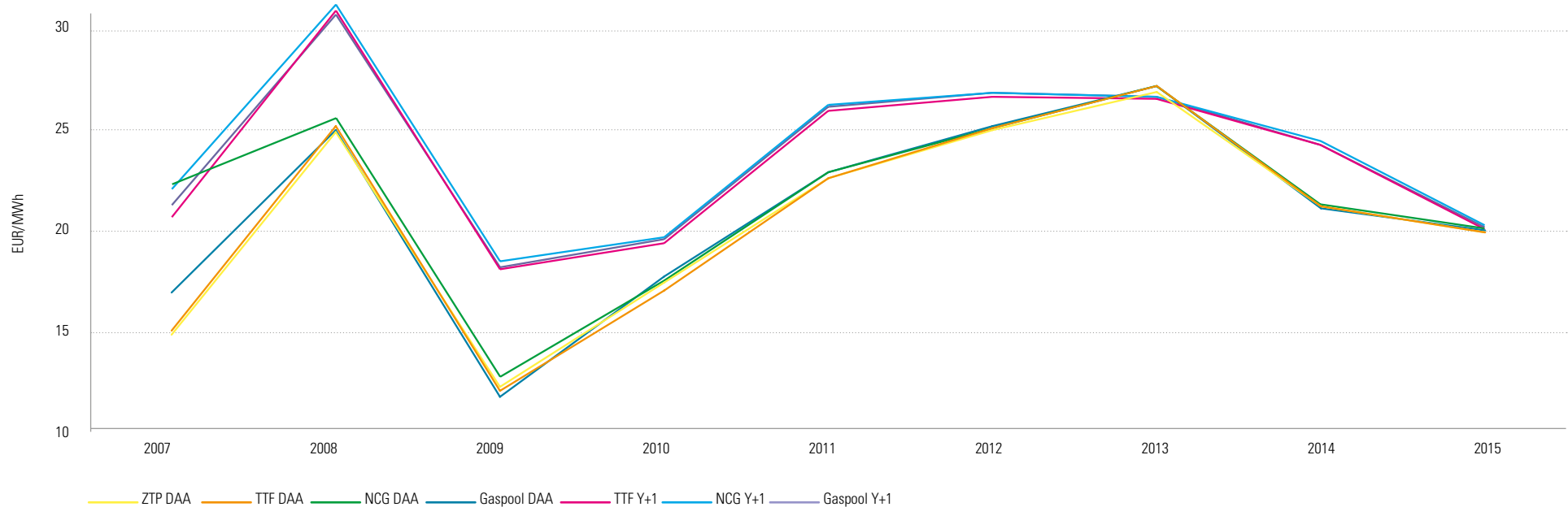


Figure 21: Average annual gas price on the day ahead and year ahead markets (sources: CREG, data taken from icis.com, ice.com, eex.com, powernext.com)



• Case study: Integration of the Belgian and Luxembourg markets

The transmission system operators GRT CREOS LUXEMBOURG and Fluxys Belgium, in collaboration with their respective national regulatory authorities, the ILR (Luxembourg Regulatory Institution) and the CREG, have worked together closely on the integration of their national gas markets into a single BeLux market¹²¹, starting from 1 October 2015. A single gas balancing zone covering both countries has been established through the implementation of a single entry/exit system with a shared balancing scheme and a single notional

trading point (ZTP hub). This initiative is the first market integration project between two European Member States. The following figure provides an overview of the project.

Prior to 1 October 2015, the two markets had independent national entry/exit systems between which access fees were applied¹²². Since the integration, these entry/exit fees are no longer applicable¹²³ and the ZTP has become the sole gas trading point on the BeLux market. Additionally, the same balancing rules apply and a shared entity has been created to manage the balancing of the integrated market¹²⁴.

At the same time, both transmission system operators have retained their own separate identity and organisational structure.

In view of the consumption of 20 bcm/year and the 70 suppliers active on the BeLux market, competition on the integrated market will increase and the liquidity and price signalling role of the ZTP will improve. Furthermore, the close relationship between the BeLux market and the neighbouring markets (United Kingdom, France, Germany and Netherlands) will reduce the risk of price isolation.

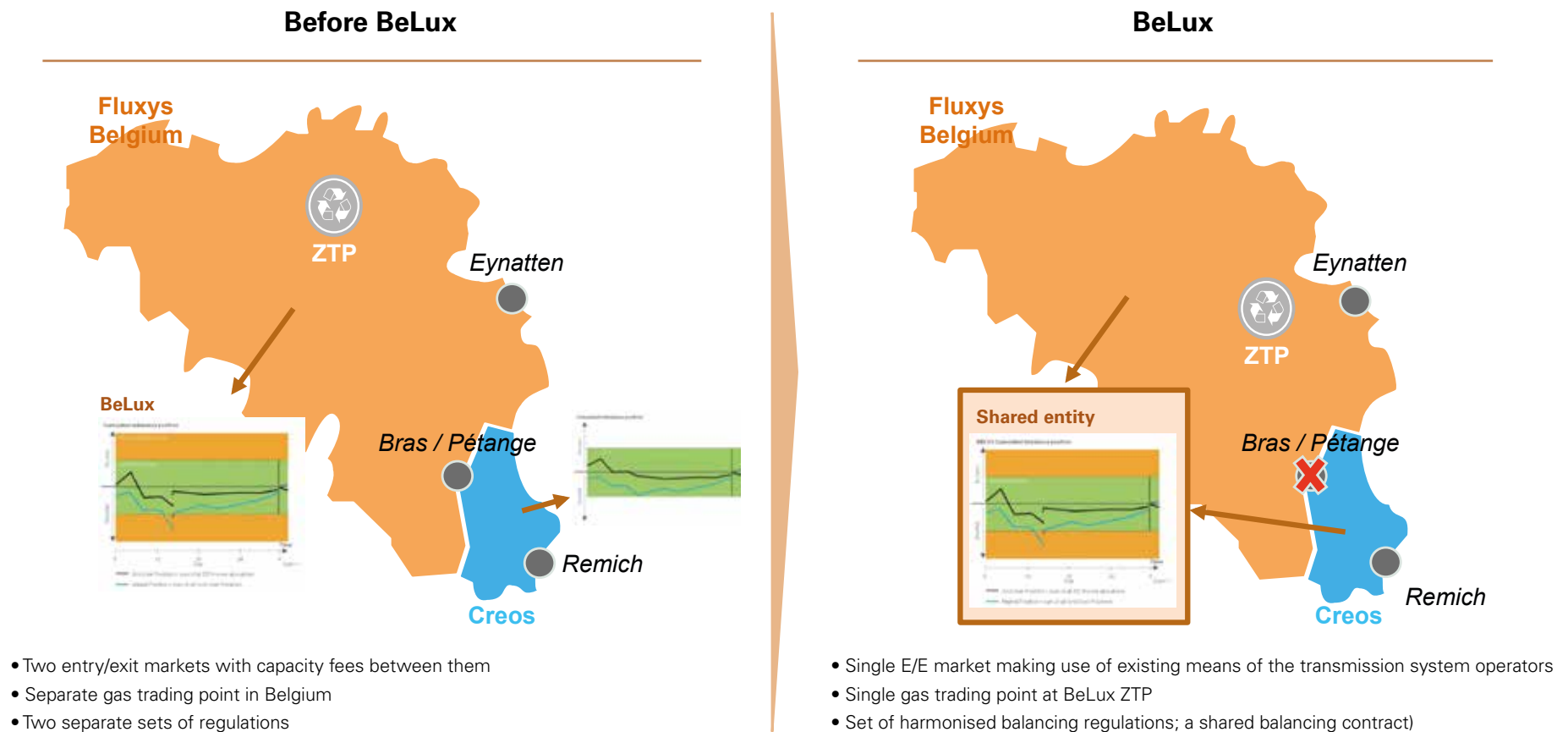
¹²¹ Belgian demand and Luxembourg demand represented 161 and 11 TWh/year respectively in 2014.

¹²² For gas transmission from Belgium to Luxembourg, the suppliers have an exit permit in Belgium and an entry permit in Luxembourg.

¹²³ Following the withdrawal of the trading offer at the cross-border interconnection point (Bras/Pétange), system users will no longer have to reserve the gas capacity to be transmitted between Belgium and Luxembourg.

¹²⁴ Founded on 7 May 2015, Balansys is the shared balancing company (see <http://www.balansys.eu>), but it has not yet been active in 2015 in the integrated balancing area, because it has not yet received certain regulatory authorisations that make it compliant with Belgian Gas Law. In the meantime, Fluxys Belgium is carrying out Balansys's balancing tasks. This approach does not have any impact on the market integration, which has been in effect since 1 October 2015.

Figure 22: The integration project of the Belgo-Luxembourg cross-border markets (sources: Fluxys Belgium, CREOS, ILR, CREG coordination)



The merging of the markets improves the ZTP hub's liquidity and supplier flexibility, encouraging them to operate in both countries. Additionally, it will allow Luxembourg to increase the security of its supply in gas and improve access to a

more competitive gas market for Luxembourg's consumers. Luxembourg suppliers now have simplified supply options thanks to direct access to the ZTP and the Belgian storage and LNG facilities. Additionally, they can now manage their

coupled portfolios according to the actual consumption of their customers.

4.2. Competition

4.2.1. Monitoring wholesale and retail prices

4.2.1.1. CREG studies in 2015

- **SME and independent users on the energy market**

Readers are referred to section 3.2.1.1 hereof.

- **Composition of prices**

Readers are referred to section 3.2.1.1 hereof.

- **European comparison of prices to large industrial customers**

Readers are referred to section 3.2.1.1 hereof.

- **Supplier shareholders**

Readers are referred to section 3.2.1.1 hereof.

- **Price operation and trends on the Belgian wholesale natural gas market – surveillance report 2014**

As was the case in 2014, this year the CREG examined¹²⁵ price operations and trends on the Belgian wholesale natural gas market. The study looks back on the past eight years (2007-2014); the year 2007 was chosen as it precedes the financial and economic crisis. As such, the reader can easily understand the evolution of the wholesale natural gas market.

The study reveals that market operations have improved again in 2014. Price trends are also based more on the market.

A few key points from the study:

- The long-term supplies provided around 75% of the Belgian market's natural gas requirements (160 TWh) in 2014; 25% were bought on the trading markets.

- 57% of the contract volumes changed depending on gas prices. This type of indexing is becoming the norm.
- Together, the top three suppliers (ENGIE, ENI GAS & POWER and EDF LUMINUS) had a market share, for the first time, of slightly less than 70%. Supply to Belgian customers remained strongly concentrated in 2014.
- The Belgian natural gas market has a transmission system that - without contractual congestion for cross-border natural gas transactions in both directions - favours integration with neighbouring markets. The result is that the natural gas wholesale price (day ahead) during the 2011-2014 period was, on average, 0.13 euros/MWh less than that of the neighbouring markets.
- In north-western Europe, there is an integrated wholesale market (day-ahead) for natural gas with a convergent natural gas price. This indicates an established arbitration between the markets in the trading of natural gas, healthy competition and a large measure of economic efficiency.

- **Study on the prices used on the Belgian natural gas market in 2014**

On 26 November 2015, the CREG conducted a study on the prices in force on the Belgian natural gas market in 2014¹²⁶ in which it analyses market shares, price formation, price levels, price breakdown and billing in the different sectors of the Belgian natural gas market in 2014. The study notably covers the gross sales margins on the different market sectors and on the types of indexing.

The main observations revealed by the study are as follows:

- the natural gas market is becoming increasingly more open to competition each year with the continued arrival of new suppliers;

- gas prices were the main vector of the prices billed to industrial customers;
- oil prices are only used, on average, in less than 10% of industrial contracts;
- for residential customers, 2014 was the first year during which gas prices were the only vector used for the indexing of the energy component of the variable prices.

- **Portfolio of supplier products**

Readers are referred to section 3.2.1.1 hereof.

4.2.1.2. Safety net

Readers are referred to section 3.2.1.2 hereof.

4.2.2. Monitoring market transparency and openness

- **The REMIT Regulation**

Readers are referred to section 3.2.2.4 hereof.

- **Charter of best practices for electricity and gas price comparison websites**

Readers are referred to section 3.2.2.5 hereof.

¹²⁵ Study (F)151015-CDC-1460 relating to the operation and trend of prices on the Belgian wholesale natural gas market – surveillance report 2014.

¹²⁶ Study (F)151126-CDC-1485 on the prices used on the Belgian natural gas market in 2014.

4.2.3. Supply price recommendations

Readers are referred to section 3.2.3 hereof.

4.3. Consumer protection

Readers are referred to section 3.3 hereof.

4.4. Security of supply

4.4.1. Monitoring the balance between supply and demand

A. Natural gas demand

In 2015, total natural gas consumption amounted to 175.8 TWh, which represents a large increase (+9.6%) compared with consumption in 2014 (160.4 TWh). To that, it should be added that temperatures in 2014 were exceptionally mild and that, although they weren't very different from a normal year, in 2015 they gave rise to an increase in heating requirements of more than 15% according to estimations. This observation partly explains the 10.6% increase in demand for natural gas on the distribution systems. Under these conditions, the share of the natural gas offtake on the distribution systems was 50.1% in 2015 (as opposed to 49.6% in 2014). It should be noted that after years of reduction, the natural gas consumption of large consumers is once again increasing. Industrial natural gas consumption has increased by 4.8% and natural gas consumption for the production of electricity by 12.5%. This increase is notably explained by the net decrease in natural gas prices observed on the wholesale markets. On average, the natural gas price on these markets was around 20 euros/MWh, with a lowest price of up to 16 euros/MWh in December 2015, while over

previous years natural gas prices were noticeably higher (for example, 26 euros/MWh on average in 2013).

The H-gas share has also increased slightly in 2015 (+0.4%). It stood at 72.8% of the quantity of energy supplied, with the L-gas share therefore being 27.2%. The change in 2015 is particularly notable in view of the 2015 increase in consumption

on the distribution systems (+10.6%). On this consumer sector, the L-gas share (47.2%) is almost equal to that of H-gas (52.8%). Natural gas supply to industrial customers, of which the H-gas market share is high (85.5%), has seen a slight increase (+4.8%). Natural gas-fired plants have already been entirely converted to H-gas. Natural gas consumption in this sector has increased by 12.4% in 2015.

Figure 23: Breakdown per user segment of the Belgian demand for H-gas and L-gas in 2014 and 2015. (source: CREG)

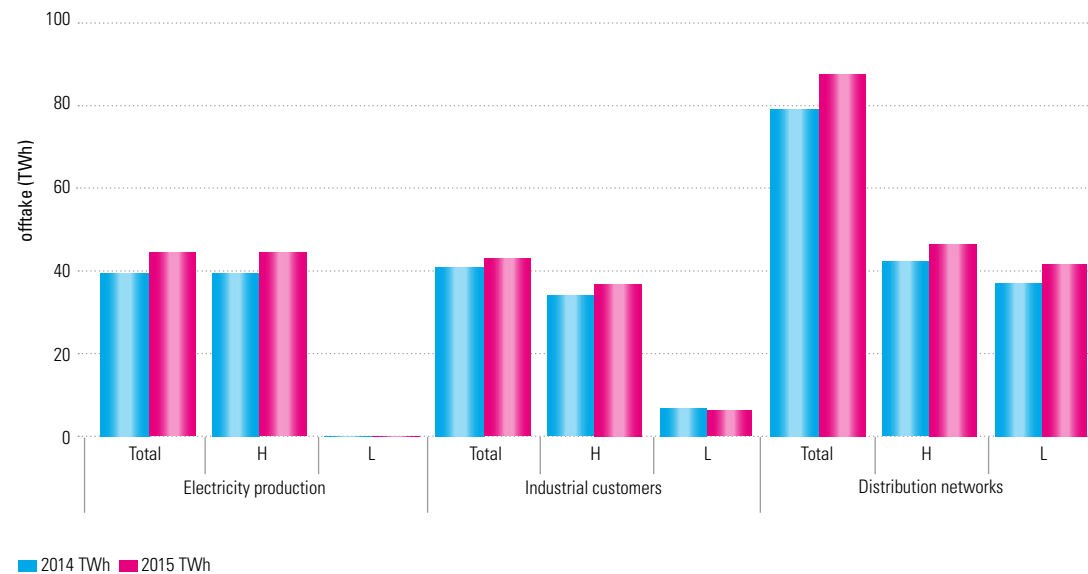
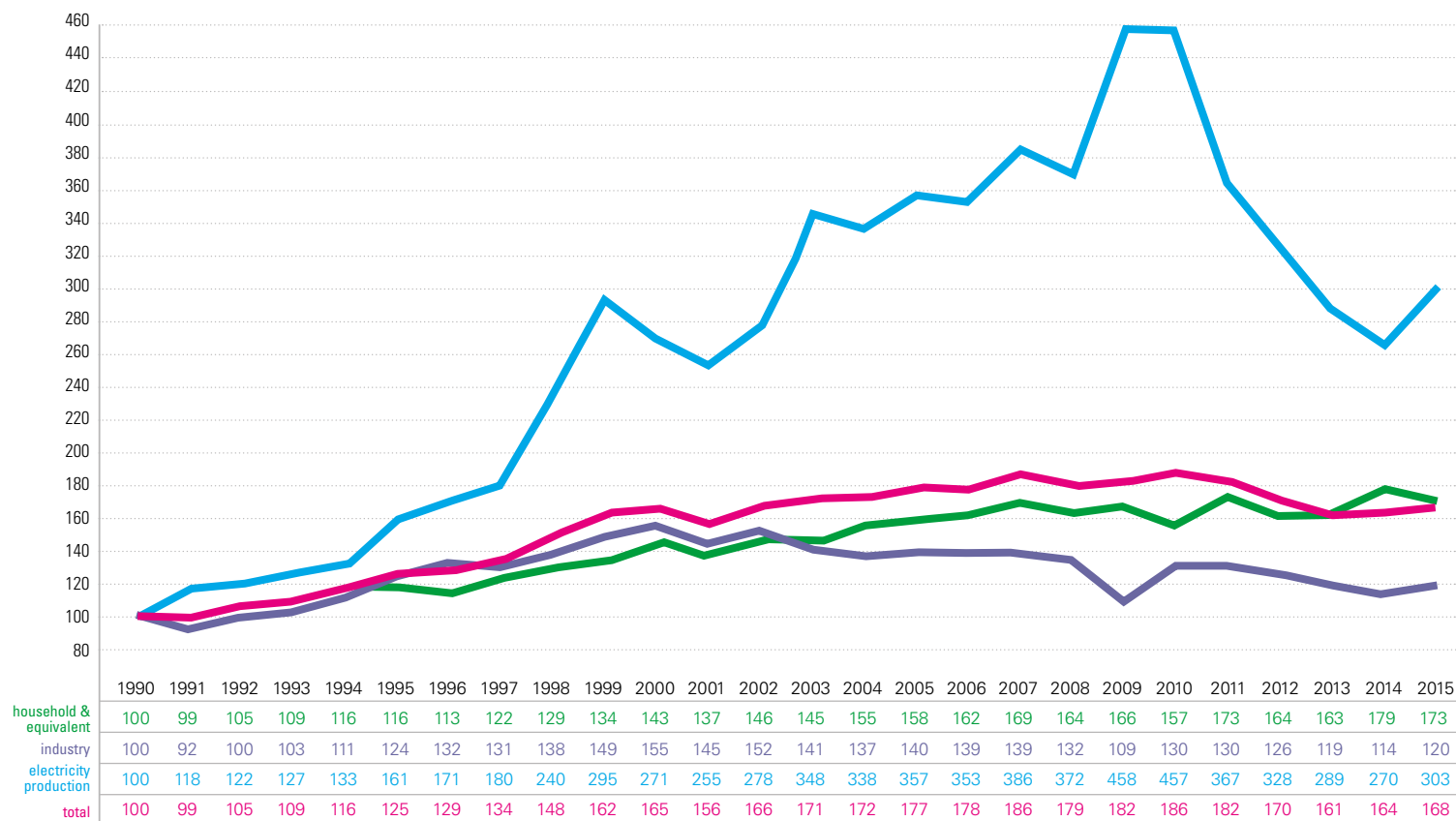


Table 14: Breakdown per user segment of Belgian demand for natural gas between 2002 and 2015 (in TWh) (source: CREG)

Sectors	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015/2014
Distribution	78.3	83.1	88.3	87.2	88.3	82.6	88.5	87.6	101.2	82.5	91.9	97.9	79.6	88.1	+10.6
Industry (direct customers)	54.7	50.7	49.3	50.2	50.2	50.0	47.8	39.2	46.9	47.0	45.5	42.8	41.1	43.1	+4.8
Electricity generation (centralised facilities)	40.9	51.1	49.7	52.5	51.9	56.7	54.6	67.3	67.1	53.9	48.1	42.5	39.7	44.6	+12.5
Total	173.9	184.9	187.3	189.9	190.4	189.3	190.9	194.2	215.3	183.4	185.6	183.2	160.4	175.8	+9.6

Figure 24: Development of natural gas consumption per user segment during the 1990-2015 period (1990=100), corrected for climate variations (source: CREG)

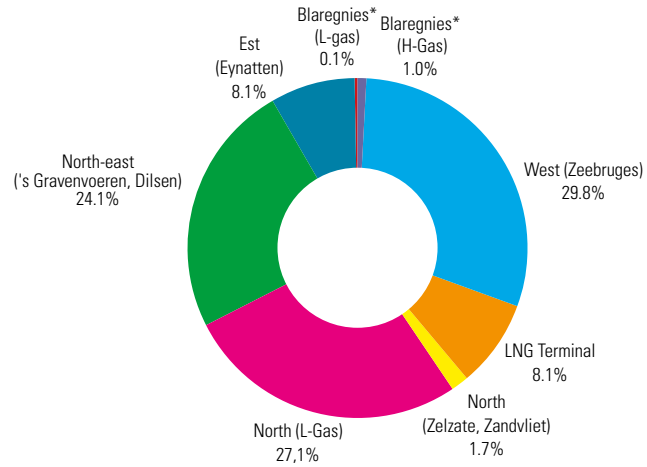


B. Natural gas supply

Natural gas suppliers can choose from a series of entry points on the natural gas transmission system to both carry out national and international natural gas transactions and to supply their Belgian customers with H-gas. Natural gas customers who use L-gas are supplied directly from the Netherlands or indirectly, against the flow, via the Blaregnies interconnection point with France. LNG imports, mainly from Qatar via the Zeebrugge terminal, accounted for a share of 8.1% of the average import portfolio in 2015 for the Belgian market. Zeebrugge is the main supply point for Belgian natural gas consumers and, in 2015, had a share of 29.8%. In virtual terms, however, imports did take place via the Blaregnies interconnection point in France, for both H-gas and L-gas, owing to nominations against the flow of natural gas flows from border to border which are initially intended for the French market.

The supply portfolios of the individual natural gas suppliers resulted, globally, in a differentiated supply depending on the type of contract. The share of long-term contracts concluded directly with natural gas producers with a remaining duration in excess of five years continued to drop (48.2% in 2015 compared to 51.1% in 2014 and 55.5% in 2013) but still constituted the main component. The total supply provided through supply contracts concluded with natural gas producers directly was at 59.9% (63.8% in 2014). Net supply on the wholesale market recorded an increase in 2015 to 40.1% (36.3% in 2014). Long-term contracts signed with natural gas producers remain the basis of the portfolios of the major suppliers on the Belgian market, but an increasing number of suppliers holding a smaller share of the market are taking supplies from the wholesale market.

Figure 25: Breakdown of incoming natural gas by entry zone in 2015 (source: CREG)



* The Blaregnies entry points are used "against the flow" of the actual flows (reverse flow), making use of the predominant transit flows at these points.

Figure 26: Composition of the aggregated supply portfolio of suppliers operating in Belgium in 2015 (source: CREG)

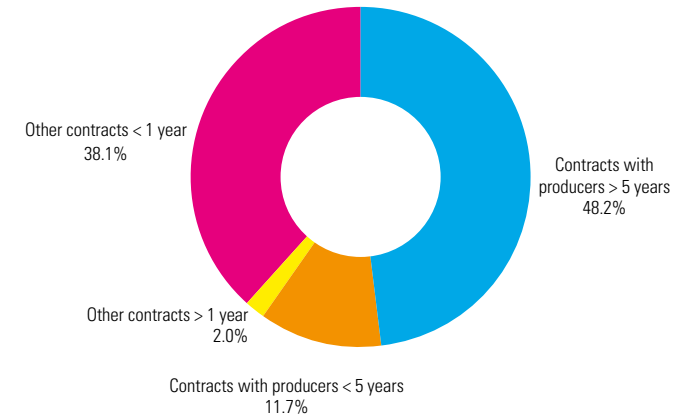
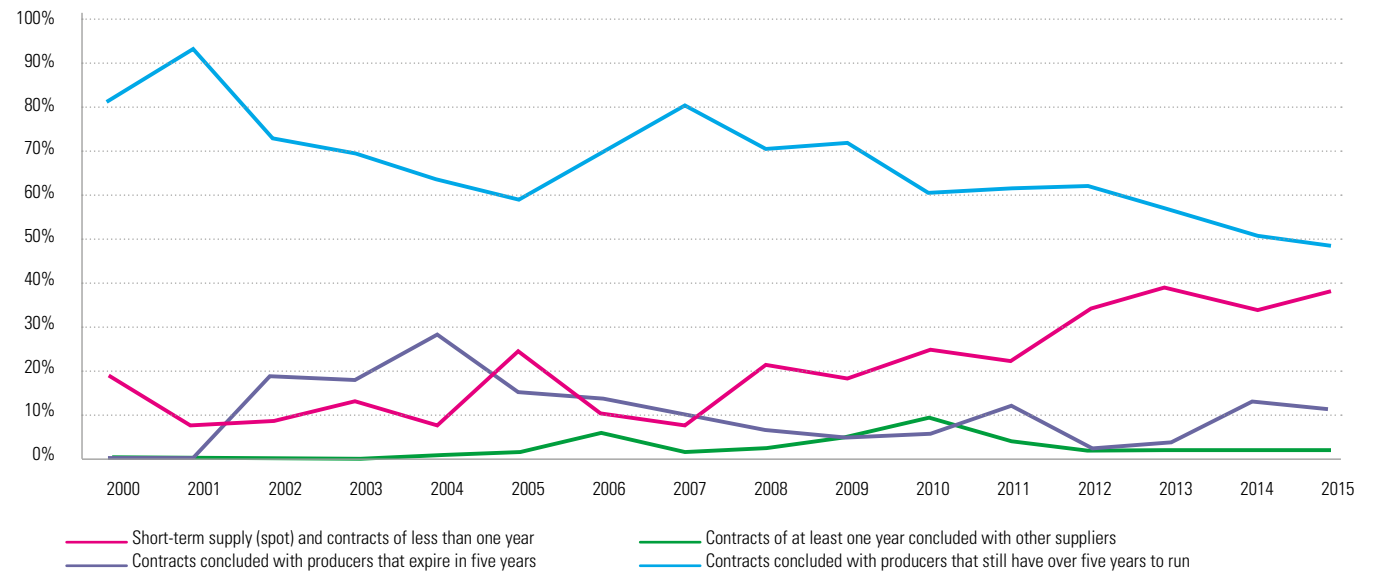
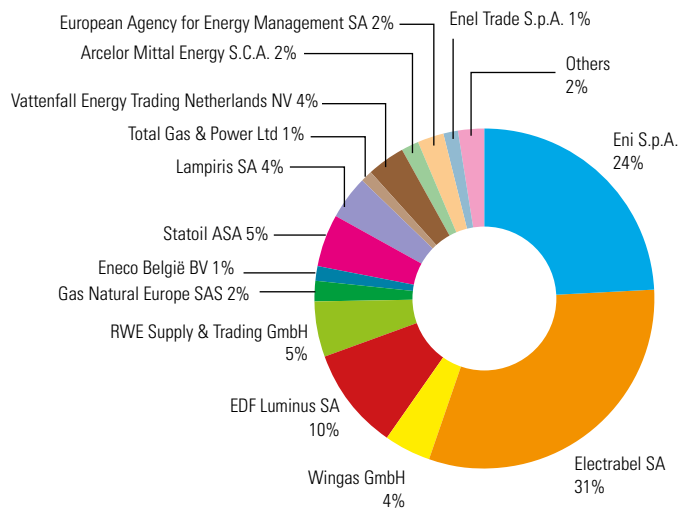


Figure 27: Composition of the aggregated supply portfolio for the Belgian natural gas market in 2000-2015 (shares in %) (Source: CREG)



In 2015, a total of 23 supply companies were operating on the Belgian market (as opposed to 22 in 2014). Electrabel (Engie), 31% (31% in 2014), and ENU S.p.A., 24% (29% in 2014), together cover 55% (60% in 2014 and 64% in 2013) of natural gas supply to wholesale consumers directly connected to the transmission system and the distribution systems. The third largest supplier was EDF Luminus, who held a stable market share of 10% in 2015. The remaining 20 supply companies (together accounting for a market share of 35%) each held a market share of a maximum of 5%, and 9 of these did not even reach 1%. Although the market remains highly concentrated, increased pressure is being exerted by emerging companies which are competing with one another to acquire a share of the Belgian natural gas market.

Figure 28: Market share of supply companies on the transmission system in 2015 (source: CREG)



* Others: supply companies who each have a market share of less than 1% (Progress Energy Services BVBA, Uniper Global Commodities SE, natGAS AG, Belgian Eco Energy NV, Enovos Luxembourg SA, Energy Pooling BVBA, Antargaz SA, GETEC ENERGY AG, Direct Energie).

4.4.2. Monitoring TSO investment plans

The natural gas transmission system, operated by Fluxys Belgium, has developed in such a way that it has become an important intersection for transmission pipelines in north west Europe, reporting a record level in terms of coupling with neighbouring transmission systems. Import capacity increased to more than ten million cubic metres of natural gas per hour (100 GWh/hour) with natural gas flowing in both directions and no congestion problems. This maturity explains why no significant investment in extensions are directly planned. The need to replace some elements of some facilities will however increase.

There are some unfavourable developments making decisions to invest further in extensions less clear-cut. Demand for natural gas is generally stagnating or even shrinking, and is also showing increased volatility. Short-term transmission capacity orders continue to increase without, however, showing any commitments in long-term transmission contracts for the transmission system operators.

In 2015, Fluxys Belgium drafted a ten-year plan concerning the development of the system (2016-2025), in accordance with article 15/1, paragraph 5 of the Gas Law. The CREG evaluated this plan in parallel with the ENTSG's 10-year European investment plan (TYNDP 2015) and the north-west Europe transmission system operators' regional investment plan (GRIP) and found no issues. The current major challenge is the conversion of the separate L-Gas transmission system with the aim of evolving towards a Belgian natural gas market supplied exclusively with H-Gas. This conversion is necessary because no new long-term contracts will be concluded with the Netherlands for the supply of L-Gas, given the way in which the Netherlands is managing the remaining stocks of L-Gas.

Furthermore, the Dutch government is constantly taking more drastic measures to limit the extraction of the L-Gas remaining in Groningenveld because of the risk of earthquakes in the north of the Netherlands. In 2015, the CREG continued its collaboration with Fluxys Belgium in view of developing an effective L/H conversion plan for the natural gas transmission system that assures the supply of L-gas to France. Fluxys Belgium has then submitted this conversion plan for information purposes to the distribution system operators that are part of Synergrid for any improvements to be made before its publication at the start of 2016.

The Alveringem-Maldegem gas pipeline which connects the new LNG terminal in Dunkirk to the Belgian transmission system is an important investment project which was launched in 2015. In Belgium, this involves the construction of a new natural gas pipeline running over 72 km, between Alveringem and Maldegem, with entry points for the supply of local natural gas in 2016 in the Ypres region.

A second project concerns the expansion of the Zeebrugge LNG terminal and includes the construction of a second landing station for LNG ships. It is expected to enter into service at the end of August 2016. Large and small LNG ships can be loaded and unloaded at this new landing station. Small LNG ships are increasingly used to supply other ships fuelled by LNG or to supply small bunkering terminals.

A third investment project concerns the construction of a fifth reservoir on the Zeebrugge LNG terminal, with a capacity of 180,000 m³ of LNG (2015-2018). This investment is needed to moor LNG ice-breaker ships from north-east Siberia (Yamal LNG) from 2018. The LNG terminal will be used to unload LNG cargo from traditional LNG ships so they can continue their journey.

Limited annual growth of around 1% on the distribution systems and of the expected development for industrial customers' and power stations' natural gas has given rise to some (local) enlargement, but much less than in previous years. Moreover, carrying out this investment continues to depend on adequate remuneration from the capacity by end users.

The European investment context is shifting. Firstly, there are changes in the demand-side behaviour. Secondly, European regulations are focussing more on building trans-European gas corridors¹²⁷, not only helping with the need for physical supply, but also with a view to encouraging market integration, competition, security of supply and sustainability. Cost issues remain of crucial importance to the CREG, and it is obvious that greater attention will be paid to alternative solutions to avoid wasted investment. Cross-border investment decisions are increasingly subject to new factors beyond the national interest.

4.4.3. Forecasts on future demand, available reserves and additional capacity.

• Demand

Figure 29 shows the outlook for total natural gas demand in Belgium according to the CREG reference scenario used to follow up the necessary investments made on the Fluxys Belgium system. This total natural gas demand is determined by adding together the expected consumption of the household sector, the tertiary sector, industry and electricity generation. In this case, it involves the normalised trend that takes account of temperature. These forecasts are inevitably extremely hypothetical, given all the current uncertainties.

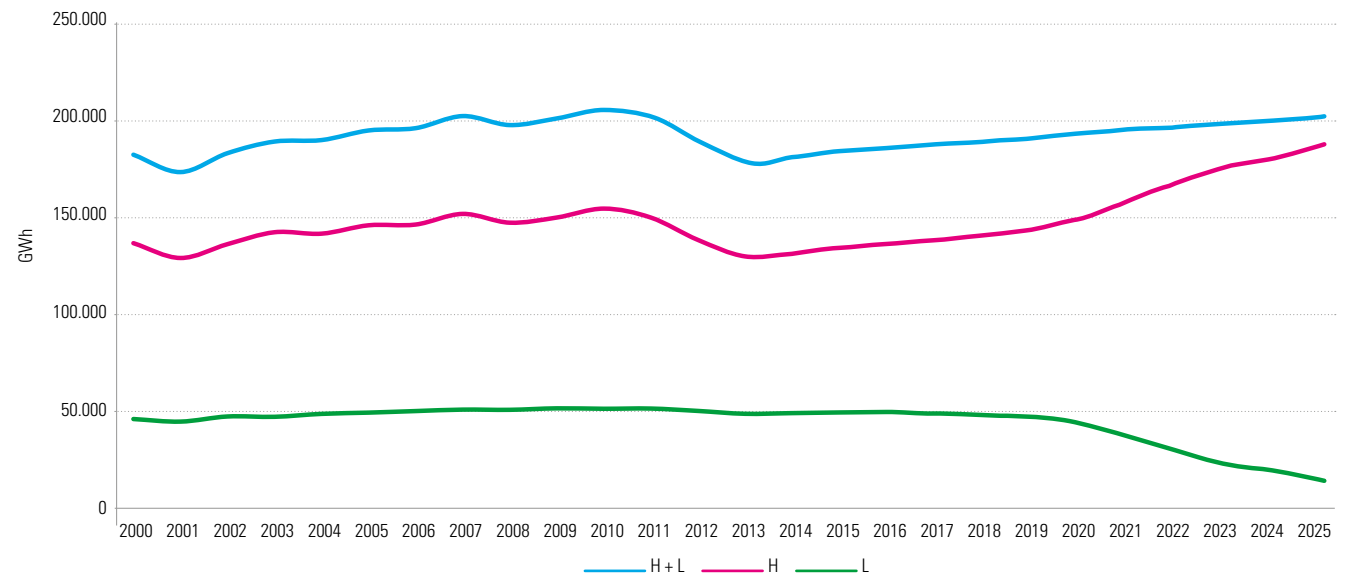
These predictions may be modified in the short term should the market conditions alter. Above all, there is a great deal of sensitivity regarding the use of existing power plants that

run on natural gas, the construction of new power plants, the competitive position of natural gas in the energy mix, especially for wholesale users, the economic forecasts and the future of L-gas supplies from the Netherlands. For L-gas, no new contracts have been signed with the Netherlands due to the reduction in the remaining reserve volumes at Groningenvelde gas field. Furthermore, the Dutch government is constantly taking more drastic measures to limit the offtake of the L-Gas remaining in Groningenvelde gas field because of the risk of earthquakes in the north of the Netherlands. Therefore, the expansion of the Belgian L-gas market is not an option and a trajectory should be followed for the timely conversion of natural gas customers from L-gas to H-gas. As a result, Belgium will progressively become a market supplied exclusively in H-gas.

• Supply

The number of H-gas importers on the Belgian market increased to 23 as at 31 December 2015. The overall diversification level for all importers combined is very high, in terms of both sources of physical supply and supply routes. The trends that are emerging include a rise in the number of short-term natural gas transactions, a greater volume of business, increased volatility, more international trade-offs and price coupling between European markets. Conditions for attracting and dividing up natural gas flows are favourable in Belgium. Maintaining the liquidity of the market in Belgium is essential both for Belgium's security of supply and for 'exporting' security of supply to other markets in north-western Europe.

Figure 29: Forecast demand for natural gas in Belgium until 2025 (GWh, normalised t, H + L) (Source: CREG)



As for L-gas suppliers, as at 31 December 2015, 19 suppliers depended almost exclusively on the Poppel/Hilvarenbeek interconnection point for supplies from the Netherlands. Changes to the Belgian L-gas market will be heavily determined by the progressive conversion of L-gas customers into H-gas customers.

4.4.4. Covering peak offtake

The peak offtake day for natural gas in 2015 was recorded on Friday 23 January. Belgian natural gas consumption increased to 933 GWh (864 GWh in 2014), which is 1.94 times the average daily consumption. Distribution systems accounted for 63% of peak day offtake, 22% was used in generating electricity, and the remaining 15% was used by industry.

The peak daily consumption of 933 GWh on 23 January 2015 was covered by a range of natural gas sources. Natural gas supply originating from the Netherlands covered 47% of peak demand (22% H-gas and 25% L-gas). Some 28% came directly from the Norwegian gas fields located in the North Sea via the Zeepipe moored at Zeebrugge. In addition, 6% came from the Loenhout underground storage facility, 19% from the Zeebrugge LNG terminal and 0.2% from converting H-gas into L-gas by adding nitrogen at the quality conversion facility run by the system operator, Fluxys Belgium.

Figure 30: Breakdown of the peak offtake by user segment in 2015 (source: CREG)

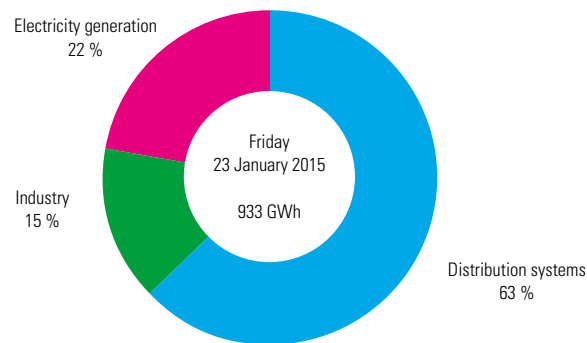
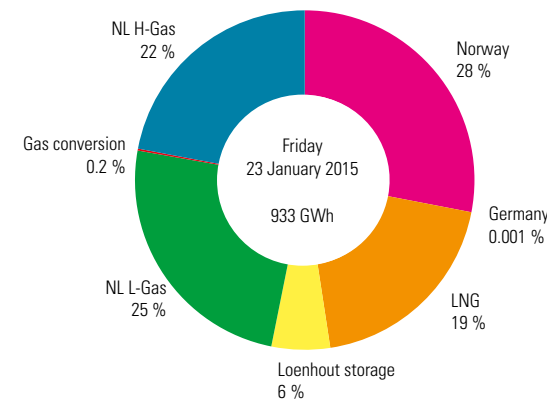


Figure 31: Breakdown of the sources of natural gas to cover the peak offtake in 2015 (source: CREG)



5. The CREG



5.1. The CREG's Board of Directors and staff

The Board of Directors is responsible for the operational management of the CREG and undertakes everything that is necessary or useful for the fulfilment of the assignments entrusted to it by the Electricity Law and Gas Law.

The chair and the three directors who make up the Board of Directors are appointed by royal decree after consideration

by the Council of Ministers for a six-year term of office, which can be renewed once. They deliberate as a college in accordance with the usual rules on deliberating meetings.

Since 1 September 2013, the Chairperson of the Board of Directors, a role which includes responsibility for managing the CREG, has been held by Ms Marie-Pierre Fauconnier. The three Directors are Mr Laurent Jacquet, who is in charge of price and accounts monitoring, Mr Koen Locquet, who heads

up the administrative directorate and Mr Andreas Tirez, who is in charge of the technical operations of the electricity and natural gas markets.

As at 31 December 2015, in addition to the Board of Directors, the CREG employed 67 members of staff.

Table 15: Directorates and staff of the CREG as at 31 December 2015

CHAIRPERSON OF THE BOARD OF DIRECTORS	
FAUCONNIER Marie-Pierre	Chairperson of the Board of Directors
DEVACHT Christiane	Assistant to the Director
FIERS Jan	Secretary of the Board of Directors
DE VREESE Annemarie	Communications Manager
VAN HAUWERMEIREN Geert	European Strategic Advisor
CASTELEYN Isabel	Senior Advisor
COZIGOU Liana	Advisor
DIRECTORATE FOR THE TECHNICAL OPERATION OF THE MARKETS	
TIREZ Andreas	Director
GOOVAERTS Wendy	Assistant to the Director
VAN KELECOM Inge	Multi-Purpose Secretary
GHEURY Jacques MARIEN Alain MEES Emmeric VAN ISTERDAEL Ivo WILBERZ Eric	Chief Advisors
CLAUWAERT Geert CUIJPERS Christian DE WAELE Bart FONTAINE Christian PONCELET Yves	Senior Advisors
FILS Jean-François LUICKX Patrick MAENHOUDT Marijn SCHOUTTEET Nico	Advisors
DIRECTORATE FOR PRICE AND ACCOUNTS MONITORING	
JACQUET Laurent	Director
FELIX Kim	Assistant to the Director
CORNELIS Natalie de RUETTE Patrick LAERMANS Jan	Chief Advisors
ALLONSIUS Johan BARZEELLE Elke DEBRIGODE Patricia DUBOIS Frédéric HERNOT Kurt JOOS Benedikt MAES Tom SOFIAS Anastasio	Senior Advisors
COBUT Christine LIBERT Brice PIECK An WILMART Gilles	Advisors
DIRECTORATE FOR GENERAL AFFAIRS	
LOCQUET Koen	Director
SELLESLAGH Arlette	Assistant to the Director
Gas and Electricity Advisory Board	
DE LEEUW Han HERREZEEL Marianne	Advisors
General Administration	
DE PEUTER Caroline	HR & Office Manager
SMEDTS Hilde	Senior Legal Advisor
VAN MAELE Nele	Administrative Assistant
BAUWENS Evi VAN ZANDYCKE Benjamin	Translators
LOI Sofia	Coordinator
DE DONCKER Nadine WYNS Evelyne	Multi-Purpose Office Staff
JUNCO Daniel	Logistics Staff Member
IT Department	
DAELEMAN Kurt	Systems and Networks Manager
GORTS-HORLAY Pierre-Emmanuel	IT Assistant
Finance	
SCIMAR Paul	Head of Finance
LECOCQ Nathalie	Accountant
CROMBEZ Thomas	Accounting and Administrative Assistant
PINZAN Laurent	Administrative Staff Member
Research, Documentation and Archives	
BOUCQUEY Pascal	Chief Advisor
CHICHAH Chorok DETAND Maria-Isabella GODDERIS Philip HEREMANS Barbara ROOBROUCK Myriam STEELANDT Laurence ZEGERS Laetitia	Senior Advisors
HENGESCH Luc	Archivist

5.2. Gas and Electricity Advisory Board

The Gas and Electricity Advisory Board (formally known as the General Council) provides advice and acts as a discussion forum, created within the CREG and the Federal Energy Ministry.

Its role is:

- to set guidelines for the application of the Electricity and Gas Laws and their implementation decrees, on its own initiative or at the Minister's request;
- to draft opinions on any issue submitted to it by the CREG's Board of Directors;
- to be a forum for discussion of energy policy objectives and strategies.

The Consulting Council met eight times in 2015.

The Chairman is Mr Mathieu Verjans and the Vice-Chairman Mr Peter Claes.

Regular participation by a representative of the Federal Energy Minister has enabled the General Council to focus its work on the most urgent aspects and to be kept informed periodically of the government's concerns regarding gas and electricity. The many questions members asked the Minister's representative made it possible to inform her of the concerns of the Advisory Board.

The Advisory Board issued three opinions in 2015. The "gas market operation", "price composition" and "electricity market operation" working groups respectively worked on their production.

Opinion No 62 of 6 March 2015 relating to study 1345 on the operation and trends in prices on the Belgian wholesale natural gas market - 2013 monitoring report:

The Advisory Board took great interest in this study by the CREG's management board that contributes significantly to the transparency of the natural gas market in Belgium. It has invited the management board to continue these analyses, to publish regular updates and to encourage its counterparts in the other European Member States to publish similar reports on the operation of the natural gas and electricity markets. The Advisory Board formed the following observations and suggestions with regards to this study:

- In terms of supply, supply sources should continue to be diversified in order to improve the security of supply;
- The Zeebrugge hub should be made more attractive in order to further increase the liquidity of the Belgian market. With this perspective in mind, the Advisory Board is asking that the CREG's Board of Directors conducts a specific study on the subject. In consideration of the hub's future regulation, this study would also suggest ways of improving its attractiveness;
- The degree of concentration of the Belgian market remains very high (75% of the market is held by three players). Continued attention should be given to this point;
- The Entry/Exit model introduced on 1 October 2012 for the transmission of gas has contributed to the improved operation and transparency of the Belgian market. The Advisory Board suggests to the CREG's Board of Directors that they carry out an in-depth evaluation of the model after three years of operation (e.g. with regards to the within-day settlement in the balancing mechanism);
- The Advisory Board underlines the necessity for greater transparency and clarity concerning the impact of decisions

made in the Netherlands on the issue of gas extraction at Groningen on the low calorific value gas market in Belgium. It invites the CREG's Board of Directors and the SPF Économie, each in their area of expertise, to write a report on this matter (analysis of the policy of the Netherlands in terms of L-gas and its impact on the Belgian market, the conversion plan and the cost of financing this conversion).

Opinion No 63 of 21 October 2015 relating to study 1407 on the updating of the cost structure of electricity production by nuclear power plants in Belgium, the economic evaluation of nuclear electricity production and an estimation of the profits made from these activities

The Advisory Board has decided to issue an opinion on the topic of the profits of nuclear power. Indeed, this file has already been the subject of intense debates within the board in the past¹²⁸ and, in view of its evolution and its importance, it seems opportune to share its recommendations on the matter.

The opinion is issued in the following context. On 8 January 2015, the Energy Minister gave the CREG and the National Bank of Belgium (BNB) the task of updating, based on current data, the studies relating to the cost structure of nuclear power plants in Belgium, the economic evaluation of nuclear electricity production and an estimation of the profits gained from these activities. The CREG's Board of Directors approved this study on 12 March 2015 and then forwarded it to the Minister. This study was the subject of a presentation by the CREG to members of the Federal Parliament's Economic Commission on 25 March 2015. A public version was sent to members of the Advisory Board on 22 June 2015. A hearing of this analysis was held on 8 July 2015 within the Advisory Board's "price composition" working group.

The Advisory Board issued the following recommendations:

- It takes account of the difference that the CREG's Board of Directors has made between nuclear profit, nuclear income and the distribution contribution. The CREG has calculated the nuclear profit, which is the difference between revenue from nuclear and the costs incurred for normal usage of the nuclear power plants (excluding investments made for renewals). According to them, the evaluation of the income is the Government's domain. The distribution contribution, for its part, is the tax office's responsibility. The Advisory Board believes that this differentiation is opportune and is pleased with the removal of ambiguity between the terms nuclear profit and nuclear income.
- It observes that the nuclear profit is estimated by the CREG and the BNB at between 421.38 million euros and 506.91 million euros for 2014 (according to the calculation methods of the strategies used by the two operators) and 434.31 million euros when taking into account the weightings of the strategies of the two operators. This amount is four times less than the estimation that was made in 2011, where nuclear profit was estimated at 1.75 billion euros for 2007.
- With regards to the change of methodology adopted by the CREG, namely switching from an approach taking into account the quantities produced at the time of the sale to an approach taking into account the differences between the planned, nominated and actual quantities, the Advisory Board takes this new methodology into consideration but is unfortunately unable to comment on it given the lack of transparency in the data used.
- However, the Advisory Board is giving thought to the definition that is used for some parameters, notably for the elements used to calculate "income". It believes that the parameters put forward by the CREG are not necessarily specific to the nuclear sector, given that no new player can enter the market (see the Nuclear Exit Law of 2003).
- It regrets that it was only able to have access to this study at a very late stage (22 June 2015), thereby preventing it from being able to take part in the debate on this matter.

- With regards to the distribution contribution, until now, this has been paid into the budget of ways and means, for the purpose of notably financing the energy transition and measures aimed at ensuring security of supply. Once again, the Advisory Board has noticed that this contribution only has budgetary aims, threatening the energy transition that the Advisory Board claims, however, is their wish.
- Finally, the Advisory Board notes the fact that, on 28 July 2015, the Government recorded an amount of nuclear income of 200 million euros for 2015 (instead of the 405 million euros initially recorded in the budget) and 130 million euros in 2016. The Advisory Board regrets the lack of transparency relating to this amount and therefore invites the Energy Minister (or one of her representatives) to come and explain to the Advisory Council the methods and the reasons behind this decision.

[Opinion No 64 of 10 December 2015 relating to study 1411 on the operation of and changes in prices on the Belgian wholesale electricity market - 2014 monitoring report](#)

The Advisory Board thanked the CREG Board of Directors for its annual monitoring report. This report contributes greatly to electricity market transparency in Belgium and therefore to improving how the market operates. The Advisory Board invites the Board of Directors to continue publishing this report each year and hopes that other European Union regulators will follow their example.

The Advisory Board shares a large part of the Board of Directors's analysis and supports the majority of its recommendations.

Also in 2014, the unavailability of various power plants (gas and nuclear) has resulted in a growing preoccupation regarding security of supply and has seen electricity prices rise progressively on the spot and forward markets to a level that is considerably higher than the averages in neighbouring countries. During its appeal, launched in 2013, to all players

concerned, the Advisory Board reiterated the necessity of removing, as soon as possible, the uncertainty related to the maintenance, or not, of the Doel 3 and Tihange 2 nuclear power plants and finding solutions to ensure security of supply over the coming winters and to keep the price of electricity in Belgium affordable.

The Advisory Board is requesting increased transparency immediately regarding the closure of existing production units. It proposes that either the CREG or the energy administration keep an up-to-date list of power plants, comprising of a certain amount of basic data, including any announced or expected closure dates.

In its study, the CREG observes that the electricity system offtake has systematically decreased over recent years. The Advisory Board proposes that a more detailed study be carried out regarding the cause of this decrease (energy efficient investments, increase in local production, reduced (industrial) demand, etc.).

The rise in intermittent energy sources, the use of peak capacity and the role of Demand Side Management all influence one another. The Advisory Board suggests that more details should be given about this element (e.g. what types of demand response, who offers it, problems and possible solutions to improve market integration, etc.).

Price gaps have grown noticeably wider in the Centre-West Europe (CWE) region over recent years. The gap between electricity prices (commodity component) has become more marked since 2012, both on the spot market and on the forward market, which does not correspond with consumers' expectations with regards to market integration.

Table 16: Members of the Gas and Electricity Advisory Board as at 31 December 2015 (source: Moniteur belge)

	ACTUAL MEMBERS	DEPUTY MEMBERS
Federal Government	VANEYCKEN Sven ROOBROUCK Nele CHAHID Ridouane ANNANE Jihane DORREKENS François DASGUPTA Jivan	JUSTAERT Arnout WAEYAERT Nicolas JOURDAIN Sigrïd NIKOLIC Diana NICOLAS Stéphane DEMEYERE Frank
Regional Governments	BIESEMAN Wilfried AUTRIQUE Henri JACQUET Annabelle	TANGHE Martine BOHET Maurice DECROP Jehan
Representative employees' organisations sitting on the National Labour Council	VERJANS Mathieu VERHUE Maureen VAN DAELE Daniel DE CROCK Bart	NICAISE Didier VAN WIJNGAERDEN Jan VAN MOL Christiaan SKA Marie-Hélène JONCKHEERE Caroline
Representative employees' organisations sitting on the Council for Consumption	DE WEL Bert STORME Sébastien	QUINTARD Christophe SPIESSENS Eric
Organisations for the promotion and protection of the general interests of small-scale users	ADRIAENSSENS Claude DOCHY Stéphane	RENSON Marie-Christine MOERS Jan
Representative organisations of industry, and the banking and insurance sector sitting on the Central Economic Council	VANCRONENBURG Geert BROUWERS Els VAN der MAREN Olivier	VANDERMARLIERE Frank CALOZET Michel AERTS Kristin
Representative organisations of the crafts, small and medium-sized trading companies and small-scale industry sitting on the Central Economic Council	DE BUYSER Capucine VANDEN ABEELE Piet	DEPLAE Arnaud VAN GORP Michel
Major electricity consumers	CLAES Peter	EELSENS Claire
Major natural gas consumers	BRAET Luc	de MUNCK Laurent
Electricity producers who are members of FEBEG (the Belgian federation of electricity and gas companies)	VAN DEN BOSCH Marc SCHOONACKER Frank	DE GROOF Christiaan de VILLENFAGNE Aude
Electricity producer's renewable energy sources	LAUMONT Noémie	BODE Bart
Electricity producer's co-generation	BOYDENS Jean-Pierre	MARENNE Yves
Industries that generate electricity for their own needs	BÉCRET Jean-Pierre	ZADORA Peter
Distribution network operators - INTERMIXT	GRIFNEE Fernand HUJOEL Luc DE BRUYCKER Luc	DECLERCO Christine DEBATISSE Jennifer VERSCHELDE Martin
- INTER-REGIONALS	DE BLOCK Gert	HOUGARDY Carine
Transmission System Operator for Electricity	DAMILOT Julien	MERTENS Steven
Transmission System Operators for Natural Gas	GOSSUIN Luc	DESCHUYTENEER Thierry
Holders of a supply permit for natural gas who are members of FEBEG	VANDEN BORRE Tom VAN NUNEN Carlos	DE BUCK Hilde DEDECKER Gunnar
Environmental Associations	VAN DYCK Sara VANDE PUTTE Jan	TURF Jan DE SCHOUTHEETE Cécile
Holders of supply permits for electricity who are members of FEBEG	HEYVAERT Griet WYVERKENS Herman	GODTS Annemie VAN BOXELAER Kathleen
Market operator for the exchange of energy blocks proposed by BELPEX	MATTHYS-DONNADIEU James	PIERREUX Nicolas

The Advisory Board is appealing to the system operators and regulators to look for solutions with the market players in order to continue the positive regional market integration trend. To do so, the Advisory Board:

- encourages them to find solutions that prioritise balancing between the interconnections, competitive national production and, finally, sources of flexibility;
- asks them to find solutions that adhere to environmental regulations;
- asks them to optimise the use of existing interconnection capacities and
- asks for increased global harmonisation of the energy policies of the various countries in question.

The Advisory Board invites the CREG's Board of Directors to conduct a more in-depth analysis of the following aspects of market operation:

- "Smart bids" on the spot markets;
- "Flowbased allocation" of cross-border capacities.

5.3. General policy plan and comparative report on the objectives and achievements of the CREG

As stipulated in the Electricity Law, on 29 October 2015, the Board of Directors prepared the general policy plan for 2016¹²⁹. In the plan, the CREG lists thirteen objectives that it wishes to achieve, with respect to legal provisions, the directions drawn up by the federal government and the Federal Parliament in the energy sector, as well as its competencies and its independence. This general policy note for the year 2016 is a continuation of what has been undertaken by the Board of Directors since September 2013 and, more specifically, the CREG's Strategy Plan for 2013-2019.

The general policy note accompanies the CREG's draft budget for the year 2016. Both have been sent to the Chairperson of the Chamber of Representatives and to the Chairperson of the Commission for the Economy, Scientific Policy, Education, Scientific and National Cultural Institutions, for the middle classes and of the Chamber of Agriculture (hereafter: the Economic Commission) and presented during a CREG hearing before the Economic Commission on 17 November 2015.

A comparative report¹³⁰ has also been drafted between the objectives as formulated in the general policy note for the year 2014 and their effective completion. This report was sent, accompanied by the CREG's Annual Report 2014, on 29 April 2015 to the Energy Minister, to the President of the Chamber of Representatives and the members of the Economic Commission. In its general policy note of the year 2014, the CREG identified sixteen objectives to be achieved. These objectives can be broken down into two hundred and four actions corresponding to individual tasks to be completed. The comparative report shows, for each action, the degree of completion achieved and provides a reason in the case of partial or non-completion. It is provided as an annex to the CREG's Annual Report.

5.4. The new internal regulations of the Board of Directors

The CREG's Board of Directors has drawn up new internal regulations¹³¹ following a public consultation relating to the changes it was planning to make in terms of reason giving, consultation and publication.

The obligation to provide reasons has been expanded to include all (legally contestable) decisions of the CREG's Board of Directors. Furthermore, the organisation and implementation

of the consultation procedure have been explained in more detail. The publication of the Board of Directors's actions on the website will take place in compliance with the "confidential information" confidentiality. A procedure has also been drawn up in the event that the Board of Directors is not convinced of the confidentiality invoked by the person in question. Finally, certain regular changes have been made to the internal operating rules in order for them to be suitable in practice. The terminology has been made compliant with legislation relating to public markets and some delegations of powers have been set up.

The new internal regulations came into effect on the date of their publication in the *Moniteur belge*, namely on 14 December 2015.

5.5. The Court of Auditors' audit report

The Court of Auditors carried out an operational audit of the CREG between November 2014 and June 2015.

The Court of Auditors concluded that "the CREG fulfils its role as regulator" and "adheres to the majority of norms in terms of independence, transparency and provision of proof", although some points have room for improvement. It formulates a certain number of recommendations to which the CREG will give careful consideration. The CREG sees this audit as an opportunity of which they should take advantage and will use this document to improve its operations, thereby providing the best service possible to the consumers.

¹²⁹ Note (Z)151029-CDC-1470 general policy for the year 2016.

¹³⁰ Comparative report (Z)150423-CDC-1417 of the objectives formulated in the CREG's general policy note and the accomplishments of the year 2014.

¹³¹ CREG Board of Directors's internal regulations (Z) 151204-CDC-1472.

5.6. Handling questions and complaints

The CREG continued in 2015 to handle on a voluntary basis the questions and complaints raised by consumers, businesses in the sector, lawyers, consultants, researchers, students, administrations, federal and regional mediation services or international bodies.

The CREG also continued working with the Federal Energy Mediation Service, the three regional energy mediation services (BRUGEL, CWaPE and VREG) and the SPF Économie, SME, Middle Classes and Energy (general directorate of the economic inspection and the general directorate of Energy), the outcome of an agreement reached in 2011, whereby the services concerned agreed on the procedure for handling questions and complaints that do not come from the service that receives them.

Additionally, in March 2015, the CREG sent the Federal Energy Mediation Service, as part of its annual duty to report to the European Commission, its complaints statistics for 2014. Of the 670 requests received between 1 January and 31 December 2014, 244 of them directly involved the CREG (163 in French and 81 in Dutch). The CREG defines a complaint as any form of discontent. The majority concerned the applicable prices and tariffs.

Finally, the possibility for any person who believes that they have been wronged by a decision made by the CREG to request a re-examination of the file by the latter was not taken up in 2015.

Furthermore, the Dispute Resolution Chamber¹³², which is a CREG body, was unable to operate in 2015 due to a lack of appointment of its members.

5.7. Transparency and the CREG website

In virtue of the Gas and Electricity Laws, the CREG must publish its decisions on its website, while preserving the confidentiality of commercially sensitive information and/or personal data.

The gas and electricity acts repeat this obligation for decisions regarding tariffs, additionally indicating that, within this framework, the CREG must, following consultation with the companies in question, draw up guidelines to define which information falls within the scope of confidentiality. The CREG published such guidelines¹³³ in August 2014. They only concerned the issue of tariffs. However, in these guidelines it was stated that the CREG's intention was to expand their scope of application to all matters that fall within the CREG's jurisdiction.

That is why the CREG submitted a new version of its guidelines for public consultation between 11 February 2015 and 12 March 2015. The new guidelines¹³⁴, adopted on 27 August 2015 and published on 14 December 2015, replace the guidelines regarding tariffs.

With regards to their content, they carry over a very large part of the principles appearing in the previous guidelines, referring, for commercially sensitive data, to the criteria given by Article 39.2 of the Agreement on trade-related aspects of international property rights, annexed to the Marrakesh Agreement of 15 April 1994 establishing the World Trade Organisation; the guidelines contain an index of information that is primarily considered to be commercially sensitive or, inversely, non-sensitive information. With regards to personal information, it makes reference to the definition given in Article 1

of the Law of 8 December 1992 relating to the protection of private life with regards to the processing of data of a personal nature.

It should be noted that the CREG's new internal regulations (see section 5.4 hereof) provide the following procedure to be followed in the event of a dispute between the CREG and a market player on the confidential nature of the information that the CREG wishes to publish.

With regards to its website, in 2015, the CREG continued to add to it and update it in order to keep the market players and, in particular, gas and electricity consumers better informed.

In 2015, the CREG also continued with the consideration it began in 2014 with regards to giving its website a complete makeover. In 2015, a study was carried out in collaboration with an external partner in view of developing a structure for the CREG's website that was more based around the general public and deciding on the information to be developed and the way in which to make it more approachable, without compromising its depth or expertise. The new website is expected to go live during 2016.

In 2015, there were 145,933 visits to the CREG website, with a total of 458,659 viewed pages. The most frequently viewed pages (French and Dutch versions combined) were as follows: Price comparison (residential), m3/KWh conversion, Publications, Price trends/Safety net and Social tariffs.

¹³² The dispute resolution chamber is called upon to resolve disputes between transmission system operators and users as regards the obligations imposed on TSOs, DSOs and the operators of closed industrial systems, with the exception of disputes over contractual rights and obligations.

¹³³ Guidelines regarding tariffs (R) 140828-CDC-1336 concerning confidential information due to their commercially sensitive or personal nature.

¹³⁴ Guidelines (R) 150827-CDC-1404 concerning confidential information due to their commercially sensitive or personal nature.

5.8. Presentations made by the CREG

Table 17: Overview of presentations made by the CREG in 2015

Organisational power	Context	Title of the presentation	Date
SPF ECONOMIE	World Energy Outlook presentation	Round table debate	14/01
Meeting CREG-University of Amsterdam & KU Leuven + representatives DG Competition	Merger GDF-Suez	Belgian gas markets 2001-2014	15/01
FEBELIEC	Information meeting	Étude 1384 sur la fourniture d'électricité des grands clients industriels en Belgique	16/01
CREG	Presentation for the FEBEG	Tariefmethodologie - transmissie elektriciteit: Eventueel gebruik injectietarieven Nieuwe tariefmethodologie – aardgasinfrastructuur: Regularisatierekening en ontmantelingsfonds	19/01
CEER	First task force meeting on security of supply	Work Programme TF Security of Supply for discussion purposes	21/01
FEBELIEC	FEBELIEC Energy Forum Session IV	Plenary session panel debate ; Transmission & Distribution Tariffs: An Introduction	22/01
Gas and Electricity Advisory Board (CCGE)	'Price composition', 'gas market operation' and 'electricity market operation' working groups	Méthodologies tarifaires ELIA - FLUXYS 2016-2020 - Nouvelle méthodologie tarifaire - Transport d'électricité - Accents spécifiques, Nouvelle méthodologie tarifaire - Infrastructure gaz naturel - Accents spécifiques ; Tariefmethodologieën ELIA - FLUXYS 2016-2020 - Nieuwe tariefmethodologie - Transmissie elektriciteit - Specifieke accenten, Nieuwe tariefmethodologie - Aardgasinfrastructuur - Specifieke accenten	9/02
CLUB MONTGOMERY	Energy challenges	Conducting the market towards a successful energy transition	10/02
CCGE	'SoS' working group	Note juridique de la CREG analysant les dispositions des contrats régulés dans l'hypothèse de l'application du plan de délestage en cas de pénurie d'électricité	12/02
CCGE	'Gas market operation' working group	Étude 1385 relative aux prix pratiqués sur le marché belge du gaz naturel en 2013	13/02
CCGE	'Electricity market operation' working group	Étude 1384 sur la fourniture d'électricité des grands clients industriels en Belgique	13/02
CCGE	'Gas market operation' and 'electricity market operation' working groups	Note 1398 relative aux évolutions marquantes sur les marchés de gros de l'électricité et du gaz en 2014	13/02
SMART GRID FLANDERS	Update market model	Belgian gas markets 2001-2014	23/02
CREG	"Market player registration in virtue of REMIT" workshop (French) "Registratie van marktdeelnemers onder REMIT" workshop	Enregistrement des acteurs du marché en vertu de REMIT : Survol de REMIT, Base légale de l'enregistrement, Principes de base, Acteurs concernés, Vue d'ensemble de la plateforme CEREMP, Procédure d'enregistrement sur la plateforme CEREMP ; Registratie van marktdeelnemers onder REMIT: REMIT in vogelvucht, wettelijke basis van de registratie, basisprincipes, betrokken deelnemers, overzicht van het CEREMP-platform, registratieprocedure op het CEREMP-platform	24/02 ¹
INSEAD	Sustainable Energy Round Table	Electricity Wholesale markets in 2014 - some key facts	26/02
CEER	Third task force meeting on security of supply	Towards a CEER SOS concept paper: main principles applied for the EU Public Consultation	2/03
VOKA	Infosessie Energie	Actieve participatie aan de energiemarkt loont!	2/03 13/05 20/05 16/11
Svensk Energi – Swedenergy and NEPP – North European Power Perspectives	Electricity Market Integration - A North European Perspective	Will Flowbased market coupling lead to better usage of transmission capacity, increased welfare and security of supply?	3/03
PREMIER CERCLE	Energy Forecast Summit	Regulatory Aspects of Demand Side Integration - The Belgian case	4/03
Joint event: Benelux (BAEE) and French Association of Energy Economists (FAEE)	Capacity Remuneration Mechanism: a solution for European power market? Illustration in Central West Europe	Strategic Reserve in Belgium - Design and Functioning	9/03
CEER	118 th Gas Working Group Meeting	TF Security of Supply: State of Play	12/03
CEER	Training for Senior Staff and Board Members	Role of NRAs within CEER and ACER-GA, BoR, Working Groups and the decision-making processes	17-19/03
CHAMBER OF REPRESENTATIVES, Economy Commission	Hearing	Bénéfice nucléaire / Nucleaire winst	25/03

Organisational power	Context	Title of the presentation	Date
FLUXYS BELGIUM	FLUXYS Shippers day, Berlin	The future outlook of regulation in Europe	27/03
FUTURE POWER MARKET PLATFORM (FPM)	Workshop 8	Balancing, quo vadis ?	27/03
PUC (Latvian regulator)	Opening of the gas market in Latvia	Belgian gas markets 2001-2014 ; Regulation in Belgium ; Wholesale Gas market 2013	23/04
CEER, EU Gas Coordination Group	Workshop on the revision of the Security of Supply Regulation	Protected Customers and Solidarity	4/05
KVAB	Debatavond "Opslag van Energie"	De rentabiliteit van elektriciteitsopslag in België	5/05
SRBE/KBVE	Seminar: Do we still need energy production in Belgium?	Mécanismes de rémunération de la capacité	6/05
SPF ECONOMIE	Technical workshop on Energy storage: needs and opportunities for the future of our energy system	The Rentability of Electricity Storage in Belgium	8/05
IAEE	38th International Conference	Gas Market Integration in North West Europe: Is moving from Market Coupling to Market Merging Necessary?	25/05
CCGE	'SoS' working group	Étude 1412 sur la rentabilité du stockage d'électricité en Belgique	26/05
PUC (régulateur letton)	Opening of the gas market in Latvia	Wholesale gas market, Regulation & Regulation Evolution in Belgium	3/06
FLUXYS BELGIUM	Singapore LNG Corporation and EMA (Singapore Energy Regulator) visit	Regulation in Belgium	9/06
SRBE - KBVE	Network Codes : élaboration, structure et nouveautés - Network Codes : opstelling, structuur en nieuwigheden	Network codes - ACER perspective	10/06
FLUXYS BELGIUM	Seminar CREG/FLUXYS BELGIUM	The regulatory bridge to energy union	15/06
CCGE	'Price composition' working group	Rapport 1416 sur le monitoring des éventuels effets perturbateurs sur le marché - Mécanisme de filet de sécurité	19/06
ECOLO-GROEN	Expert meeting: "Capaciteitsmechanisme: oplossing of meer problemen"	Mécanismes de rémunération de la capacité	22/06
CEER	CEER Training on Retail Markets	Monitoring Retail Markets : Belgian Case Study	23/06
FLUXYS BELGIUM / CREG	Yearly seminar FLUXYS BELGIUM/CREG	Impacts of Changing Market Circumstances: Position of Belgium	25/06
FLANDERS' PLASTIC VISION	Zet je energiefactuur op dieet!	Actieve participatie aan de energiemarkt loont!	30/06
CCGE	Groupe de travail 'composants des prix'	Étude 1407 relative à une mise à jour de la structure de coûts de la production d'électricité par les centrales nucléaires en Belgique, de l'évaluation économique de la production nucléaire d'électricité ainsi que d'une estimation des bénéfices tirés de ces activités	8/07
CEER	CEER Away Day	Findings on communication towards energy consumers	15/07
CCGE	'Electricity market operation' working group	Étude 1411 relative aux fonctionnement et évolution des prix sur le marché de gros belge de l'électricité – rapport de monitoring 2014	15/07
FEBELIEC	Workshop REMIT regulation	REMIT : Practical consequences for large consumers	7/09
ECONOMY CENTRAL ADVISORY	Information meeting	Studie 1453 over de elektriciteitsbeleving van grote industriële klanten in België Étude 1453 sur la fourniture d'électricité des grands clients industriels en Belgique	15/09
CREG	Information meeting for the European Commission's Competition DG	Study 1422 on the measures to be taken in order to ensure an adequate volume of conventional production means to assure Belgium's electricity security of supply	18/09
FLANDERS INVESTMENT&TRADE	Site selectors familiarisation tour	A European Comparison of electricity and gas prices for the large industrial consumers (CREG & PWC)	21/09
CCGE	'SoS' and 'Electricity market operation' working groups	Étude 1422 sur les mesures à prendre afin de disposer du volume adéquat de moyens de production conventionnels pour assurer la sécurité d'approvisionnement en électricité de la Belgique	21/09
CEER	Chinese delegation	European Retail Energy Markets	21/09
FORBEG	Gas working group	Market Based Balancing Gas Market Belgium	22/09
CREG/FLORENCE SCHOOL OF REGULATION	Annual conference: "Regulated energy prices" Jaarconferentie: "Gereguleerde energieprijzen"	Retail Price Regulation and EU Law: Mapping the Issues; Regulated Prices & EU Energy Law after the Federutility case; The Economics of Regulated Prices: Mapping the Issues; Electricity Tariff Deficit: Temporary or Permanent Problem in the EU?	28/09 ²
CCGE	'Price composition' working group	Étude 1419 Composantes des prix de l'électricité et du gaz	30/09
Belgo-Luxembourg Industry Chamber of Commerce (CCILB)	Energy info-session	La participation active au marché de l'énergie rapporte	30/09
FRIENDS OF EUROPE	Climate and Energy conference	Fixing Europe's Electricity markets	15/10
ROYAL MILITARY SCHOOL	Hoge studies Veiligheid en Defensie: Seminarie 2: sleutelfactoren en tendensen	Energy : A strategic factor in international relations	17/10

Organisational power	Context	Title of the presentation	Date
ELIA	ELIA Regulatory day /Workshop CREG/ELIA	Ambitions en matière de régulation ; Impact of bidding zones size	19/10
CCGE	'SoS' and 'Electricity market operation' working groups	Étude 1454 concernant la réserve stratégique et le fonctionnement du marché au cours de la période hivernale 2014-2015	20/10
CHAMBER OF REPRESENTATIVES, Economy Commission	Hearing	Étude relative à la réserve stratégique et au fonctionnement du marché durant la période hivernale 2014-2015; Studie over de strategische reserve en de marktwerking tijdens de winterperiode 2014-2015	27/10
FLUXYS BELGIUM	Swiss workshop BFE/OFEN	Regulatory context in Belgium	29/10
ACER	Market Monitoring Steering Committee ACER (MM SC) (REMIT)	The case of crossborder capacity auction in 2013	6/11
CHAMBER OF REPRESENTATIVES, Economy Commission	Hearing	Budget – Note de politique générale 2016 Begroting – Beleidsnota 2016	17/11
CREG	Workshop « Working paper on the price spikes observed on the Belgian day-ahead spot exchange Belpex on 22 September 2015 »	The price spikes on BELPEX DAM on 22 September 2015	18/11 ³
CCGE	'Electricity market operation' working group	Étude 1453 sur la fourniture des grands clients industriels en Belgique en 2014	25/11
CCGE	'Gas market operation' working group	Studie 1460 over de werking van en prijsevolutie op de Belgische groothandelsmarkt voor aardgas - Monitoringrapport 2014	25/11
FEBELIEC	Infosession: intermittent power generation: how flexible can (we) not be?	Storage: solution for us or for our children?	30/11
ULB, Judicial Law Unit	Collective reparation action conference	L'action en réparation collective en matière d'énergie	3/12
CEER	Closed Seminar on Projects of Common Interest	Experiences from projects in the first PCI list	10/12
Nordic TSOs and NRAs	Joint NordREG / Nordic TSO workshop on Flow-Based capacity calculation	Price spikes, base case, bidding zones and adequacy patch in a FB context	14/12

- On 24 February 2015, the CREG organised an interactive workshop on the topic of the registration of market players in view of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). The practical aspects of registration were covered, namely who has to register, how to register on the CEREMP platform, what information is collected, and what to expect in the future. A large panel of organisations and companies were present. The presentations from this workshop are available on the CREG's website.
- On 28 September 2015, the CREG organised its annual conference in cooperation with the Florence School of Regulation on the theme of "Regulated energy prices". In February 2015, the European Commission, in its communication on the Energy Union¹³⁵, clearly indicated that it would consider the progressive removal of regulated energy prices a priority. But what are the economic and legal objections to regulated prices? How can we ensure a fluid transition? And finally, what do we mean by regulated prices? On this topic, the CREG and the Florence School of Regulation invited a number of international speakers who discussed the topic from an interdisciplinary point of view. The presentations from this conference are available on the CREG's website.
- On 18 November 2015, the CREG organised a workshop on the "Working paper on the price spikes observed on the Belgian day-ahead spot exchange Belpex on 22 September 2015"¹³⁶. The aim of this working paper is to present the CREG's preliminary analysis and conclusions concerning the appearance of high prices and price spikes on the Belpex Belgian day-ahead spot exchange on 22 September 2015. The day-ahead market takes up a significant amount of the analysis, although some topics from the intra-daily and real time markets are also discussed. The working paper primarily concludes that the use made of the cross-border capacity is inefficient and discriminatory. The case of 22 September 2015 very clearly demonstrates that non-competitive flows, mainly loop-flows, have priority access over cross-border capacity, regardless of the rarity of this capacity or the desire to pay for it. Sometimes, well over half of the physical flows noted are non-competitive. This is also the case when market players are willing to pay the maximum price of 3,000 euros/MWh, which increases the risk for security of supply. The CREG suggests five solutions to make the use of, sometimes very rare, cross-border capacity efficient and non-discriminatory, not only for the players on the Belgian market, but for all market players contributing to the flow-based market coupling. These solutions are a necessary condition to finalise the interior European market and the Energy Union.
In light of comments received during the workshop and a more in-depth study, the CREG will complete its analysis of 22 September and will update this working paper. The update will also contain an analysis of the price peaks of 16 October 2015.

5.9. CREG cooperation with other bodies

5.9.1. CREG and the European Commission

The CREG has participated, either directly or indirectly, depending on the case, in the meetings of different working groups set up by the European Commission on the following themes: Vulnerable consumers, price transparency, e-billing, consumer complaints and smart grids.

In order to expand on these activities, the CREG has also actively taken part in the Madrid (for gas), Florence (for electricity), London (for citizens) and Copenhagen (for infrastructure) forums. Please see sections 5.9.4. to 5.9.7. below.

In its role as a member of the CEER, the CREG has also, as for previous years, provided assistance in a number of consultations and reports for the benefit of the European commission (see section 5.9.3 hereof).

The CREG has fulfilled its advisory assignment by helping the public powers during the various comitology meetings presided by the European Commission in view of the approval of European network codes (see section 5.9.2 hereof). Finally, the "2014 National Report from Belgium"¹³⁷, was submitted to the European Commission and the ACER by the CREG on 28 August 2015. It was written in close collaboration with the regional regulators (BRUGEL, CWaPE and VREG) and the Federal Energy Mediation Service, and includes the measures taken and the results obtained within the framework of the legal missions of these bodies.

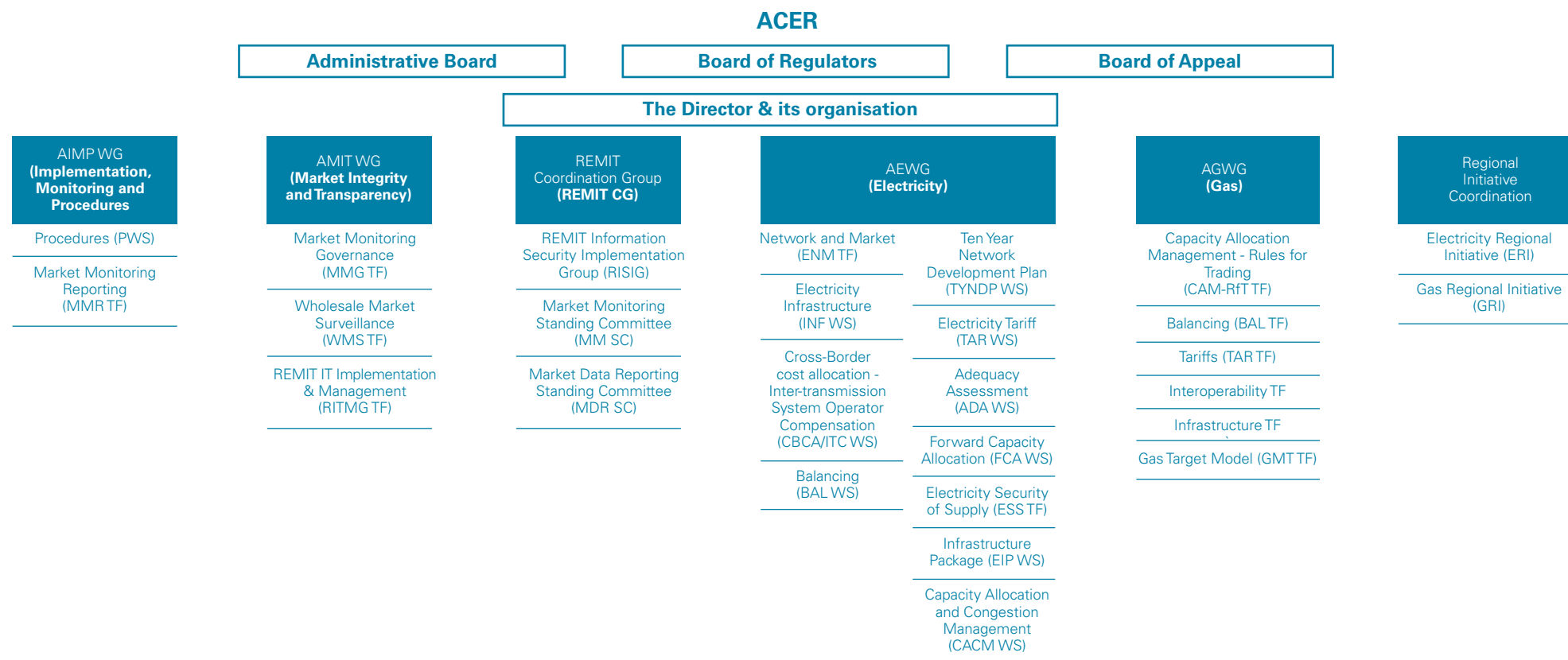
135 "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - A framework strategy for a resilient energy union, with a forward-looking climate change policy" COM(2015) 80 final, 25 February 2015.

136 Working paper (Z)151113-CDC-1476 on the price spikes observed on the Belgian day-ahead spot exchange Belpex on 22 September 2015.

137 2015 Belgian national report to the European Commission and ACER, 27 August 2015.

5.9.2. The CREG within ACER

Figure 32: ACER organisational chart as at 31 December 2015 (source: CREG)



ACER (Agency for the Cooperation of Energy Regulators) was created by the third energy package in order to encourage the end of the interior energy market, both for electricity and for natural gas. The three objectives that it formulated based on the drawn-up legislation concern:

- a **more competitive** integrated market offering more choice to consumers¹³⁸.
- an **efficient** energy infrastructure in which the free circulation of energy beyond borders and the transmission of new energy sources are guaranteed, thereby improving **security of supply** for the companies of the European Union and consumers¹³⁹;

- a **controlled and transparent** energy market on which consumers pay a price which is guaranteed to be honest and reflect costs and the **abuse of which is deterred**¹⁴⁰.

In many ways, 2015 has been a pivotal year for the Agency. In the month of May, Lord J. Mogg and Mr Walter Boltz were re-elected for a mandate of two and a half years to their roles

¹³⁸ In this case, these are the directives and rules of the third energy package, and specifically Regulation (EC) No 713/2009 establishing the agency.

¹³⁹ In this case, this is Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure.

¹⁴⁰ In this case, this is Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT).

of Chairman and Vice-Chairman of the Regulatory Council. Additionally, the European Commission and the Council have confirmed that Alberto Pototshnig has been appointed Director of the Agency until September 2018.

Furthermore, it has been confirmed that a new phase has begun in 2015 in view of achieving the first aforementioned objective. In addition to the development of network codes, this new phase involves the creation of investments to follow-up and monitor the implementation of the network codes and orientations published, both in terms of natural gas and electricity. The regulators, including the CREG, are therefore working together to prepare the Europe-wide transition from pre-implementation stage to implementation stage of the network codes and orientations.

In addition to these administrative and structural reforms, the creation of the integrated energy market has been the subject of works. To this end, the CREG's role within the Agency is to establish and implement the necessary technical documents.

With regards to natural gas, the following points may be cited:

a) The first implementation and assessment reports to which the CREG has contributed have been published by the ACER and provide a clear image of the status of the situation in each European Member State. This includes,

amongst other things, an implementation report concerning congestion management procedures¹⁴¹, the final roadmap relating to the implementation of capacity allocation mechanisms¹⁴², including the reservation platforms, and the second status report for the implementation of the Balancing network code¹⁴³. Each time, implementation in Belgium appears to meet the prescriptions. In the specific case of the reservation platforms, the CREG has contributed, in its role as co-president of the Regulatory Advisory Group, to finalising the monitoring. It will continue to do so in the future.

b) In the case of the development of code texts, the ACER issued, on 13 October 2015, its recommendation 04/2015 on the adaptation of the network code for the capacity allocation mechanisms with regards to the additional new capacity¹⁴⁴. In this respect, the CREG has also ensured that newly developed methods are both usable and flexible. The discussion at the Member States' Gas Committee led by the European Commission will ensure the follow-up during 2016. Discussion related to a new network code concerning harmonised transmission tariff structure rules have not, however, led to a recommendation. The European Commission has decided to take care of this issue itself with Member States in 2016.

With regards to electricity, the following points may be listed:

a) ACER has published its recommendation 02/2015 of 23 June 2015 for the development of the network code in

case of emergency and restoration¹⁴⁵, as well as its recommendation 03/2015 of 20 July 2015 for the development and adaptation of the network code concerning electricity balancing¹⁴⁶. The CREG has contributed to the preparatory works and has also encouraged the development of the two texts with the help of a few ongoing pilot projects and in view of the final completion of the internal energy market. The discussion at the Member States' Electricity Committee led by the European Commission will ensure the follow-up during 2016.

b) Following the implementation of the first published guideline relating to capacity allocation and congestion management of 24 July 2015¹⁴⁷, the ACER has invited, in opinion 09/2015 issued on 23 September 2015, the regulators and operators in the Centre-East Europe region to apply the capacity allocation procedure also coordinated at the German-Austrian border. For Belgium, this position is important given that, due to its restrictive nature, it can influence the cross-border capacity available in the Centre-West Europe region, of which it is a part.

c) During 2015, the ACER considered the necessity for a new network code concerning the harmonised transmission tariff structure rules¹⁴⁸. The CREG is backing a careful approach aiming to develop, in 2016, shared principles for the development of transmission tariffs, favouring shared understanding and the exchange of experiences.

Through the development and monitoring of this network codes programme, the CREG supports the European

141 ACER publication of 13 January 2015 (http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20CMP%20Implementation%20Monitoring%20Report%202014.pdf).

142 ACER publication of 9 November 2015 (http://www.acer.europa.eu/Gas/Regional_%20Initiatives/CAM_roadmap/Documents/CAM%20Roadmap%20update%20November%202015.pdf).

143 Joint ACER and ENTSOG publication of the 5th November 2015 (http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/Second%20ACER-ENTSOG%20Report%20on%20the%20status%20of%20the%20implementation%20of%20the%20Balancing%20Network%20Code.pdf).

144 ACER publication of 13 October 2015 (http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2004-2015.pdf).

145 Publication of ACER's recommendation of 23 June 2015 (http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2002-2015.pdf).

146 Publication of ACER's recommendation of 23 June 2015 (http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2003-2015.pdf).

147 This is Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (JO L 197/24, 25 July 2015).

148 http://www.acer.europa.eu/Electricity/FG_and_network_codes/Pages/Harmonised-transmission-tariff-structures.aspx.

Commission, together with its counterpart regulators, via the ACER, to implement the rules imposed in the third energy package. One year after the publication of the **Bridge strategy document**¹⁴⁹, national regulators have, furthermore, made their outlook more Europe-centric. The consultations, workshops and discussion platforms have strengthened the commitments of the market players. Additionally, the regulators have taken part in the European Commission's public consultation aiming to create a new European electricity market model. In this context, the CREG has participated in the discussion about the new monitoring structure, adapted to the future integrated energy market.

In accordance with the primary objectives of the European Commission's "Energy Union" communication of 18 November 2015, the CREG feels drawn to provide the necessary support for efficient regulation, to the European integrated energy system, through which energy moves freely beyond borders, based on competitive markets making use of the best possible sources available. As it does every year, the CREG provided a written contribution to the **Annual Report on the results of monitoring the internal electricity and natural gas markets in 2014**¹⁵⁰. This is the annual market monitoring report, co-written by the ACER and the CEER (point 5.9.3. below). Based on the experience acquired over the last few years, this report is focused on new retail markets and their consumers, on the recent trends on the electricity and gas wholesale market and on the access to infrastructure. Additionally, the imagined obstacles to commercial market access are closely studied. An internal energy market in favour of the consumer cannot be achieved as long as these obstacles exist.

In addition to the monitoring of commercial markets, the CREG continues to closely monitor, within the ACER, the development of infrastructure, through the implementation of the ACER's second objective and in support of security of supply. In preparation for the European Commission's publication of the second list of **projects of common interest**, the CREG has evaluated the ACER's¹⁵¹ complete procedure. The necessary recommendations have been formulated so that all parties can better meet the schedule of successive steps for the procedure until 2017 and so that integrity and coherence are guaranteed in the future for the selection and monitoring of projects. To this end, an update of a 2013 recommendation relating to the possible allocation of cross-border costs concerning these projects has been published (05/2015). In 2015, the CREG did not take part in any cost allocations in the investment files ongoing in the neighbouring countries.

Additional monitoring tasks have been developed as part of the ACER's third objective, namely the implementation of the **REMIT Regulation** (see also section 3.2.2.4 hereof)¹⁵². Following the actual entry into force of the Implementing Regulation¹⁵³ on 8 January 2015, the CREG has given market players the opportunity to register on their website and provides them with assistance for any question that they may have on this registration and data declaration procedure. The whole energy sector has, nevertheless, been provided with information, through manuals, guidelines, Q&A documents and workshops, on the standard data declaration process. The first data declaration phase began on 7 October 2015 for standardised products on organised market places, which has already allowed for the partial monitoring of the market.

The complete roll-out of the reporting process will be systematically subject to works until 2016.

■ Questionnaires

Finally, the CREG actively contributed to the creation of ACER questionnaires and responded to them within the framework of the harmonisation and integration of the European gas and electricity markets. They notably covered the following topics in 2015 (original titles):

- 1) Assistance with stakeholder contacts (electricity tariffs)
- 2) Monitoring the appropriateness of the ranges of annual average transmission charges paid by producers in 2014
- 3) Unit investment cost (gas & electricity)
- 4) Criteria for the valuation of losses at national level and the value of losses for ITC mechanism 2014
- 5) ACER-ENTSOG questionnaire on online survey on balancing network code implementation
- 6) ENTSOG summer supply outlook
- 7) BoR summit (September 2015) preparatory questionnaire
- 8) A 2nd ACER recommendation on Cross-Border Cost Allocation (CBCA) of projects of common interest.

All these questionnaires were used as a basis to write reports, status reviews, position papers and other documents from the ACER. They not only give a detailed description of the differences and similarities between the Member States, but also provide information on the degree of application of European legislation in each Member State. The European Commission, for its part, uses these documents as the basis for the creation of legal initiatives.

149 <http://www.acer.europa.eu/Media/News/Pages/A-Bridge-to-2025.aspx>.

150 http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER_Market_Monitoring_Report_2015.pdf.

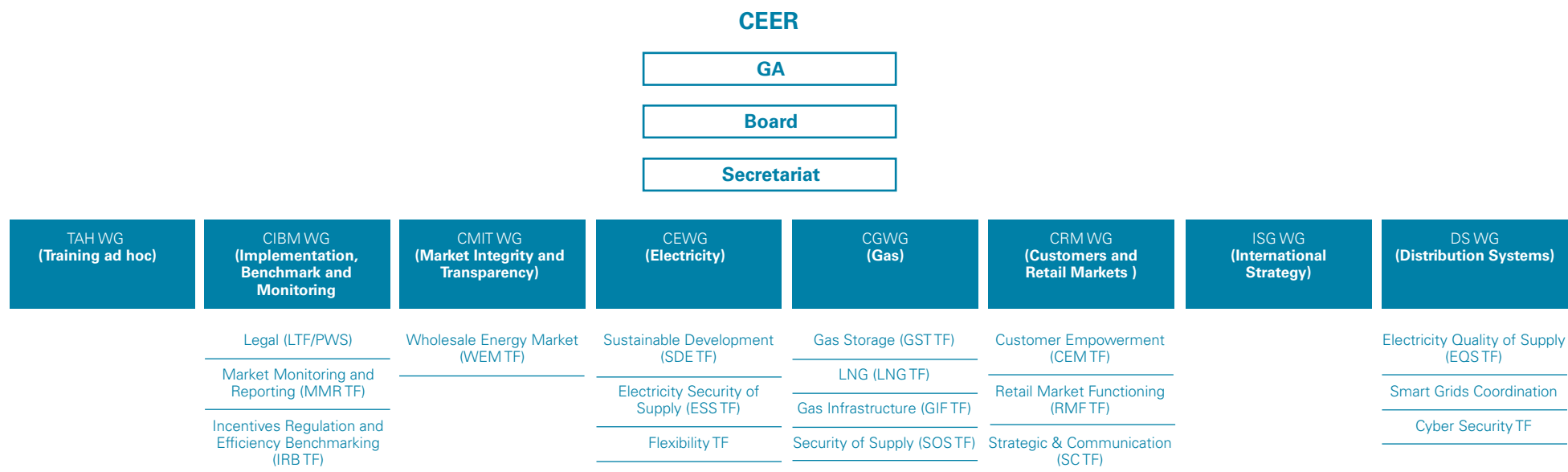
151 http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/Consolidated%20report%20on%20the%20progress%20of%20electricity%20and%20gas%20Projects%20of%20Common%20Interest.pdf

152 Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

153 Commission Implementing Regulation (EU) No. 1348/2014 of 17 December 2014 on data reporting under Article 8, paragraphs 2 and 6 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (OJ L363/121, 18 December 2014).

5.9.3. CREG within CEER

Figure 33: CEER organisational chart as at 31 December 2015 (source: CREG)



In its role as a founding member of the CEER (Council of European Energy Regulators), formed by a Memorandum of Understanding on 7 March 2000, the CREG takes an active part in the discussions, deliberations and decisions of the CEER's General Meeting, which met ten times over the course of 2015.

In May 2015, the Chairperson of the CREG, Ms Marie-Pierre Fauconnier, was elected Vice-Chairperson of the CEER for a period of thirty months.

The CREG also actively took part in the working group meetings of the CEER (and of the task forces and work streams set up within these different working groups), in its role as member, president or co-president.

■ The Electricity Working Group

The Electricity Working Group (EWG) focuses on questions related to the European electricity systems, to security of supply and to long-term development.

The EWG is made up of the three task forces:

- the Flexibility Task Force specifically deals with questions related to the flexibility of the system's response to requirements, as discussed in the ACER document entitled "Bridge to 2025";
- the Sustainable Development Task Force is tasked with questions linked to renewable energy and energy efficiency;
- the Electricity Security of Supply Task Force focuses on the challenges relating to the security of supply from the point of view of the adequacy of production capacities.

In 2014, the EWG focused on the following work:

- State aid: the Sustainable Development Task Force examined the consequences of the new "Guidelines on State aid for environmental protection and energy 2014-2020" on renewable energy with regards to their integration into the market, the offers and bidding process, the new tariff structures ("feed-in" replaced by "premiums"), the cost and benefits of the new support mechanisms and the new cooperation mechanisms.
- flexibility: in the ACER document entitled "Bridge to 2025", European regulators committed, in cooperation with the ACER, to defining the concept of flexible response and to developing an action plan aimed at removing the obstacles to its development and promoting response to demand in particular.

- security of supply: regulators have continued to examine the approaches that are most coordinated and most coherent for the assessment of how well the system works.

■ *The Gas Working Group*

The European Energy Regulators' Gas Working Group (GWG) is dedicated to dealing with questions linked to the European gas transmission systems and the European Union's gas market. The CREG acts as vice-chair.

The GWG works on the various issues in close collaboration with ENTSOG, GSE and GLE, as well as with the other market players, and the other working groups of the ACER and the CEER.

Within the CEER, the GWG is made up of four task forces: the Gas Storage Task Force (GST TF), the Liquefied Natural Gas Task Force (LNG TF), the Gas Infrastructure Task Force (GIF TF) and the Security of Supply Task Force (SoS TF).

In 2015, the CEER GWG approved the following documents (original titles):

- CEER vision on the regulatory arrangements for the gas storage market (Ref: C15-GWG-119-03)
- CEER Concept Paper on Security of Gas Supply (Ref. C15-GWG-122-04)
- CEER Monitoring Report on Implementation of the Gas Storage Guidelines of Good Practice and the GSE Transparency Template (C15-GWG-121-03)
- CEER Response to European Commission Consultation on an EU strategy for liquefied natural gas and gas storage was approved (C15-GWG-123-03).

Amongst its other activities, the organisation appears and/or participates at:

- Madrid Forum (see section 5.9.4 hereof)
- CEER Workshop on Gas Storage Regulatory Vision
- CEER Workshop on LNG's role to improve regional Security of Supply.

■ *The Market Integrity and Transparency Working Group*

The Market Integrity and Transparency Working Group (MIT WG) focuses on questions regarding transparency and the surveillance of energy exchanges, as well as the link between the legislation of the wholesale energy market and that of the appropriate financial market. As such, the MITWG is tasked with tracking all the measures concerning the operation of the energy markets and the surveillance of energy exchanges in general. This specifically includes the legislative proposals and the questions linked to energy exchanges, for example the decrease of VAT fraud on the energy markets.

The MIT is made up of one task force. The Wholesale Energy Market Task Force (WEM-TF) deals with all questions linked to the operation of the wholesale energy markets and their monitoring. The guarantee of a required level of transparency for the data relating to the market (transaction and fundamental data) is essential in this context and constitutes one of the main working areas of the task force.

In 2015, the MIT WG primarily focused its attention on financial legislation.

Following a discussion on the European Parliament and Council's regulatory project concerning the indexes used as reference indexes in the context of financial instruments and contracts, a joint ACER-CEER position was sent, in April 2015, to the members of the European Parliament's Committee on Economic and Monetary Affairs (ECON) and the Latvian presidency of the Council of the European Union. This regulation was finally adopted on 19 May 2015.

Later, a shared position concerning the negative impacts of MiFID II on the European energy market and on the objective of the third European energy package was defined by the working group and sent to the European Commission.

Finally, a consultation on the financial market was launched by the European Commission on Regulation (EU) No 648/2012

of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, to which the MIT WG responded in July 2015.

The WEM TF's main duty was the creation and distribution of a questionnaire for the attention of the members on the REMIT implementation at national level.

■ *The Implementation, Benchmarking and Monitoring Working Group*

The Implementation, Benchmarking and Monitoring Working Group (IBM WG), successor of the Implementation, Benchmarking and Policy Working Group and of the Energy Package Working Group, carried out its work in 2015 on the basis of continuity. The CREG plays a leading role in this working group and in its task forces, and even chairs it.

The IBM WG consists of three task forces:

- the Incentives Regulation and Efficiency Benchmarking Task Force (IRB TF), as its name indicates, is primarily in charge of benchmarking. This task force ensures that essential information is collected and exchanged between national regulatory authorities (NRA) in view of the performance of their regulatory duties and, as a result, to prioritise coherent regulatory practices throughout Europe. Previously known as the Efficiency Benchmarking Task Force, its name was changed at the end of 2013 in order to better reflect its future tasks. Therefore, a comparative internal study relating to the efficiency of gas transmission system operations began in 2015 and an internal investment conditions paper was created.
- the Market Monitoring and Reporting Task Force (MMR TF) mainly centred its 2015 works around the writing of the Joint Market Monitoring Report created in close collaboration with the ACER. This report provides a full annual overview of the results obtained in the European Union in terms of the integration of the gas and electricity markets.

As a result, the report reflects the degree of implementation of various directives, regulations and network codes. Workshops have also been set up throughout the preparatory procedure, in which the structure and the indicators required to write the monitoring report have been finalised.

- the Legal Task Force (LTF) was re-created in 2013 in order to issue opinions on the legal and institutional aspects of the implementation of the third energy package (e.g. the certification of transmission system operators). Where applicable, it also looks into legal questions from the NRA. Additionally, this task force gives legal advice to the IBM WG or other working groups if specific legal support is requested for the implementation of their missions (e.g. analysis of specific provisions of the third energy package, requests relating to the confidentiality of the CEER's documents, CEER statute amendments). Its work was started in 2015, giving an overview of the progress status of the unbundling requirements imposed upon transmission and distribution system operators by the various energy packages, and, in particular, the third one. This internal document will be finalised in the first quarter of 2016.

The CEER's General Meeting has tasked the IBM WG with the organisation, in terms of content, of the training programme launched at CEER in 2014. In 2015, this structure was named the CEER Training Academy. During this training, the national regulatory authorities' representatives can freely exchange their views on topics that are of particular concern to them. This training may, in some cases, be made accessible (depending on the confidential nature of the issues discussed and the related basic data) to other European regulatory authorities (competition authorities, financial regulation authorities, etc.) and energy regulators that are not members of the CEER. The ad hoc working group responsible for ensuring that the Training Academy is being properly run,

in cooperation with the CEER secretariat, is also directed by the chairman of the IBM WG.

■ *The Customers and Retail Markets Working Group*

The Customers and Retail Markets WG (CRM WG) is dedicated to giving priority to the interests of consumers by promoting consumer responsibility and the operation of the retail market in order to facilitate the development of competition for the benefit of energy consumers.

The CRM WG consists of three task forces:

- the Customer Empowerment Task Force (CEM TF) considers questions related to the retail market such as billing, customer complaints, extra judiciary dispute settlement procedure, price comparison tools, the protection of vulnerable energy consumers, etc.
- the Retail Market Functioning Task Force (RMF TF) operates on the retail markets where smart metering systems and the design of the electricity and gas markets are concerned. This TF is geared towards making the energy consumer responsible, whilst improving competition between the market players and by offering the consumer more choice through the development of efficient market procedures and measurement services.
- the Strategy and Communication Task Force (SC TF) works on the development and implementation of the "2020 vision for European energy consumers". Amongst other things, the SC TF develops new forms of communication, new hiring procedures and capacity building.

Over the course of 2015, the working group has covered a number of themes within its three task forces, including: the association and participation of consumer organisations in the regulatory process, the assessment of the correct

operation of the retail market, of which the situation, in both the present and the future, is examined, and the management of data aimed at improving retail market operations, with special attention being paid to the protection of private life and to security.

Since summer 2015, the CRM WG has also taken into account recommendation works published by the European Commission in its communication of 15 July 2015, entitled "Delivering a new deal for energy consumers"¹⁵⁴.

Representatives of the CRM WG played an active role in the European Commission's "Consumers" working group, which addressed the topic of "Consumers as Market Agents" in 2015.

The CREG also actively took part in training sessions organised at the CEER. The CREG's retail market monitoring activities have been discussed during the CEER training on Retail Markets.

■ *The Distribution Systems Working Group*

The Distribution Systems Working Group (DS WG) is a new CEER working group, having only been in existence for two years.

The DS WG deals with potential developments and changes in the energy distribution sector, consequences on the regulatory framework and subjects related to the current and future activities of the distribution system operators, namely the quality of electricity and natural gas supply, cyber security, intelligent systems and flexibility in the operation of the distribution systems.

The DS WG is made up of the three task forces:

- the Electricity Quality of Supply Task Force (EQS TF) is tasked with aspects of quality of supply by the system operators;
- the Smart Grids Coordination Task Force (SGC TF) deals with the regulatory aspects, deployment and development of intelligent systems;
- the Cyber Security Work Stream (CS WS) covers the cyber security challenges in the European energy sector.

In 2015, the DSWG finalised a document entitled "The Future Role of DSOs - A CEER Conclusions Paper" that summarises the conclusions from the public consultation organised by the DS WG on the future role of distribution system operators as well as considerations related to the responses received during the public consultation and comments received during the workshop organised in March 2015 by the working group. Finally, this document describes the way in which European energy regulators plan to address the problems that the distribution system operators face, the expectations of the latter and the works that the DS WG plans to carry out.

■ *The International Strategy Group*

The CREG's chairman assumes the presidency of this working group. The International Strategy Group (ISG) is responsible for forging and maintaining links with its counterparts in third-party countries and with international institutions in the energy regulation sector. The primary objective of creating the international system is to exchange good regulatory practices throughout the world and to issue specific opinions on the matter upon request from a member of the CEER.

In 2015, the ISG asked its members about the role and tasks that this working group must take on within the CEER. A Strategy Paper has been written based on the responses received. The role of the ISG has therefore been clarified. The ISG will strengthen its activities relating to the exchange of information and good practices, the development of

relationships and contacts with other international institutions and foreign country regulators, and the organisation of workshops on topics decided upon in collaboration with the other working groups and in which contacts in foreign countries or international institutions are considered advantageous. The aim is to make use of know-how perfected in the CEER's other working groups with contacts maintained in foreign countries. The ISG would like, in this way, to contribute to the CEER's visibility and to the development and implementation of European knowledge.

■ *Questionnaires*

Finally, the CREG actively contributed to the creation of the CEER questionnaires and responded to them within the framework of the harmonisation and integration of the European gas and electricity markets. They notably covered the following topics in 2015 (original titles):

- 1) ICG questionnaire on international activities and identifying their expectations towards CEER's new International Coordination Group
- 2) Quarterly report: update UTB-TF: status of transposition of the 3rd Package in Belgium
- 3) REMIT implementation at national level 2015
- 4) Status review of NRA Staff and Resources 2011-2015
- 5) Update in unbundling 2015 - DSO's
- 6) NRA's role in RES support schemes
- 7) National indicators 2015 for gas & electricity
- 8) Strategies of the NRA to remove cross-border entry barriers for energy suppliers
- 9) Investment conditions 2014
- 10) Investment conditions and incentives for 2014 and 2015
- 11) Questionnaire on Flexibility Task Force Survey
- 12) CEER Work programme 2016 - online poll public and internal deliverables
- 13) Poll of NRA resources for experts for CEER's new regulatory knowledge initiative
- 14) Quality of Supply (gas & electricity).

All these questionnaires were used as a basis to write reports, status reviews, position papers and other documents from the CEER, the ACER, and the European Commission. They not only give a detailed description of the differences and similarities between the Member States, but also provide information on the degree of application of European legislation in each Member State. The European Commission, for its part, uses these documents as the basis for the creation of legal initiatives.

5.9.4. Madrid Forum

The European Gas Regulatory Forum, also known as the Madrid Forum, serves as a platform for consultation on the development of the internal natural gas market in Europe. The Member States, the European regulators (including the CREG) and all other market stakeholders in Europe take part, under the presidency of the European Commission. The 27th and 28th Forum meetings were held on the 20-21 April and 14-15 October 2015¹⁵⁵.

Both meetings were centred on the work carried out in 2014 and on the development of a single gas market in Europe. The technical foundations may already have been established in 2014, but the main part of the implementation should be completed in 2015. Very concretely, this means that for the first network code relating to the capacity allocation mechanisms, published on 14 October 2013, the implementation should have taken place before 1 November 2015. For the second network code related to gas balancing, published on 26 March 2014, the implementation should have taken place before 1 October 2015. Thanks to European monitoring reports, the Forum has been kept up-to-date regarding these changes and the base way of structuring this monitoring has been the subject of discussions with all market players.

Nevertheless, the technical completion of the single European gas market is not always limited to the two aforementioned network codes. The third network code on interoperability and the exchange of data was published on 30 April 2015¹⁵⁶. Furthermore, the ACER completed the process begun in 2014 by sending, on 14 October 2015, its network code adaptation recommendation relating to new

marginal capacity allocation mechanisms¹⁵⁷ to the European Commission. The ACER has not, however, reached a recommendation for the network code concerning the harmonised transmission tariff structure. The Forum has been made aware of the European Commission's intention to begin a formal legislative process in the first quarter of 2016.

In addition to this technical monitoring of the development of network codes and guidelines, the Forum was invited by the European Commission to take part in the complete creation of a single European market. The communication relating to the energy union of 25 February 2015 states that gas-related issues are among the main themes of this forum. The network codes covered above, as well as questions regarding infrastructure, such as projects of common interest and decade-long development plans, come from the interior market of integrated energy. Although the energy union has five pillars¹⁵⁸, only security of supply was discussed. The market players who attended the Forum were therefore able to help the European Commission finalise a new communication for winter 2015-2016 on the role of storage and LNG in the security of gas supply.

5.9.5. Florence Forum

The European Electricity Regulatory Forum, also known as the Florence Forum, is a platform for consultation on the development of the internal electricity market whose participants include the European Commission, the Member States and the European regulators (including the CREG). The 28th and 29th Forum meetings were held on 4-5 June 2015 and 9 October 2015¹⁵⁹.

Changes to the technical foundations of the single European electricity market were initially discussed, namely network codes and directions. On 24 July 2015, the first guidelines relating to the allocation of capacity and congestion management were published. This publication was centred around the discussion of the different network codes being developed in dedicated cross-border commission meetings. The results of this discussion were positive in 2015, notably including production unit network connection conditions (RfG), high voltage direct current system requirements and Power Modules (HVDC) for the DC connection of conditions relating to demand connections (DDC) and long-term capacity distribution (FCA).

A final discussion on network codes that began in 2015 related to the system operation code. It will not, however, be completed until 2016, just like the discussion related to balancing and Emergency & Restoration, which will be covered at a later date. The Forum has thereby noted that the foundations of a single electricity market are taking shape, which requires another form of monitoring and structure. To this end, the forum has created new coordination committees for the market players to accompany the projects formally known as "pre-implementation" as well as the "implementation" projects.

Of all these projects, the day-ahead flow market coupling project in the Centre-West Europe region is the first of its type to have been put in place, in Spring 2015. However, the development of intraday coupling, integrated balancing and long-term bidding rules projects is still difficult. Belgium is helping build a Europe of tomorrow in each of these three areas. To this effect, the following announcements have

¹⁵⁵ The conclusions of the Forum and all related documents are available on the European Commission website: http://ec.europa.eu/energy/gas_electricity/gas/forum_gas_madrid_en.htm.

¹⁵⁶ Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange, European Union (OJ L 113, 1 May 2015).

¹⁵⁷ "Amendment Proposal to Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council": http://www.acer.europa.eu/Gfficial_documents/Acts_of_the_Agency/Annex1%20to%20Recommendation%20042015/Annex%201-ACER%20Recommendation%2004-2015%20on%20the%20amendment%20to%20the%20network%20code%20on%20CAM%20in%20gas%20transmission%20systems.pdf.

¹⁵⁸ http://ec.europa.eu/priorities/energy-union-and-climate_en.

¹⁵⁹ The conclusions of the Forum and all related documents are available on the European Commission website: http://ec.europa.eu/energy/gas_electricity/forum_electricity_florence_en.htm.

been made during the forum: the development of quick wins in terms of intraday coupling at our north and south borders, participation of Elia and RTE in one of the pilot projects in terms of balancing and the implementation of long-term bidding rules.

All these topics are related to questions covered as part of the general conception of the electricity markets. The results will determine to what extent flexibility can be called upon, to what extent decentralised integration and production will succeed and the way in which management of demand can play a role. The forum discussions have not yet provided a definitive response, but the steps to follow have been drawn up. Additionally, there are questions that should be answered, such as the frequency of the real time approach to the information flow, the role of Capacity Remuneration Mechanisms (CRM) in the Energy only Market (EoM), the definition of regions for regional collaboration and the necessary accompanying regional monitoring structure.

5.9.6. London Forum

The Seventh Citizens' Energy Forum, also known as the London Forum, has set itself the objective of creating a competitive, efficient and reliable retail market for the consumer. The European Commission has created working groups aimed at considering the themes covered at this forum. At its seventh edition, which took place on 12-13 March 2015¹⁶⁰, the forum discussed a wide range of topics, such as consumer rights, new technological evolutions, self-generation and questions related to protected and social consumers.

This seventh edition focussed entirely on the topic of the communication announced on "Delivering a New Deal for Energy Consumers", which was published by the European Commission on 15 July 2015. Three topics were discussed

in-depth: energy market reforms, improved access to information relating to energy prices and costs and empowering consumers. With regards to the regulation of the energy markets, the question of an adapted market model was raised, in which the consumer plays a central role (consumer-centric), in which the integration of aggregates, with fair commercial conditions and simple balancing rules allowing the consumer to participate in the market, and in which the regulation provides for transparent data management and encourages cooperation between distribution system operators and transmission system operators.

In the forum's conclusions, the European Commission is notably invited to convene the working group dedicated to protected customers to analyse the results of the studies of the topic and assess the potential of the finalisation of definitions and shared consumer protection policies and of energy insecurity in Europe. A follow-up on these themes will take place in future forums. Furthermore, the importance of flexibility of demand for future wholesale and retail markets has once again been highlighted. The challenges that this poses to the consumer must be studied in more detail.

5.9.7. Copenhagen Forum

The Energy Infrastructure Forum, also known as the Copenhagen Forum, was held for the first time on 9-10 November 2015¹⁶¹. This forum was created by the Energy Union package¹⁶² in view of developing a European energy infrastructure. Over two hundred representatives of institutions, authorities, system operators, industries and other European market players met during the first edition of this forum, with a view to making it an annual event.

This first two-day long forum was divided into four sessions during which an overview of the following themes was given, respectively: gas, electricity, regional cooperation and the financing of infrastructure projects. Additionally, special attention was paid to the topic of the role of long-term investments in the energy infrastructure. The link with the objectives to becoming a low carbon emission society was also discussed, taking into account the necessity of justified economic investments.

5.9.8. CREG and the other regional regulators

In 2015, the CREG also continued to maintain a good relationship with its foreign regulatory counterparts. In particular, with regards to the neighbouring countries, it has kept dialogue open at the highest level and has looked for new areas of cooperation. Therefore, in 2015, it maintained a relationship with the Dutch, Luxembourg (BeLux project, see section 4.1.3.4 hereof), German (cross-border agreement, organised between the relevant transmission system operators by the PRISMA European Capacity Platform GmbH, PRISMA itself and the relevant national regulators, aiming for the implementation of the CAM network code. Furthermore, it ensures that the general conditions of use for the PRISMA capacities platform form a balanced collection of rules that are compliant with the regulations to which the shippers must adhere. In this context, the CREG plays a proactive role and is a driving force from the beginning and chairs, along with the German regulator, this collaboration from the side of the national regulators in question), French (gas pipeline at Avelgem, see point 4.4.2 of this report) and British (IUK case, see point 4.1.2.1 of this report; Nemo, see sections 3.1.3.1 and 3.4.4 hereof) regulators.

¹⁶⁰ The conclusions of the Forum and all related documents are available on the European Commission website: <https://ec.europa.eu/energy/en/events/citizens-energy-forum-london>.

¹⁶¹ The documents from the Forum and all related presentations are available on the European Commission website: <https://ec.europa.eu/energy/en/events/citizens-energy-forum-london>.

¹⁶² Energy Union package, published on 25 February 2015 and available on the European Commission website: http://ec.europa.eu/priorities/energy-union-and-climate_en.

In 2015, the CREG has also worked in close collaboration with the regulators of the Centre-West Europe (CWE) region, comprising of Austria, Belgium, France, Germany, Luxembourg and the Netherlands. In most cases, this was a matter of continuing the work undertaken in previous years. This includes monitoring the coupling on the North-West Europe (NWE) intra-daily market launched in 2014 and its geographical expansion. This intra-daily market coupling is now called the Multi Regional Coupling (MRC) and covers a large part of Europe (Belgium, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Spain, Sweden and the United Kingdom). In the area of calculation of the interconnection capacity, discussions about flowbased market coupling have also continued between the regulators of the CWE region, transmission system operators and the relevant stock exchanges. In this context, the CREG issued its final decision on the permit authorisation for the Elia System Operator proposal concerning this calculation and allocation method on 23 April 2015¹⁶³. On 20 May 2015, flowbased market coupling was launched in the CWE region. All of the regulators in the CWE region have approved or validated the flowbased market coupling method in accordance with their national procedures. This is a very important step towards greater market integration and is part of the target model for capacity allocation and congestion management (CACM) in the electricity domain. The flowbased market coupling principle is an evolution of the current market coupling method and concerns both the calculation of capacity and allocation. It consists of using the limited system resources more efficiently. Thanks to this improved use of transmission lines and other elements of the available systems, this method should allow for the more efficient formation of wholesale market prices and more efficient exchanges within the CWE region.

The CREG also monitored discussions concerning the long-term market, the intraday trading platform and balancing. In October 2015, the CREG, in cooperation with the other relevant European regulators and following public consultation, issued a decision concerning European allocation rules on the long-term market¹⁶⁴. At the end of 2015, the CREG issued two draft decisions concerning the intraday time frame¹⁶⁵ on interconnections, each followed by a public consultation: one on intraday capacity calculation and the other on allocation¹⁶⁶.

Finally, in 2015, the CREG also gave their assistance to the Latvian regulator as part of the liberalisation of the Latvian gas market and responded to the different requests for information from Hungarian and Estonian regulators on electricity storage, the m3/kWh conversion, certain provisions of the third energy package, price comparison tools and the correction of gas meter readings.

5.9.9. CREG and the regional regulators

The CREG's informal collaboration with the three regional regulators (BRUGEL, CWaPE and VREG) has continued in 2015 within the FORBEG. Six plenary sessions were organised. VREG acted as Chairperson in the first semester and BRUGEL in the second semester.

The CREG has, once again, chaired the working groups on "gas", "the exchange of information" and "Europe".

In 2015, the "gas" working group met six times and continued its discussion on the following topics: the conclusion of the connection contract between Fluxys Belgium and the distribution system operators, the drawing up of the investment plans of the system operators Fluxys Belgium, Eandis,

ORES, Infrac, RESA and Sibelga, the status of the situation of the heating systems, the overview of regulations relating to the supplier of last resort for natural gas at a federal and regional level, Synergrid's technical note comprising recommendations on the connection conditions for the production of biomethane and its injection into the distribution system, the discussion of the L/H conversion project and the associated investments from the system operators, the explanation of various ongoing transmission cases, the market based balancing model and its impact on distribution system operators, the implementation of the capacity allocation network code, the examination of gas leak detection reports from SPF Économie's Quality and Safety general directorate, the Belgo-Luxembourg market integration project and the monitoring of European network codes and European regulations and, more specifically, the operation of the CEER and the ACER.

In 2015, the "information exchange" working group met nine times, primarily to improve the process relating to the shared annual publication of the four regulators on the evolution of the Belgian energy market¹⁶⁷, in particular, the text-based part. This publication's aim is always the same: take stock of the market trends for electricity and natural gas and competition in Belgium based on a statistical overview of these markets. The Beconnected platform, in particular, has made this work easier, in that it allows the four independent organisations to make contributions and process data simultaneously, which increases transparency and efficiency. The working group is also responsible for filling in the ACER and CEER questionnaires. In this capacity, it has completed the following CEER questionnaires in 2015: Elec-Continuity of Supply (Part 1 et 2), Elec-Voltage Quality Pt-1, Elec-Voltage Quality Pt-2, Elec-Commercial Quality, Gas-Technical Operational Quality,

¹⁶³ Final decision (B)150423-CDC-1410 relating to a permit authorisation request from Elia System Operator relating to the implementation of daily flowbased market coupling in the CWE region (Centre-West Europe).

¹⁶⁴ Final decision (B)151009-CDC-1446 relating to Elia System Operator's proposal of a method for the allocation of annual and monthly available capacities for energy exchanges with other offer zones to access managers, as well as capacity allocation rules via fictitious auctions.

¹⁶⁵ Draft decision (B)151203-CDC-1479 on the request for approval of Elia System Operator's proposal on the general model for calculation of total transfer capacity and transmission reliability margin; method applicable to Belgian borders for intraday capacities.

¹⁶⁶ Draft decision (B)151210-CDC-1467 on the request for approval of Elia System Operator's proposal on the intra-daily capacity allocation at the France-Belgium and Netherlands-Belgium interconnection.

¹⁶⁷ Press release: The development of the electricity and natural gas markets in Belgium - Year 2014: <http://www.creg.info/pdf/Presse/2015/Press20150619nl.pdf>.

Gas-Natural Gas Quality, Gas-Commercial Quality. The working group has also carried out the ACER monitoring report, in the sense that data has been collected from the four regulators in view of providing indicators for Belgium.

As in the previous year, the "Europe" working group met four times. The legal obligation to work together on European files has therefore been implemented. Meeting participants have ensured the optimal distribution of European discussion points between the FORBEG's different working groups and between the four regulators. This formal framework has therefore allowed the CREG to perform its tasks as national regulator and to ensure Belgian representation within the CEER and the ACER. Meeting participants notably reviewed communications from the European Commission and the conclusions of the various European forums, clarified activities relating to the implementation of certain articles of the energy efficiency directive, discussed the CEER's work programme for 2016 relating to distribution system operators and the retail market, responded to the CEER's questionnaire with regards to obstacles to entering the market and ensured the follow-up of relevant documents published by the CEER and the ACER notably relating to the continuity of electricity supply, the participation of consumer associations, the future role of distribution system operators and the participation in consultations of the European Committee relating to the electricity market design. Intermediary reports specific to the CEER's general meeting and the ACER's Council of Regulators have been drawn up as a basis.

Finally, a new working group was set up at the request of the regional regulators: the "distribution systems" working group, that aims to better rationalise the distribution of information and discussions on this topic in Europe. The first two meetings were held in 2015 and the first "Belgian" contribution will appear in the CEER's study on flexibility, which is currently being created.

Moreover, the CREG took part, within the other FORBEG working groups, in discussions on the following topics: adaptation and impact of transmission system tariffs, impact of federal electricity contribution, impact of the application of tax on companies and distribution system operators, the correct application of additional offtakes and capacity tariffs applied to dropped and protected customers, impact of ongoing court cases on the operation of the energy market, processing of regulatory balances, impact of regional tariff decree amendments (and rulings), transparency criteria concerning tariff decisions, operation and adaptation of price comparison websites, submetering on the distribution systems, adaptations of access and contracts and ARP indicators of smart meters, design of closed distribution systems in the Brussels Capital region, normalisation of drops in voltage, image of the "Emergency and Restoration" European network code on distribution system operators, transposition of European network codes and summary of supplier of last resort regulations.

5.9.10. CREG and the competition authorities

■ *General collaboration between the CREG and the Belgian Competition Authority*

Following on from the informal contacts previously established between the CREG and the Belgian Competition Authority ("ABC") (see point 5.8.7 of the Annual Report 2014) in view of prioritising the collaboration between the two authorities, they have continued the development and formalisation of their collaboration in 2015.

In application of article 43, paragraph 2, of book IV "Competition Protection" of the Economic Law Code, the collaboration between the CREG and ABC appears in the form of a royal decree. Amongst other things, the discussion between the two authorities will include, in particular, the exchange of confidential information and collaboration procedures.

The two authorities have worked together closely on drafting the text for a royal decree proposal governing the collaboration between the CREG and the ABC. At the start of 2015, a shared text proposal (written in close collaboration with SPF Économie) was sent to the competent Energy and Economy Ministries.

After a request on the matter, in mid-May 2015, the CREG issued a (positive) opinion to the Energy Ministry on the final royal decree text. On 12 November 2015, the Legislation section of the Council of State issued an opinion on the royal decree project relating to the collaboration between the CREG and the ABC. The adoption and publication of the royal decree are expected in 2016.

■ *Decision of the Belgian Competition Authority relating to the acquisition of the GAZPROM share in Interconnector (UK) by Fluxys Belgium*

On 19 August 2015, the CREG received a formal request for information from the ABC concerning the case relating to the concentration CONC-C/C-15/0020. It concerned the acquisition by Fluxys SA (via its Fluxys Europe BV subsidiary) of a 10% share held by GAZPROM OAM in the company Interconnector (UK) Ltd ("IUK"). Through this acquisition, Fluxys holds a 50.75% share of IUK, which gives them exclusive control of the latter.

By letter of 27 August 2015, the CREG sent the competition authority the information they requested, as well as the response to a questionnaire they had received. Additional clarifications were then requested and supplied.

In its Decision of 3 September 2015, the ABC's auditors' office noted, in virtue of article IV63, paragraph 3 of economic law, that the conditions applicable to the simplified procedure were fulfilled and there was no opposition to the concentration notified to them.

This concentration was then considered concluded, in application of article IV63, paragraph 4 and article IV61, paragraph 2, 1 of the economic law code, by a decision¹⁶⁹ of admissibility of the acquisition by SA Fluxys (via its Fluxys Europe BV subsidiary) of the 10% share held by Gazprom in the company Interconnector (UK) Ltd.

■ *CREG study on the relationship between costs and prices on the Belgian natural gas market in 2014*

In compliance with its permanent gas market monitoring role, the CREG conducted, on 26 November 2015, a study on the relationship between costs and prices on the Belgian natural gas market in 2014¹⁷⁰ in application of Article 15/14, paragraph 2, line 2, 2 of the Gas Law.

On 27 November 2015, the CREG sent the report to the Belgian Competition Authority and to the Energy Ministry, in application of Article 15/14ter, paragraph 3 of the gas act (see also section 4.2.1.1 hereof).

5.10. CREG finances

5.10.1. Federal contribution

The federal contribution is a surcharge levied on the quantity of electricity and natural gas used in Belgium¹⁷¹. The contribution is used to supply the various funds run by the CREG (see section 5.10.2 hereof).

In December 2015, in accordance with the regulations¹⁷², the CREG calculated and published the unit surcharges of the various components of the federal electricity and gas contribution to be applied from 1 January to 31 December 2016.

A. Federal contribution to natural gas

Since the amendment of 1 April 2014¹⁷³ on the means of payment of the natural gas federal contribution (read point 2.6 of the Annual Report 2014 for more on this subject), the natural gas transmission operator (Fluxys Belgium) and the direct pipeline operators¹⁷⁴ pay the CREG a federal contribution on a quarterly basis that they previously billed to their customers. In 2015, these companies also directly fed the CREG fund, the social energy fund, and the protected clients fund.

For their part, the natural gas companies who offered their customers discounts (degressivity and exemption) submit their requests for reimbursement to the CREG on a quarterly basis (see below).

■ *Feeding the funds*

The expected amounts of the federal contribution are generally made up of the basic amount for each fund for the current year as well as any possible supplements destined to compensate for the previous years' deficit and cover the various exemptions.

Globally, the natural gas federal contribution products realised in 2015 were greater than the expected amounts due to the increased natural gas consumption, both by industries and by customers connected to the distribution system (see point 4.4.1.A of this report).

■ *Exemptions and degressivities*

With the new cascade contribution system, the natural gas companies are, in principle, billed at the top of the cascade for the entire federal contribution whilst they are unable to recuperate the total amount from their end customers as a result of the granting of a reduction (degressivity) or even an exemption. It is now the case that, each quarter, these companies may reclaim the reimbursement of the exemption and degressivity measures that they have granted their end customers from the CREG.

During the year 2015, the CREG has, first of all, reimbursed natural gas companies a total of 26,087,790 euros corresponding to the exemption of the federal contributions made

168 Opinion (A)150709-CDC-1437 on the Royal Draft Decree concerning the cooperation between the Gas and Electricity Regulation Committee and the Belgian Competition Authority.

169 Decision ABC-2015-CC-25 in the case CONC-C/C-15/0020: Acquisition by Fluxys (via its Fluxys Europe BV subsidiary) of a 10% share held by Gazprom OAM in the company Interconnector (UK) Ltd ("IUK").

170 Report (I)151126-CDC-1473 on the relationship between costs and prices on the Belgian natural gas market in 2014.

171 International institutions, which include European institutions as well as diplomatic assignments, consular posts, international organisations and armed forces located in Belgium, are completely exonerated.

172 In particular the Royal Decree of 18 December 2015 modifying the Royal Decree of 24 March 2003 setting the federal contributions destined for the financing of certain public service obligations and costs related to the regulation and control of the electricity market and the Royal Decree of 2 April 2014 setting the federal contribution methods destined for the financing of certain public service obligations and costs related to the regulation and control of the natural gas market (Moniteur belge, 24 December 2015) which, for the year 2016, once again sets the amount destined for the greenhouse gas funds to 0 euros and prolongs the freeze on the amount destined for the social energy fund. The CREG, in this context, gave an opinion to the Ministry in November 2015 (opinion (A)151123-CDC-1483 on a royal draft decree amending the Royal Decree of 24 March setting the federal contribution modalities destined for the financing of certain public service obligations and costs related to the regulation and control of the electricity market, and the Royal Decree of 2 April 2014 setting the federal contribution modalities destined for the financing of certain public service obligations and costs related to the regulation and control of the natural gas market).

173 The Royal Decree of 2 April 2014, that amends on 1 April 2014, the natural gas federal contribution payment system has been confirmed by the Law of 27 March 2015 confirming the Royal Decree of 2 April 2014 establishing the federal contribution modalities destined for the financing of certain public service obligations and the costs associated with the regulation and control of the natural gas market (Moniteur belge, 31 March 2015).

174 As at 31 December 2015, the WINGAS company was the only operator of a direct connection in Belgium.

on natural gas destined for the generation of electricity injected into the system (electricity power plants and quality cogeneration units). The CREG has also reimbursed natural gas companies a global amount of 326,089 euros of federal contributions that they were not able to bill to international institutions (this mainly includes adjustments from the past). These reimbursements were made with the help of the available means in the various funds.

The same natural gas companies have also made degressivity reimbursement applications totalling 17482.450 euros.

Additionally, an amount of 1,015,670 euros, not paid to the CREG by the direct pipeline operator due to the granting of degressivity measures to their customers, has been split between the various funds. As the CREG has only received an advance of 17,300,000 euros from SPF Finances, not all requests for reimbursement and distribution between the funds could be honoured as at 31 December 2015. In 2016, an additional amount of 1,198,120 euros will have to be claimed from SPF Finances to cover this deficit.

■ *Annual adjustment*

Each year, the CREG carries out an adjustment with the natural gas suppliers. This involves comparing what had been requested for the previous year by the CREG and what the suppliers were actually able to bill their customers during this same period. The last annual adjustment was made in 2015, applicable to the first quarter of 2014; in other words, the last period before the aforementioned reform of April 2014.

Final adjustments with suppliers totalled, on the one hand, 264,049 euros for the CREG fund, 1,101,975 euros for the energy social fund and 3,308,593 euros for the protected customers fund, and, on the other hand, 11,454 euros reimbursed to suppliers for the heating grant fund.

■ *Irrecoverables*

The annual adjustment mechanism for the legal tariff destined to cover the natural gas companies against the federal contribution that they have been unable to recover from their customers was also set up in April 2014. The first adjustments were made in 2015. A net amount of 84,633 euros was collected from the majority of suppliers and distributed at the end of the year between each of the funds fed by the natural gas federal contribution.

B. The federal electricity contribution

The electricity transmission system operator, Elia System Operator, pays the contribution it billed to its customers the previous quarter to the CREG on a quarterly basis. In 2015, Elia also directly feeds the CREG fund, the social energy fund, the denuclearisation fund, and the protected clients fund.

■ *Feeding the funds*

As for previous years, the expected amounts of the federal contribution for the year 2015 are generally made up of the basic amount for each fund for the current year as well as any possible supplements destined to cover the aforementioned exemptions from which the international institutions benefit.

Globally, however, the federal electricity contribution revenue received in 2015 was 8% less than the expected amounts due to the constant reduction of the quantity of electricity taken from the transmission system on which the federal contribution must initially be paid. For its part, the quantity of decentralised electricity produced that is injected into the distribution systems is continuously increasing.

Due to the expansion of the emptying of the greenhouse gas fund (see point 5.10.2.D below), it was no longer being fed on a regular basis in 2015. Only a few adjustments on past energy quantities have been implemented.

■ *Exemptions and degressivities*

With the cascade contribution system, the electricity companies are, in principle, billed at the top of the cascade, for the entire federal contribution whilst they are unable to pass on the total amount to their end customers. They must deduct from it, if applicable, the exemptions and degressivities. It is now the case that, each quarter, these companies may reclaim the reimbursement of the exemption and degressivity measures that they have granted their end customers from the CREG.

In 2015, the CREG once again reimbursed 68,530 euros and 122,020 euros respectively for exemptions (fuel mix) following supplier corrections related to greenhouse gas and denuclearisation surcharges paid on quantities of green electricity delivered until 31 December 2012. Electricity companies have also been reimbursed a global amount of 1,261,809 euros of federal contributions that they were not able to bill to international institutions (this mainly includes adjustments from the past). These reimbursements were made with the help of the available means in the various funds.

The same electricity companies have also made degressivity reimbursement applications totalling 22,313,500 euros. Additionally, an amount of 22,441,017 euros, not paid to the CREG by the transmission operator due to the granting of degressivity measures to their customers, has been split between the various electricity funds. As the CREG has only received an advance of 44,250,000 euros from SPF Finances, not all requests for reimbursement and distribution between the funds could be honoured as at 31 December 2015. In 2016, an additional amount of 504.517 euros will have to be claimed from SPF Finances to cover this deficit.

■ Irrecoverables

In 2015, the legal tariff adjustment destined to cover electricity companies against federal contributions that they have been unable to recover from their customers has generated an amount of 126,113 euros that has been collected from the majority of suppliers and distributed, at the end of the year, between each of the funds fed by the federal electricity contribution.

C. The offshore surcharge

This surcharge levied by transmission system operators to electricity companies who then pass it on to their customers is intended to offset the costs borne by the transmission system operator resulting from its obligation to purchase the green power certificates granted to electricity generation in the North Sea. The CREG is responsible for reimbursing the transmission system operator and the electricity companies who granted their customers a degressivity on this surcharge.

Requests submitted in 2015 by the transmission system operator (23,387,893 euros) and electricity companies (63,981,477 euros) total 87,369,370 euros. As the CREG has only received an advance of 80,300,000 euros from SPF Finances, not all requests for reimbursement could be honoured as at 31 December 2015. In 2016, an additional amount of 7,069,370 euros will have to be claimed from SPF Finances to cover this deficit.

5.10.2. The funds

A. CREG fund

Partial coverage of the CREG's total operating fees for 2015 were set at 14,952,254 euros by the Chamber of Representatives during its plenary session of 15 January 2015. This amount is, however, supplemented by 325,575 euros and 69,703 euros in view of topping up the reserve and for the reimbursement for the international institutions.

A decision by Belgium's Council of Ministers on 12 March 2012 froze the CREG's budgets for 2012, 2013 and 2014 at the level of the budget for 2011. The CREG's Board of Directors has followed this same principle by proposing a frozen budget to the Chamber of Representatives for 2015. The latter approved the budget as it was proposed by the CREG. The CREG accounts for 2015 are set out in detail in section 5.10.3 below.

B. Social energy fund

For 2015, a total of 52,890,292 euros was provided to help the public centres for social well-being with their task of providing guidance and financial social support in the field of energy. This sum was made up of 30,750,170 euros from the electricity sector and 22,140,122 euros from the natural gas sector¹⁷⁵. However, these amounts were supplemented by 4,797,409 euros and 8,736,233 euros respectively to offset the shortfalls of the past and repay the international

institutions. A total income of 32,360,427 euros available for these centres was ultimately earmarked for electricity in 2015. For natural gas, a total net income of 36,884,839 euros, from which the adjustments mentioned in section 5.10.1.A above need to be added for a net total of 1,101,975 euros.

In addition to the payment to C.P.A.S of the 2014 balance (13,445,146 euros), the sum received in 2015 allowed for the total payment of the first three quarters requested by SPP Intégration sociale (39,667,719 euros). However, these payments could only be made by making partial quarterly payments, settled the following quarter.

As at 31 December 2015, the fund assets totalled 17,346,957 euros, which was not enough for the CREG to pay the fourth quarter of 2015 to the C.P.A.S. at the end of January 2016. The CREG will therefore have to make up for its late payment.

¹⁷⁵ The freeze on amounts has been extended for 2015 by the Royal Decree of 19 December 2014 on amendments to the Royal Decree of 24 March 2003 and the Royal Decree of 2 April 2014 (Moniteur belge, 30 December 2014). The royal decree has been confirmed by the Programme Law (I) of 26 December 2015 (Moniteur belge, 30 December 2015).

C. Denuclearisation fund

This fund, which is supplied exclusively by the federal contribution charged by the electricity sector, should have stood at 69,000,000 euros¹⁷⁶ for 2015, plus 536.226 euros to offset shortfalls from the past and repay the international institutions. A net total product of 64.825.197 euros was recorded for the fund in 2015.

In addition to the reimbursements carried out as part of the exemptions for international institutions and past adjustments for a total amount of 665,824 euros, the CREG has paid the ONDRAF all of the 69,000,000 euros it was expected to receive in 2015.

On 31 December 2015, the fund assets totalled 3,005,969 euros.

D. Greenhouse gases fund

The amount destined for the fund, fed exclusively by the federal contribution billed by the electricity sector, was set to 0 euros for 2015¹⁷⁷. Only 765 euros have been recorded for past adjustments.

The annual flat-rate amount of 3,600,000 euros related to the year 2015 was paid into SPF Environment's organic budget fund for the financing of the federal policy on the reduction of greenhouse gas emissions.

In addition to the reimbursements made for the exemption of the international institutions and past adjustments for a total amount of 95.802 euros, the greenhouse gas fund also pre-finances each year the 14,490,000 euros corresponding to the VAT due on the annual amount owed to the ONDRAF. The VAT authorities refunded the CREG for the amount of these quarterly advances.

On 31 December 2015, the fund assets totalled 54.884.664 euros.

■ *The Kyoto JI/CDM Fund*

The Kyoto Joint Implementation/Clean Development Mechanism (Kyoto/CDM) fund, which is also managed by the CREG, is used by SPF Environment to purchase the CO2 emissions credits so that Belgium can meet its targets under the Kyoto Protocol.

The Kyoto JI/CDM fund collects the amounts from the greenhouse gas fund. During the year 2015, however, no amount was transferred from the greenhouse gas fund to the Kyoto JI/CDM fund while SPF Environnement contacted the latter in view of collecting the CO2 emission credits at a rate of 68,226 euros. Additionally, 1,500,000 euros have been paid as a 2015 contribution from the federal government to the "United Nations Adaptation Fund under the Kyoto Protocol"¹⁷⁸.

On 31 December 2015, the Kyoto JI/CDM fund assets totalled 15,215,599 euros.

E. The protected electricity customers and protected natural gas customers' funds

For the year 2015¹⁷⁹, the needs of these funds totalled 63,750,000 euros for electricity and 67,575,000 euros for natural gas, to which were added respectively 359,321 euros and 84,558 euros to reimburse the international institutions.

A net total product of 58,266,539 euros was recorded for the electricity fund. For natural gas, a total net income of 82.281.509 euros, from which the adjustments mentioned in section 5.10.1.A above need to be added for a net total of 3.308.593 euros.

In 2015, the reimbursements for the sector's companies who supplied the protected household customers at the social tariff in 2014 amounted to 72,061,621 euros for electricity and 55,650,841 euros for natural gas. Due to the lack of available means in the protected electricity customer fund, certain suppliers could not be reimbursed until December 2015, after receipt of the federal electricity contribution sums paid by the transmission system operators.

On 31 December 2015, the assets of the two funds totalled 4,989,202 euros for electricity and 49,538,291 euros for natural gas.

¹⁷⁶ Royal Decree of 26 January 2014 setting the amounts required for the financing of BP one and BP two nuclear liabilities for the period 2014-2018, in implementation of article 3 paragraph 2 of the Royal Decree of 24 March 2013 setting the federal contribution modalities for the financing of certain public service obligations and costs associated with the regulation and control of the electricity market (Moniteur belge, 3 February 2014).

¹⁷⁷ The return to zero of the amount has been extended to 2015 by the aforementioned Royal Decree of the 19 December 2014.

¹⁷⁸ Royal Decree of 6 December 2015 amending the Royal Decree of 28 October 2004 setting the fund management modalities for the financing of the federal greenhouse gas emission reduction policy (Moniteur belge, 10 December 2015).

¹⁷⁹ Royal Decree of 19 December 2014 determining the 2015 amounts of the funds destined to finance the actual costs resulting from the application of maximum prices for electricity and natural gas supply to protected residential customers (Moniteur belge, 30 December 2014). This royal decree has been confirmed by the programme law (I) of 26 December 2015 (Moniteur belge, 30 December 2015).

F. The fund for flat-rate reductions for natural gas and electricity heating

This fund was abolished from the Electricity Law but is still mentioned in a royal decree of 24 March 2003 "federal electricity contribution". No amount was however drawn in 2015. Only federal electricity (1,823 euros) and natural gas (612 euros) contribution exemptions from international institutions and some adjustments at gas sector level (-11,454 euros) and based on past energy quantities have been recorded.

As at 31 December 2015, the total amount of the heating grant fund was 24,404,138 euros split between 16,810,598 euros for electricity and 7,593,540 euros for natural gas. As long as no legal allocation of the balance of the funds is defined, the CREG will continue to manage it, in particular as regards possible past adjustments.

G. Fund to offset the loss of revenue suffered by the municipalities

The fund, that has been completely inactive for several years, had a balance of 578,691 euros as at 31 December 2015, corresponding to interest received since 2005. As long as no legal allocation of the balance of the fund is available, it cannot be closed.

5.10.3. 2015 Accounts

The low level of electricity consumption extracted in 2015 from the transmission system once more resulted in income from the federal contribution for electricity being insufficient to cover the CREG's costs relating to the electricity industry. The total income ultimately amounted to only 92% of the expected figure.

In gas, however, the CREG was able to benefit from revenue 16% above expectations, paid by Fluxys Belgium and WIN-GAS. Furthermore, it notably benefited from 264,049 euros from the closure of past adjustments (see section 5.10.1.A).

The various and extraordinary compensates for a small part of the expenditure borne by the CREG and notably includes the structural reductions of the ONSS contributions from which the CREG benefits, as well as the re-billing of the remuneration of a CREG employee on assignment during the year 2015. Therefore, all of this revenue, as well as the financial revenue (526,237 euros), is associated with the electricity and gas sectors with a ratio of 69%/31% and is added to the aforementioned federal contribution revenue.

The total revenue for the electricity sector therefore amounts to 10,216,41 euros. For its part, the total revenue of the natural gas sector amounts to 5,841,659 euros. This corresponds to a total revenue for the CREG of 16,058,140 euros (up by 9% compared to the 2014 financial year).

Regarding the CREG's total charges for the 2015 financial year, they amount to 14,242,216 euros (up by 2% for the 2014 financial year).

Staff costs have increased globally by 411,906 euros (+3.7%) compared to the 2014 financial year due to the year-long presence, in 2015, of colleagues mainly recruited during 2014 to replace those who left the CREG or who changed roles in previous years.

The operating costs have, however, decreased by 120,189 euros (-4.2%).

It should be noted that for "external experts", the cost increase of 42,477 euros (+37%) compared to the 2014 financial year, relating to the implementation of communication tools has been offset by the 91,707 euros (-39%) reduction of "translation, auditor and social secretariat fees", primarily due to the CREG's ability to once again manage the book-keeping internally. Furthermore, the decrease of 26,344 euros (-34%) in the cost of legal assistance required to defend the CREG's interests in the event of lawsuits taken against it cannot be overlooked, despite the new disputes that the CREG must deal with.

In terms of "operating costs", on the one hand, the revision of an office lease has resulted in a substantial reduction in the annual rent. On the other hand, the lease expenses have also been revised downwards. Thanks to the adjustment, in CREG's favour, of the lease expenses for 2014, this has led to a global reduction of 143,321 euros (-15%) for this budget item, the highest of the operating costs.

The replacement of the IT administrator has also resulted in a substantial reduction in "external IT support". From then on, "equipment maintenance and support fees" have been reduced by 107,094 euros (-40%).

The "meeting and transport fees" have increased respectively by 17,431 euros (+20%) and 10,840 euros (+20%) due to the CREG's close collaboration with the public authorities and other Belgian authorities, as well as its proactive role with European and international bodies (CEER, ACER, European Commission, European regulators, etc.).

The 57,903 euros (+39%) increase in depreciation results from extraordinary investments made in view of strengthening the reliability of the IT infrastructure (servers and security) notably in view of the implementation of the REMIT regulation (see section 3.2.2.4 hereof).

The result of this is that the 2015 financial year ends with a global surplus of revenue received by the CREG compared to its charges that amounts to 1,815,924 euros. This amount is divided between a surplus of 389,344 euros associated with the electricity sector and a surplus of 1,426,580 euros associated with the natural gas sector.

The electricity reserve, having been called upon in recent years, now only has a balance of 1,008,389 euros (65% of the maximum legal amount of 1,547,558 euros). In accordance with the aforementioned Royal Decree of 24 March 2003, all of the electricity profits from 2015 will be transferred to it to partially top it up. It currently totals 1,397,734 euros.

For its part, the natural gas reserve is entirely topped up. In accordance with the aforementioned Royal Decree of 2 April 2014, all of the gas profits will be deducted from the amount to be financed by the federal gas contribution revenue during the next CREG gas surcharge calculation (2017 surcharge calculated in December 2016).

As at 31 December 2015, the balance sheet total consolidated with the funds was 178,495,089 euros.

The assessment rules are available on the CREG's website. Since 1 January 2013, the CREG has organised its book-keeping in accordance with the principles laid down in the law of 22 May 2003 on the organisation of the budget and accounts of the federal State, and following the accounting schedule set out by the royal decree of 10 November 2009 setting the accounting schedule applicable to the federal State, communities, regions and the common community commission. Although a postponement means that this law will not come into effect until 1 January 2016¹⁸⁰, the CREG has continued to use this method of accounting.

The following tables provide a summary of the budget accounts for expenditure and revenue.

Summary of the 2015 budget accounts in expenditure (euros) (source: CREG)

Budget	14,952,254
Commitments	14,410,568
Liquidation	13,663,821
Differentiated appropriations	746,747

As the CREG's budget for 2015 is set at 14,952,254 euros, the 14,410,568 euros of aforementioned commitments corresponds to 96.4% of the budget.

It should be noted that the 2014 differentiated appropriations (studies and training) still open at the closure of the 2015 financial year total 60,709 euros. All of the differentiated appropriations from 2014 and 2015 therefore amount to 807,456 euros, primarily for studies, the Communication Department, investments, training, audits and IT maintenance.

All these differentiated appropriations will affect the general accounting results when they are liquidated/covered.

Summary of the 2015 budget accounts in revenue (euros) (Source: CREG)

Budget	15,728,879
Disputed rights	16,047,140
Liquidation	16,047,140

The CREG's revenue for 2015 is higher than expected (see above for explanations).

¹⁸⁰ Law of 8 May 2014 modifying the Law of 22 May 2003 concerning budget organisation and Federal State accounting (Moniteur belge, 17 June 2014).

Table 18: Balance sheet as at 31 December 2015 (euros) (source: CREG)

	2015	2014
ASSETS		
FIXED ASSETS		
Intangible and tangible fixed assets	361,876	266,210
Building refurbishment	119,356	113,416
Office furniture and decoration	75,224	25,283
IT and telephone equipment	167,296	127,511
Financial fixed assets	558	558
Various guarantees	558	558
CURRENT ASSETS		
Amounts receivable within one year	1,166,981	1,201,698
Trade receivables	117,876	23,577
Other amounts receivable	65,977	64,639
Funds receivables	983,128	1,113,482
Cash at bank and in hand	175,943,517	158,682,639
CREG Fund	6,622,802	4,815,610
Social Energy Fund	17,117,535	113,621
Greenhouse Gases Fund	54,883,898	58,579,700
Denuclearisation Fund	2,752,338	7,827,225
Kyoto JI/CDM Fund	15,215,599	16,783,825
Protected Customers Fund - Electricity	4,757,466	18,771,189
Protected Customers Fund - Gas	49,306,964	19,608,552
Municipalities Fund	578,691	578,691
Heating Grant Fund	24,403,997	24,417,885
Federal Contribution Fund	4,460	1,113
Federal Contribution Electricity Degressivity Fund	43,798	7,164,667
Offshore Degressivity Fund	3,275	19,778
Federal Contribution Gas Degressivity Fund	882	0
Irrecoverable Fund - Electricity	181,870	0
Irrecoverable Fund - Natural Gas	69,473	0
Cash	467	783
Deferrals and accruals	1,022,157	1,037,643
TOTAL ASSETS	178,495,089	161,188,748

LIABILITIES	2015	2014
CAPITAL AND RESERVES		
Profit brought forward	1,314,222	1,314,222
CREG sector reserve	2,092,828	1,703,482
Electricity	1,397,734	1,008,389
Gas	695,094	695,093
PROVISIONS		
Indemnities of outgoing Members of the Board of Directors	311,166	177,809
Other provisions	5,710	0
AMOUNTS PAYABLE		
Amounts payable within one year	4,467,786	3,013,507
Trade debts	2,756,090	1,382,024
Taxes, salaries and social charges payable	1,711,696	1,631,483
Various debts	170,303,378	154,979,728
Social Energy Fund	17,346,957	119,736
Greenhouse Gases Fund	54,884,664	58,579,700
Denuclearisation Fund	3,005,969	7,845,960
Kyoto JI/CDM Fund	15,215,599	16,783,825
Protected Customers Fund - Electricity	4,989,202	18,784,284
Protected Customers Fund - Gas	49,538,291	19,608,552
Municipalities Fund	578,691	578,691
Heating Grant Fund	24,404,138	24,417,885
Federal Contribution Fund	4,460	0
Federal Contribution Electricity Degressivity Fund	43,798	7,164,667
Offshore Surcharge Degressivity Fund	3,275	19,778
Federal Contribution Gas Degressivity Fund	882	1,076,650
Irrecoverable Fund - Electricity	202,819	0
Irrecoverable Fund - Natural Gas	84,633	0
Deferrals and accruals	0	0
TOTAL LIABILITIES	178,495,089	161,188,748

Table 19: Income statement as at 31 December 2015 (euros) (source: CREG)

	2015	2014
Personnel costs	11,418,894	11,014,663
Salaries and charges	10,904,575	10,359,765
Variation provisions for indemnities for outgoing Members of the Board of Directors	133,357	132,468
Variation provisions for holiday bonuses	51,076	144,747
Temporary staff	6,942	18,345
Recruitment costs	545	29,343
Training, seminars	37,026	52,736
Leasing, company cars	285,374	277,258
Bodies	52,489	44,814
Indemnities, Gas and Electricity Advisory Board (attendance fees and various expenses)	52,489	44,814
"Personnel costs" sub-total	11,471,383	11,059,477
External experts	671,313	613,445
External studies	318,922	185,480
Communication service	156,111	113,634
Translators, Auditor, Social Secretariat	144,403	236,110
Legal fees relating to lawsuits	51,877	78,221
Operating costs	1,889,097	2,112,969
Rental and charges - premises	818,897	962,218
Parking facility rental	76,505	75,912
Building maintenance and security	135,035	136,050
Equipment maintenance and servicing	159,441	266,535
Documentation	124,227	126,753
Telephone, post, Internet	50,899	44,379
Office supplies	10,800	11,296
Costs of meetings and expenses	103,462	86,031
Travel expenses (including abroad)	65,772	54,932
Membership of associations	62,953	62,325
Insurance, taxes and sundry costs	281,106	286,537
Depreciation costs	205,560	147,657
Depreciation on tangible fixed assets	205,560	147,657
Financial costs	4,863	16,951
Financial charges on leasing and loans	0	27
Other	4,839	6,297
Transfer to irrecoverable funds and federal contributions	23	10,627
"Other operating costs" sub-total	2,770,833	2,891,022
TOTAL CHARGES	14,242,216	13,950,499
Income (surcharges and fees)	13,715,978	13,461,304
Electricity and natural gas contribution	15,252,822	12,602,064
Transfer of irrecoverable fund	10,531	5,806
Gas suppliers' adjustment, year n-1	264,049	1,576,248
CREG adjustment electricity, year n	-389,345	215,781
CREG adjustment gas, year n	-1,426,580	-950,595
Other fees	4,500	12,000
Financial income	405	398
Income from current assets	405	2
Other financial income	1	395
Extraordinary income	525,832	488,797
Other extraordinary income	525,832	488,797
TOTAL INCOME	14,242,216	13,950,499
RESULT FOR THE FINANCIAL YEAR	0	0

5.10.4. AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE COMMISSION FOR ELECTRICITY AND GAS REGULATION (GREG) FOR THE YEAR ENDED 31 DECEMBER 2015

In accordance with the assignment entrusted to us by the Management Board pursuant to Article 31, Si of the internal rules of 14`11 December 2015 of the Commission for Electricity and Gas Regulation, we have the pleasure of reporting to you on the accounts for the past financial year. This report contains our opinion on the accounts as well as the required additional. statements and information.

Report on the accounts - unqualified opinion

31 December 2015, prepared in accordance with the valuation rules adopted by the Management Board. These accounts are summarized in a balance sheet, the total of which amounts to 178.495.089 EUR and an income statement, the balance of which stands at 0 EUR, in accordance with the Royal Decrees of 24 March 2003 and of 2 April 2014 on the financing of the Commission, with the total income and charges standing at 14.242.216 EUR.

Responsibility of the Management Board for the preparation of the accounts

The Management Board is responsible for the preparation of accounts that give a true and fair view in accordance with the financial reporting framework applicable to the Commission, and for such internal control as the Management Board determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on these accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA's). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the Commission's internal control relevant to the preparation of accounts that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the accounts.

We have obtained from the Management Board and Commission officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Unqualified opinion

In our opinion, the balance sheet for the year ended 31 December 2015 and the income statement for the 2015 financial year give a true and fair view of the Commission's net equity

and financial position of the Commission in accordance with the valuation rules adopted by the Management Board.

Additional statements and information

We would like to supplement our report with the following additional statements and information, which do not modify our audit opinion on the accounts:

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the general rules of the law of 22 May 2003 on the organization of the budget and the accounting of the federal State and with the Royal Decree of 10 November 2009 fixing the chart of accounts applicable to the federal State, Communities, Regions and the Joint Community Commission
- It should be highlighted that the Commission has, as at 31 December 2015, commitments for an amount of 807.456 EUR. These commitments do not appear in the accounts as it is not a debt.
- We have not noted any infringements of the "Electricity" and "Gas" Acts or their implementing decrees as regards transactions referred to in the accounts of the Commission.

Brussels, the 23rd of February 2016



André KILESSE
Réviseur d'Entreprises

5.11. List of Acts of the CREG During the Year 2015

(B)150507-CDC-656G/27	•	Projet de décision sur le rapport tarifaire incluant les soldes introduit par la SA FLUXYS BELGIUM concernant l'exercice d'exploitation 2014
(B)150611-CDC-656G/28	•	Décision sur le rapport tarifaire adapté incluant les soldes introduit par la SA FLUXYS BELGIUM concernant l'exercice d'exploitation 2014 Beslissing betreffende het aangepast tariefverslag met inbegrip van de saldi ingediend door NV FLUXYS BELGIUM voor het exploitatiejaar 2014
(B)150903-CDC-656G/29	•	Décision sur la méthode de calcul des redevances d'équilibrage à des fins de neutralité et la méthode de calcul de la redevance de déséquilibre journalier et intrajournalier pour ce qui concerne la valeur du petit ajustement Beslissing betreffende de methode voor de berekening van neutraliteitsheffingen voor balanceren en de methode voor de berekening van de dagelijkse en de binnen-de-dag onbalansheffing wat de waarde van de kleine aanpassing betreft
(B)150903-CDC-656G/30	•	Décision sur la redevance d'équilibrage à des fins de neutralité et la valeur du petit ajustement Beslissing betreffende de neutraliteitsheffing voor balanceren en de waarde van de kleine aanpassing
(B)151029-CDC-656G/31	•	Décision relative à la proposition tarifaire de FLUXYS BELGIUM SA relative aux tarifs de raccordement et d'utilisation du réseau de transport ainsi que des services de stockage et des services auxiliaires pour les années 2016-2019 Beslissing betreffende het tariefvoorstel van FLUXYS BELGIUM NV voor de tarieven voor de aansluiting op en het gebruik van het vervoersnet, alsook van de opslagdiensten en de ondersteunende diensten voor de jaren 2016-2019
(B)150507-CDC-657G/11	•	Décision sur le rapport tarifaire incluant les soldes introduit par la SA FLUXYS LNG concernant l'exercice d'exploitation 2014 Beslissing betreffende het tariefverslag met inbegrip van de saldi ingediend door de NV FLUXYS LNG betreffende het exploitatiejaar 2014
(B)150129-CDC-658E/32	•	Décision relative à la proposition du 25 novembre 2014 de SA ELIA SYSTEM OPERATOR relative à l'adaptation à partir du 1er janvier 2015 des tarifs pour les obligations de service public et des taxes et surcharges – Réserve stratégique Beslissing over het voorstel van 25 november 2014 van ELIA SYSTEM OPERATOR NV tot aanpassing vanaf 1 januari 2015 van de tarieven voor openbare dienstverplichtingen en van toeslagen en heffingen – Strategische reserve
(B)150507-CDC-658E/33 (B)150625-CDC-658E/33	• •	Projet de décision et décision relatifs au rapport tarifaire incluant les soldes introduit par la SA ELIA SYSTEM OPERATOR concernant l'exercice d'exploitation 2014 tels que modifiés par le rapport tarifaire adapté Ontwerp van beslissing en beslissing betreffende het tariefverslag met inbegrip van de saldi ingediend door de NV ELIA SYSTEM OPERATOR betreffende het exploitatiejaar 2014 en zoals aangepast door het aangepast tariefverslag
(B)150615-CDC-658E/34	•	Décision relative à la demande d'approbation de principe de la proposition tarifaire préliminaire, introduite par ELIA SYSTEM OPERATOR SA en vue d'une mise en application du second terme du tarif pour l'obligation de service public pour le financement des mesures de soutien aux énergies renouvelables en Wallonie
(B)150717-CDC-658E/35	•	Décision relative à la demande d'approbation de la proposition tarifaire introduite par ELIA SYSTEM OPERATOR SA en vue d'une mise en application à partir du 1er septembre 2015 du second terme du tarif pour l'obligation de service public pour le financement des mesures de soutien aux énergies renouvelables en Wallonie Beslissing over de vraag tot goedkeuring van het tariefvoorstel ingediend door NV ELIA SYSTEM OPERATOR met het oog op de toepassing vanaf 1 september 2015 van een tweede term van het tarief voor de openbardienstverplichting voor de financiering van steunmaatregelen voor hernieuwbare energie in Wallonië

<p>(B)151009-CDC-658E/36 (B)151203-CDC-658E/36</p>	<ul style="list-style-type: none"> • Projet de décision et décision relatifs à la demande d'approbation de la proposition tarifaire (adaptée) introduite par la SA ELIA SYSTEM OPERATOR pour la période régulatoire 2016-2019 • Beslissing over de vraag tot goedkeuring van het ingediende aangepaste tariefvoorstel door de NV ELIA SYSTEM OPERATOR voor de regulatoire periode 2016-2019
<p>(B)151217-CDC-658E/37</p>	<ul style="list-style-type: none"> • Décision relative à la modification de la version néerlandaise de la décision (B)130516-CDC-658E/26 relative à la proposition tarifaire rectifiée de la SA ELIA SYSTEM OPERATOR du 2 avril 2013 pour la période régulatoire 2012-2015 • Beslissing tot wijziging van de Nederlandstalige versie van Beslissing (B)130516-CDC-658E/26 betreffende het correctief tariefvoorstel van NV ELIA SYSTEM OPERATOR van 2 april 2013 voor de regulatoire periode 2012-2015
<p>(RA)151126-CDC-1109/8</p>	<ul style="list-style-type: none"> • Rapport de la consultation relatif au projet d'annexe 4 à la méthodologie tarifaire pour le transport d'électricité, relative à un incitant particulier pour des investissements importants et spécifiques dans le réseau, et ce pour une période déterminée ad hoc • Raadplegingsverslag over het ontwerp van bijlage 4 van de tariefmethodologie voor de transmissie van elektriciteit in verband met de stimulators voor belangrijke en specifieke investeringen in het net voor een ad hoc vastgestelde termijn
<p>(Z)151126-CDC-1109/9</p>	<ul style="list-style-type: none"> • Arrêté fixant l'annexe 4 à la méthodologie tarifaire pour le réseau de transport d'électricité et pour les réseaux d'électricité ayant une fonction de transport • Besluit tot vaststelling van bijlage 4 van de tariefmethodologie voor het elektriciteitstransmissienet en voor de elektriciteitsnetten met een transmissiefunctie
<p>(B)150122-CDC-1219E/9 (B)150423-CDC-1219E/10 (B)150717-CDC-1219E/11 (B)151022-CDC-1219E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur EBEM durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier EBEM tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1219G/9 (B)150423-CDC-1219G/10 (B)150717-CDC-1219G/11 (B)151022-CDC-1219G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur EBEM durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier EBEM tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1220E/9 (B)150423-CDC-1220E/10 (B)150717-CDC-1220E/11 (B)151022-CDC-1220E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur EDF LUMINUS durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier EDF LUMINUS tijdens het eerste, tweede, derde en vierde kwartaal van 2015

<p>(B)150122-CDC-1220G/9 (B)150423-CDC-1220G/10 (B)150717-CDC-1220G/11 (B)151022-CDC-1220G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur EDF LUMINUS durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier EDF LUMINUS tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1221E/9 (B)150423-CDC-1221E/10 (B)150717-CDC-1221E/11 (B)151022-CDC-1221E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ELECTRABEL CUSTOMER SOLUTIONS durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ELECTRABEL CUSTOMER SOLUTIONS tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1221G/9 (B)150423-CDC-1221G/10 (B)150717-CDC-1221G/11 (B)151022-CDC-1221G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ELECTRABEL CUSTOMER SOLUTIONS durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ELECTRABEL CUSTOMER SOLUTIONS tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1222E/9 (B)150423-CDC-1222E/10 (B)150717-CDC-1222E/11 (B)151022-CDC-1222E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ELEGANT le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ELEGANT tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1222G/9 (B)150423-CDC-1222G/10 (B)150717-CDC-1222G/11 (B)151022-CDC-1222G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ELEGANT durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ELEGANT tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1223G/9 (B)150423-CDC-1223G/10 (B)150717-CDC-1223G/11 (B)151022-CDC-1223G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ENECO durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ENECO tijdens het eerste, tweede, derde en vierde kwartaal van 2015

<p>(B)150122-CDC-1225E/9 (B)150423-CDC-1225E/10 (B)150717-CDC-1225E/11 (B)151022-CDC-1225E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ESSENT durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ESSENT tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1225G/9 (B)150423-CDC-1225G/10 (B)150717-CDC-1225G/11 (B)151022-CDC-1225G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ESSENT durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ESSENT tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1226G/9 (B)150423-CDC-1226G/10 (B)150717-CDC-1226G/11 (B)151022-CDC-1226G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur LAMPIRIS durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier LAMPIRIS tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1227E/9 (B)150423-CDC-1227E/10 (B)150717-CDC-1227E/11 (B)151022-CDC-1227E/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur OCTA+ durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier OCTA+ tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1227G/9 (B)150423-CDC-1227G/10 (B)150717-CDC-1227G/11 (B)151022-CDC-1227G/12</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur OCTA+ durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier OCTA+ tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1268G/7 (B)150423-CDC-1268G/8 (B)150717-CDC-1268G/9 (B)151022-CDC-1268G/10</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ANTARGAZ durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ANTARGAZ tijdens het eerste, tweede, derde en vierde kwartaal van 2015

<p>(B)150122-CDC-1285G/6 (B)150423-CDC-1285G/7 (B)150717-CDC-1285G/8 (B)151022-CDC-1285G/9</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur WATZ durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier WATZ tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1323E/4 (B)150423-CDC-1323E/5 (B)150717-CDC-1323E/6 (B)151022-CDC-1323E/7</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur MEGA durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier MEGA tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1323G/4 (B)150423-CDC-1323G/5 (B)150717-CDC-1323G/6 (B)151022-CDC-1323G/7</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur MEGA durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier MEGA tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(B)150122-CDC-1379E/2 (B)150423-CDC-1379E/3 (B)150717-CDC-1379E/4 (B)151022-CDC-1379E/5</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur ENERGY PEOPLE durant le premier, le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ENERGY PEOPLE tijdens het eerste, tweede, derde en vierde kwartaal van 2015
<p>(F)150122-CDC-1368</p>	<ul style="list-style-type: none"> • Étude relative à l'actionnariat des concessions domaniales pour la construction et l'exploitation de parcs d'éoliennes en mer du Nord Studie over het aandeelhouderschap van domeinconcessies voor de bouw en exploitatie van windmolenparken in de Noordzee
<p>(C)150122-CDC-1392</p>	<ul style="list-style-type: none"> • Voorstel betreffende de hernieuwing aan E.ON BELGIUM NV van een vergunning voor de levering van elektriciteit
<p>(Z)150115-CDC-1395</p>	<ul style="list-style-type: none"> • Note relative à la proposition de modalités de procédure pour la constitution de réserves stratégiques – période hivernale 2015-2016 Nota over het voorstel van de proceduremodaliteiten voor de aanleg van strategische reserves – winterperiode 2015-2016
<p>(F)150122-CDC-1396</p>	<ul style="list-style-type: none"> • Étude relative aux mécanismes de fixation des prix de l'énergie en vigueur en 2013 au sein des contrats de fourniture d'électricité des grands clients industriels d'EDF LUMINUS SA
<p>(A)150115-CDC-1397</p>	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3974 voor de aansluiting van de leiding DN100 HD van de afnemer ECOPOWER te Ham
<p>(Z)150122-CDC-1398</p>	<ul style="list-style-type: none"> • Note relative aux évolutions marquantes sur les marchés de gros de l'électricité et du gaz en 2014 Nota over de opvallende evoluties op de Belgische groothandelsmarkten elektriciteit en gas in 2014

(A)150203-CDC-1399	<ul style="list-style-type: none"> • Avis relatif au projet de plan de développement 2015-2025 de la SA ELIA SYSTEM OPERATOR Advies over het ontwerp van ontwikkelingsplan 2015-2025 van de NV ELIA SYSTEM OPERATOR
(A)150202-CDC-1400	<ul style="list-style-type: none"> • Advies over de aanvraag voor de toekenning van een domeinconcessie voor de bouw en de exploitatie van installaties voor hydro-elektrische energieopslag in de zeegebieden waarin België rechtsmacht kan uitoefenen overeenkomstig het internationaal zeerecht, ingediend door de tijdelijke handelsvennootschap iLAND
(A)150129-CDC-1401	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3959 voor een bijkomende aansluiting van afnemer Total Raffinaderij Antwerpen in het Antwerpse havengebied
(B)150212-CDC-1402	<ul style="list-style-type: none"> • Décision finale sur la demande d'approbation de la proposition portant des amendements à la méthode d'évaluation et à la détermination de la puissance de réserve primaire, secondaire et tertiaire pour 2015 Eindbeslissing over de vraag tot goedkeuring van het voorstel houdende wijzigingen aan de evaluatiemethode voor en aan de bepaling van het primair, secundair en tertiair reservevermogen voor 2015
(B)150312-CDC-1403	<ul style="list-style-type: none"> • Décision finale relative à la proposition de la SA ELIA SYSTEM OPERATOR concernant les règles de fonctionnement de la réserve stratégique applicables à partir du 1er novembre 2015 Eindbeslissing over het voorstel van NV ELIA SYSTEM OPERATOR betreffende de werkingsregels van de strategische reserve toepasbaar vanaf november 2015
(R)150205-CDC-1404 (R)150827-CDC-1404	<ul style="list-style-type: none"> • Projet de lignes directrices et lignes directrices concernant les informations à considérer comme confidentielles en raison de leur caractère commercialement sensible ou de leur caractère personnel Ontwerp van richtsnoeren en richtsnoeren over de informatie die als vertrouwelijk te beschouwen is omwille van het commercieel karakter of persoonlijke karakter ervan
(A)150226-CDC-1406	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3978 voor een aansluiting van afnemer MILCOBEL (Belgomilk) te Langemark-Poelkapelle
(F)150312-CDC-1407	<ul style="list-style-type: none"> • Étude relative à une mise à jour de la structure de coûts de la production d'électricité par les centrales nucléaires en Belgique, de l'évaluation économique de la production nucléaire d'électricité ainsi que d'une estimation des bénéfices tirés de ces activités Studie over een update van de kostenstructuur van de elektriciteitsproductie door de nucleaire centrales in België, de economische waardering van nucleaire elektriciteitsproductie en een raming van de winsten uit deze activiteiten
(F)150305-CDC-1408	<ul style="list-style-type: none"> • Étude relative aux PME et indépendants sur le marché de l'énergie Studie over de KMO's en de zelfstandigen binnen de energiemarkt
(B)150423-CDC-1409E/1 (B)150717-CDC-1409E/2 (B)151022-CDC-1409E/3	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur COMFORT ENERGY durant le deuxième, le troisième et le quatrième trimestre de 2015 Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijs door de leverancier COMFORT ENERGY tijdens het tweede, derde en vierde kwartaal van 2015

• Confidential • Published on www.creg.be

<p>(B)150423-CDC-1409G/1 (B)150717-CDC-1409G/2 (B)151022-CDC-1409G/3</p>	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l'application correcte de la formule d'indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l'énergie par le fournisseur COMFORT ENERGY durant le deuxième, le troisième et le quatrième trimestre de 2015 • Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier COMFORT ENERGY tijdens het tweede, derde en vierde kwartaal van 2015
<p>(B)150423-CDC-1410</p>	<ul style="list-style-type: none"> • Décision finale relative à la demande d'approbation de la proposition de la SA ELIA SYSTEM OPERATOR relative à la mise en place d'un couplage de marchés journaliers basé sur les flux dans la région CWE (Europe de Centre-Ouest) • Eindbeslissing over de aanvraag tot goedkeuring van het voorstel van de NV ELIA SYSTEM OPERATOR betreffende de implementatie van de koppeling van de dagmarkten gebaseerd op de stromen in de regio CWE Centraal-West Europa)
<p>(F)150604-CDC-1411</p>	<ul style="list-style-type: none"> • Étude relative au fonctionnement et à l'évolution des prix sur le marché de gros belge de l'électricité - rapport de monitoring 2014 • Studie over de werking van en de prijsevolutie op de Belgische groothandelsmarkt voor elektriciteit - monitoringrapport 2014
<p>(F)150423-CDC-1412</p>	<ul style="list-style-type: none"> • Étude sur la rentabilité du stockage d'électricité en Belgique • Studie over de rentabiliteit van de elektriciteitsopslag in België
<p>(Z)150326-CDC-1413</p>	<ul style="list-style-type: none"> • Rapport relatif à l'évolution des paramètres d'indexation des prix des fournisseurs d'électricité et de gaz • Verslag over de evolutie van de indexeringsparameters van de elektriciteits- en gasleveranciers
<p>(B)150326-CDC-1414</p>	<ul style="list-style-type: none"> • Décision relative aux modifications proposées par la SA FLUXYS BELGIUM du contrat standard de transport de gaz naturel, du programme de transport de gaz naturel et des annexes A, B, C1 et G du règlement d'accès pour le transport de gaz naturel • Beslissing over de door de NV FLUXYS BELGIUM voorgestelde wijzigingen van het standaard aardgasvervoerscontract, het aardgasvervoersprogramma en van bijlagen A, B, C1 en G van het toegangsreglement voor aardgasvervoer
<p>(A)150423-CDC-1415</p>	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3981A&B voor de herstructurering van aardgasvervoerleidingen in de regio Gent (deel Zuid – fase 2).
<p>(Z)150507-CDC-1416</p>	<ul style="list-style-type: none"> • Rapport relatif au monitoring des éventuels effets perturbateurs sur le marché dans le cadre du mécanisme du filet de sécurité introduit par l'article 20bis, §§1er à 5 de la Loi électricité et l'article 15/10bis, §§1er à 5 de la Loi gaz • Verslag over de monitoring van mogelijke marktversturende effecten in het kader van het vangnetmechanisme ingevoerd via artikel 20bis, §§1 tot 5 van de Elektriciteitswet en artikel 15/10bis, §§1 tot 5 van de Gaswet
<p>(Z)150423-CDC-1417</p>	<ul style="list-style-type: none"> • Rapport comparatif des objectifs formulés dans la note de politique générale de la CREG et des réalisations de l'année 2014 • Vergelijkend verslag van de doelstellingen geformuleerd in het beleidsplan van de CREG en van de verwezenlijkingen van het jaar 2014
<p>(F)150520-CDC-1418</p>	<ul style="list-style-type: none"> • Study on the results observed during the auction on May 17, 2013 of monthly cross-border electricity capacity from Belgium to the Netherlands
<p>(F)150430-CDC-1419</p>	<ul style="list-style-type: none"> • Étude sur les composantes des prix de l'électricité et du gaz naturel • Studie betreffende de componenten van de elektriciteits- en aardgasprijzen
<p>(B)150520-CDC-1420</p>	<ul style="list-style-type: none"> • Décision relative aux modifications proposées par la SA FLUXYS BELGIUM du contrat standard de transport de gaz naturel, du règlement d'accès pour le transport de gaz naturel et du programme de transport de gaz naturel • Beslissing over de door de NV FLUXYS BELGIUM voorgestelde wijzigingen van het standaard aardgasvervoerscontract, het toegangsreglement voor vervoer en het aardgasvervoersprogramma

(A)150528-CDC-1421	<ul style="list-style-type: none"> • Advies over de aanvragen tot wijziging van de domeinconcessie voor de bouw en de exploitatie van installaties voor de productie van elektriciteit uit wind in de zeegebieden toegekend aan de naamloze vennootschap NORTHER bij ministerieel besluit van 5 oktober 2009
(F)150604-CDC-1422	<ul style="list-style-type: none"> • Étude sur les mesures à prendre afin de disposer du volume adéquat de moyens de production conventionnels pour assurer la sécurité d’approvisionnement en électricité de la Belgique Studie over de maatregelen die moeten worden genomen teneinde over voldoende conventionele productiemiddelen te beschikken om de bevoorradingszekerheid van elektriciteit van België te waarborgen Study on the measures to be taken in order to ensure an adequate volume of conventional production means to assure Belgium's electricity security of supply - Executive Summary
(B)150618-CDC-1423 (B)150717-CDC-1423	<ul style="list-style-type: none"> • Projet de décision et décision finale sur la demande d’approbation de la méthode d’évaluation et de la détermination de la puissance de réserve primaire, secondaire et tertiaire pour 2016 Ontwerpbeslissing en eindbeslissing over de vraag tot goedkeuring van de evaluatiemethode voor en de bepaling van het primair, secundair en tertiair reservevermogen voor 2016
(B)150611-CDC-1424 (B)150717-CDC-1424	<ul style="list-style-type: none"> • Projet de décision et décision finale sur la proposition de la SA ELIA SYSTEM OPERATOR concernant l’adaptation des règles de fonctionnement du marché relatif à la compensation des déséquilibres quart-horaires Ontwerpbeslissing en eindbeslissing over het voorstel van NV ELIA SYSTEM OPERATOR betreffende de aanpassing van de werkingsregels van de markt voor de compensatie van de kwartieronevenwichten
(A)150611-CDC-1425	<ul style="list-style-type: none"> • Advies over de onafhankelijkheid van een onafhankelijke bestuurder in de raad van bestuur van FLUXYS BELGIUM NV
(A)150618-CDC-1426	<ul style="list-style-type: none"> • Advies betreffende de toekenning van individuele vergunningen voor de bouw van een installatie voor de productie van elektriciteit (Windmolenpark) te Beveren door NV WIND AAN DE STROOM 2013
(B)150717-CDC-1427E/1 (B)151022-CDC-1427E/2	<ul style="list-style-type: none"> • Décisions relatives à la constatation de l’application correcte de la formule d’indexation et la conformité avec la liste exhaustive des critères admis pour les contrats-types à prix variable de l’énergie par le fournisseur ASPIRAVI ENERGY durant le troisième et le quatrième trimestre de 2015 Beslissingen over de vaststelling van de correcte toepassing van de indexeringsformule en de conformiteit met de exhaustieve lijst van toegelaten criteria voor de contracttypes met een variabele energieprijis door de leverancier ASPIRAVI ENERGY tijdens het derde en vierde kwartaal van 2015
(A)150625-CDC-1428	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een bijvoegsel bij de vervoersvergunning A323-3905 van 29 september 2014 voor de bouw van een nieuw drukreducerstation voor aardgas te Langemark-Poelkapelle
(B)150618-CDC-1429 (B)151009-CDC-1429	<ul style="list-style-type: none"> • Projet de décision et décision finale relatifs à l’ouverture d’une procédure de certification à l’égard d’INTERCONNECTOR (UK) LIMITED Ontwerpbeslissing en eindbeslissing over het openen van een certificeringsprocedure ten aanzien van INTERCONNECTOR (UK) LIMITED
(A)150706-CDC-1430	<ul style="list-style-type: none"> • Avis sur un projet d’arrêté royal modifiant l’arrêté royal du 19 décembre 2002 établissant un règlement technique pour la gestion du réseau de transport de l’électricité et l’accès à celui-ci, ainsi qu’un projet d’arrêté ministériel modifiant l’arrêté ministériel du 3 juin 2005 établissant le plan de délestage du réseau de transport d’électricité Advies over een ontwerp van koninklijk besluit tot wijziging van het koninklijk besluit van 19 december 2002 houdende een technisch reglement voor het beheer van het transmissienet van elektriciteit en de toegang ertoe en een ontwerp van ministerieel besluit tot wijziging van het ministerieel besluit van 3 juni 2005 tot vaststelling van het afschakelplan van het transmissienet van elektriciteit

(F)150903-CDC-1431	<ul style="list-style-type: none"> • Étude relative à l'actionnariat des principaux fournisseurs d'électricité et de gaz disposant d'une autorisation de fourniture fédérale et / ou régionale Studie over het aandeelhouderschap van de voornaamste elektriciteits- en gasleveranciers die beschikken over een federale en / of gewestelijke leveringsvergunning
(A)150709-CDC-1432	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3987 voor de aansluiting DN150 HD van bedrijf STADSBADER te Beveren (Kallo)
(A)150625-CDC-1433	<ul style="list-style-type: none"> • Avis sur le caractère manifestement déraisonnable ou non des prix offerts à ELIA SYSTEM OPERATOR SA pour la fourniture de la réserve stratégique en réponse à l'appel d'offres du 17 mars 2015
(A)150709-CDC-1434	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3986 de bouw van een nieuw aardgasontspanningsstation voor aardgas aan de Knaapstraat te Peer
(A)150709-CDC-1435	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een bijvoegsel bij de vervoersvergunning A322-319 van 18 april 1968 voor de vervanging en verplaatsing van een aardgasvervoerleiding te Nieuwpoort
(B)150903-CDC-1436 (B)151009-CDC-1436	<ul style="list-style-type: none"> • Projet de décision et décision finale relatifs à la méthode de répartition des capacités entre les différents horizons de temps sur la liaison entre la Belgique et les Pays-Bas • Ontwerpbeslissing en eindbeslissing over de methode voor de verdeling van de capaciteiten tussen de verschillende tijdshorizonten op de koppelverbinding België-Nederland
(A)150709-CDC-1437	<ul style="list-style-type: none"> • Avis sur le projet d'arrêté royal concernant la coopération entre la Commission de régulation de l'électricité et du gaz et l'Autorité belge de la concurrence Advies over het ontwerp van koninklijk besluit betreffende de samenwerking tussen de Commissie voor de regulering van de elektriciteit en het gas en de Belgische Mededingingsautoriteit
(A)150717-CDC-1438	<ul style="list-style-type: none"> • Avis relatif à l'octroi d'une autorisation individuelle pour l'établissement d'une installation de production d'électricité (parc éolien) à Villers-le-Bouillet, Wanze et Verlaine par la SA EDF LUMINUS
(F)150910-CDC-1439	<ul style="list-style-type: none"> • Étude relative aux mécanismes de fixation du prix de l'énergie en vigueur en 2014 au sein des contrats de fourniture d'électricité des grands clients industriels d'ELECTRABEL SA
(RA)150717-CDC-1440	<ul style="list-style-type: none"> • Rapport relatif au caractère manifestement déraisonnable ou non des prix offerts à ELIA SYSTEM OPERATOR SA pour la fourniture du service de black-start durant la période 2016-2020
(F)150910-CDC-1441	<ul style="list-style-type: none"> • Étude relative aux mécanismes de fixation des prix de l'énergie en vigueur en 2014 au sein des contrats de fourniture d'électricité des grands clients industriels d'EDF LUMINUS SA
(B)150730-CDC-1442/1	<ul style="list-style-type: none"> • Décision relative à la méthodologie de tarification relative au contrat d'accès conclu avec INTERCONNECTOR (UK) et au règlement d'accès d'INTERCONNECTOR (UK) Beslissing betreffende de Vergoedingsmethodologie met betrekking tot de toegangsovereenkomst met INTERCONNECTOR (UK) en het toegangsgeregulement van INTERCONNECTOR (UK)

• Confidential • Published on www.creg.be

(A)150827-CDC-1443	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3988 voor de aansluiting DN150 HD van ADPO LIEFKENSHOEK LOGISTIC HUB te Beveren (Kallo)
(A)150827-CDC-1444	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3984 voor de aansluiting DN150 HD van het tuinbouwbedrijf HERDI te Zwijndrecht
(B)150827-CDC-1446 (B)151009-CDC-1446	<ul style="list-style-type: none"> • Projet de décision et décision finale relatifs à la proposition de la SA ELIASYSTEM OPERATOR de méthode pour l'attribution des capacités disponibles annuelles et mensuelles pour les échanges d'énergie avec d'autres zones d'offres aux responsables d'accès ainsi que les règles d'allocation des capacités via des enchères fictives • Ontwerpbeslissing en eindbeslissing over het voorstel van de NV ELIA SYSTEM OPERATOR van de methode voor de wijziging van de beschikbare jaar-en maandcapaciteiten voor energie-uitwisselingen met andere biedzones aan de toegangsverantwoordelijken alsook de toewijzingsregels van dagcapaciteit middels schaduwveilingen
(A)150827-CDC-1447	<ul style="list-style-type: none"> • Advies over de vraag van de NV BASF ANTWERPEN tot erkenning van een gesloten industrieel net, alsook om als beheerder hiervan te worden aangewezen voor wat betreft het gedeelte uitgebaat op een nominale spanning hoger dan 70kV
(A)150827-CDC-1448	<ul style="list-style-type: none"> • Advies over de vraag van de NV BP CHEMBEL tot erkenning van een gesloten industrieel net, alsook om als beheerder hiervan te worden aangewezen voor wat betreft het gedeelte uitgebaat op een nominale spanning hoger dan 70kV
(A)150827-CDC-1449	<ul style="list-style-type: none"> • Advies over de vraag van de NV SOLVIC tot erkenning van een gesloten industrieel net, alsook om als beheerder hiervan te worden aangewezen voor wat betreft het gedeelte uitgebaat op een nominale spanning hoger dan 70kV
(A)150827-CDC-1450	<ul style="list-style-type: none"> • Avis sur la demande de la SA TOTAL PETROCHEMICALS FELUY de reconnaître un réseau fermé industriel et d'être nommée comme son gestionnaire pour ce qui concerne la partie exploitée à une tension nominale supérieure à 70 kV
(A)150922-CDC-1452	<ul style="list-style-type: none"> • Advies over de toekenning van een individuele vergunning voor de bouw van een installatie voor de productie van elektriciteit (Biomassa) te Gent door NV BEE POWER GENT
(F)150910-CDC-1453	<ul style="list-style-type: none"> • Étude sur la fourniture des grands clients industriels en Belgique en 2014 Studie over de elektriciteitsbelevering van grote industriële klanten in België in 2014
(F)150910-CDC-1454	<ul style="list-style-type: none"> • Étude concernant la réserve stratégique et le fonctionnement du marché au cours de la période hivernale 2014-2015 Studie over de strategische reserve en de marktwerking tijdens de winterperiode 2014-2015
(A)150917-CDC-1455	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een vervoersvergunning A323-3989 voor de aanleg en exploitatie van een nieuwe aardgasvervoersleiding
(B)150917-CDC-1457	<ul style="list-style-type: none"> • Décision concernant la demande d'approbation des modifications proposées par la SA FLUXYS BELGIUM du contrat standard de transport de gaz naturel, du programme de transport de gaz naturel et des annexes A, B, C1, C3, E, G, H ainsi que de la nouvelle annexe C5 du règlement d'accès pour le transport de gaz naturel Beslissing over de aanvraag tot goedkeuring van de door de NV FLUXYS BELGIUM voorgestelde wijzigingen van het standaard aardgasvervoerscontract, het aardgasvervoersprogramma en van de bijlagen A, B, C1, C3, E, G, H en de nieuwe bijlage C5 van het toegangsreglement voor aardgasvervoer

• Confidential • Published on www.creg.be

(RA)150924-CDC-1458	<ul style="list-style-type: none"> Rapport relatif au mécanisme du filet de sécurité introduit par l'article 20bis, §§1er à 5 de la Loi électricité et l'article 15/10bis, §§1er à 5 de la Loi gaz Rapport over het vangnetmechanisme ingevoerd via artikel 20bis, §§1 tot 5 van de Elektriciteitswet en artikel 15/10bis, §§1 tot 5 van de Gaswet
(F)151015-CDC-1460	<ul style="list-style-type: none"> Étude relative aux fonctionnement et évolution des prix sur le marché de gros belge pour le gaz naturel - rapport de surveillance 2014 Studie over de werking van en de prijsevolutie op de Belgische groothandelsmarkt voor aardgas - monitoringrapport 2014
(B)150924-CDC-1461	<ul style="list-style-type: none"> Décision relative à la proposition d'adaptation des modalités d'application du tarif pour le maintien et la restauration de l'équilibre individuel des responsables d'accès Beslissing betreffende het voorstel tot aanpassing van de toepassingsmodaliteiten van het tarief voor het handhaven en herstellen van het individueel evenwicht van de toegangsverantwoordelijken
(F)151015-CDC-1462	<ul style="list-style-type: none"> Étude relative à l'analyse du soutien à l'énergie éolienne offshore incluant le rapport annuel sur l'efficacité du prix minimum pour l'énergie éolienne offshore Studie over de analyse van ondersteuning van offshore windenergie met inbegrip van het jaarlijks verslag over de doeltreffendheid van de minimumprijs voor offshore windenergie
(B)151015-CDC-1463	<ul style="list-style-type: none"> Décision relative aux modifications des conditions générales des contrats de responsable d'accès, proposées par le gestionnaire du réseau Beslissing over de wijzigingen van de algemene voorwaarden van de contracten van toegangsverantwoordelijke, voorgesteld door de netbeheerder
(B)151009-CDC-1464 (B)151015-CDC-1464	<ul style="list-style-type: none"> Projet de décision et décision finale relatifs à la demande d'approbation de la convention comportant cession partielle de la SA BELWIND à la SA NOBELWIND des droits et obligations découlant du contrat conclu le 23 juin 2008 entre la SA ELIA SYSTEM OPERATOR et la SA BELWIND pour l'achat de certificats verts Ontwerpbeslissing en eindbeslissing betreffende de vraag tot goedkeuring van de overeenkomst houdende partiële overdracht van BELWIND NV aan NOBELWIND NV van de rechten en plichten voortvloeiend uit het contract tussen ELIA SYSTEM OPERATOR NV en BELWIND NV van 23 juni 2008 voor het aankopen van groenestroomcertificaten
(B)151009-CDC-1465	<ul style="list-style-type: none"> Décision concernant la proposition introduite par INTERCONNECTOR (UK) LIMITED de contrat d'accès conclu avec IUK, Règlement d'accès conclu avec IUK et Contrat d'utilisateur du système pour l'accès à l'Interconnector Zeebruges - Bacton Beslissing over het door INTERCONNECTOR (UK) LIMITED ingediend voorstel van Toegangsovereenkomst met IUK, Toegangsreglement met IUK en Systeemgebruikersovereenkomst voor toegang tot de interconnector Zeebrugge – Bacton
(RA)151015-CDC-1466	<ul style="list-style-type: none"> Rapport relatif au caractère manifestement déraisonnable ou non des prix offerts à ELIA SYSTEM OPERATOR SA pour la fourniture du service de réglage de la tension en 2016

• Confidential • Published on www.creg.be

(B)151210-CDC-1467	<ul style="list-style-type: none"> • Projet de décision relative à la demande d'approbation de la proposition de la SA ELIA SYSTEM OPERATOR relative à l'allocation intra-journalière de la capacité sur l'interconnexion France-Belgique et Pays-Bas-Belgique Decision on the Access Agreement Proposal with IUK, Access Code with IUK and System User Agreement for access to the Zeebrugge - Bacton interconnector, submitted by INTERCONNECTOR (UK) Limited Ontwerpbeslissing over de aanvraag tot goedkeuring van het voorstel van de NV ELIA SYSTEM OPERATOR betreffende de intraday toewijzing van capaciteit op de koppelverbindingen Frankrijk-België en Nederland-België
(B)151022-CDC-1468	<ul style="list-style-type: none"> • Advies over de aanvraag van de NV FLUXYS BELGIUM voor de toekenning van een bijvoegsel bij de vervoersvergunning A322-1576 van 18 november 1980 voor de verhoging van de capaciteit van een bestaand aardgasontspanstation te Zedelgem (Veldegem)
(B)151029-CDC-1469	<ul style="list-style-type: none"> • Décision relative à la demande d'approbation de la proposition adaptée par la SA FLUXYS BELGIUM du contrat standard de transport de gaz naturel, du programme de transport de gaz naturel et des annexes A, B, C1, C3, E, G et H du règlement d'accès pour le transport de gaz naturel Beslissing over de aanvraag tot goedkeuring van het door de NV FLUXYS BELGIUM aangepast voorstel van het standaard aardgasvervoerscontract, het aardgasvervoersprogramma en van de bijlagen A, B, C1, C3, E, G, H van het toegangsreglement voor aardgasvervoer
(Z)151029-CDC-1470	<ul style="list-style-type: none"> • Note de politique générale pour l'année 2016 Algemene beleidsnota voor het jaar 2016
(A)151029-CDC-1471	<ul style="list-style-type: none"> • Advies over de aanvraag tot wijziging van de domeinconcessie voor de bouw en de exploitatie van installaties voor de productie van elektriciteit uit wind in de zeegebieden toegekend aan de NV RENTEL (voorheen de tijdelijke handelsvennootschap RENTEL) bij ministerieel besluit van 4 juni 2009
(Z)151204 CDC-1472	<ul style="list-style-type: none"> • Règlement d'ordre intérieur du comité de direction de la CREG Huishoudelijk reglement van het directiecomité van de CREG
(F)151113-CDC-1473	<ul style="list-style-type: none"> • Rapport relatif à la relation entre les coûts et les prix sur le marché belge du gaz naturel en 2014
(A)151113-CDC-1474	<ul style="list-style-type: none"> • Avis relatif à l'octroi d'une autorisation individuelle de fourniture de gaz naturel à BAYERN GAS VERTRIEB GmbH
(A)151120-CDC-1475	<ul style="list-style-type: none"> • Advies betreffende de toekenning van een individuele vergunning voor de bouw van een installatie voor de productie van elektriciteit (STEG) te Dilsen-Stokkem door NV DILS-ENERGIE NV
(Z)151113-CDC-1476	<ul style="list-style-type: none"> • Working paper on the price spikes observed on the Belgian day ahead spot exchange BELPEX on 22 September 2015
(RA)151120-CDC-1477	<ul style="list-style-type: none"> • Rapport relatif au caractère manifestement déraisonnable ou non des prix offerts à ELIA SYSTEM OPERATOR SA pour la fourniture des réserves tertiaires de puissance pour l'exercice d'exploitation 2016
(B)151120-CDC-1478 (B)151210-CDC-1478	<ul style="list-style-type: none"> • Projet de décision et décision finale relatifs à la demande de BELWIND d'octroi de certificats verts pour l'électricité produite par l'éolienne L01 • Ontwerpbeslissing en eindbeslissing over de aanvraag van BELWIND van groenestroomcertificaten voor de elektriciteit opgewekt door de windmolen L01

• Confidential • Published on www.creg.be

(B)151203-CDC-1479	•	Projet de décision relatif à la demande d'approbation de la proposition de la SA ELIA SYSTEM OPERATOR relative au modèle général de calcul de la capacité de transfert totale et de la marge de fiabilité du transport - modèle applicable aux frontières belges pour la capacité infrajournalière Ontwerpbeslissing over de aanvraag tot goedkeuring van het voorstel van de NV ELIA SYSTEM OPERATOR betreffende het algemeen model voor de berekening van de totale overdrachtcapaciteit en de transportbetrouwbaarheidsmarge - model van toepassing op de Belgische grenzen voor intradaycapaciteit
(B)151203-CDC-1480	•	Projet de décision fixant la méthodologie et les critères utilisés pour évaluer les investissements dans l'infrastructure d'électricité et de gaz et les risques plus élevés auxquels ils sont soumis Ontwerpbeslissing tot vaststelling van de methodologie en de criteria voor de evaluatie van investeringen in elektriciteits- en gasinfrastructuur en de daarbij horende grotere risico's
(A)151126-CDC-1481	•	Avis relatif à la demande de la SA FLUXYS BELGIUM pour l'octroi d'un avenant à l'autorisation de transport A323-223 pour la modification de la canalisation de transport de gaz naturel à Fosses-la-Ville (Aisemont)
(A)151123-CDC-1483	•	Avis sur un projet d'arrêté royal portant modification de l'arrêté royal du 24 mars 2003 fixant les modalités de la cotisation fédérale destinée au financement de certaines obligations de service public et des coûts liés à la régulation et au contrôle du marché de l'électricité et de l'arrêté royal du 2 avril 2014 fixant les modalités de la cotisation fédérale destinée au financement de certaines obligations de service public et des coûts liés à la régulation et au contrôle du marché du gaz naturel Advies over een ontwerp van koninklijk besluit tot wijziging van het koninklijk besluit van 24 maart 2003 tot bepaling van de nadere regels betreffende de federale bijdrage tot financiering van sommige openbare dienstverplichtingen en van de kosten verbonden aan de regulering van en controle op de elektriciteitsmarkt en van het koninklijk besluit van 2 april 2014 tot vaststelling van de nadere regels betreffende een federale bijdrage bestemd voor de financiering van bepaalde openbare dienstverplichtingen
(F)151126-CDC-1485	•	Étude relative aux prix pratiqués sur le marché belge du gaz naturel en 2014 Studie betreffende de prijzen op de Belgische aardgasmarkt in 2014
(A)151203-CDC-1486	•	Avis relatif à la demande de la SA FLUXYS Belgium pour l'octroi d'un avenant à l'autorisation de transport A322-733 pour le détournement de la canalisation de transport de gaz naturel à Couvin
(B)151203-CDC-1487	•	Projet de décision relatif à la demande de la SA FLUXYS BELGIUM visant à être désignée partie chargée des prévisions en matière d'équilibrage du réseau de transport de gaz naturel Ontwerpbeslissing over de aanvraag door de NV FLUXYS BELGIUM tot aanwijzing als partij de prognoses opstelt inzake gasbalanciering van het aardgasvervoersnet
(B)151203-CDC-1488	•	Décision relative aux modifications des conditions générales des contrats d'accès, proposées par ELIA SYSTEM OPERATOR SA Beslissing over de wijzigingen van de algemene voorwaarden van de toegangscontracten, voorgesteld door ELIA SYSTEM OPERATOR NV
(B)151210-CDC-1489	•	Décision sur les modifications proposées par la SA FLUXYS BELGIUM de l'Appendice 1 de l'annexe B du règlement d'accès pour le transport de gaz naturel Beslissing over de door de NV FLUXYS BELGIUM voorgestelde wijzigingen van Appendix 1 bij bijlage B van het toegangsreglement voor aardgasvervoer

• Confidential • Published on www.creg.be

(A)151203-CDC-1490	•	Avis relatif à un projet d'arrêté royal imposant des conditions de prix et de fourniture pour l'approvisionnement pour la période de 22 mois du service black-start par un producteur
(A)151210-CDC-1491	•	Advies over de toekenning van een individuele leveringsvergunning voor aardgas aan ESSENT BELGIUM NV
(A)151217-CDC-1492	•	Avis relatif à l'octroi d'une autorisation individuelle de fourniture de gaz naturel à ENOVOS LUXEMBOURG SA
(C)151203-CDC-1493	•	Proposition sur le calcul de la surcharge destinée à compenser le coût réel net supporté par le gestionnaire du réseau résultant de l'obligation d'achat et de vente des certificats verts en 2016
(B)151217-CDC-1495	•	Décision relative à la demande d'approbation de la proposition adaptée par la SA FLUXYS BELGIUM du programme de transport du gaz naturel et des annexes A, B et G du règlement d'accès pour le transport de gaz naturel Beslissing over de aanvraag tot goedkeuring van het door NV FLUXYS BELGIUM aangepast voorstel van het aardgasvervoersprogramma en van de bijlagen A, B en G van het toegangsreglement voor aardgasvervoer
(F)151217-CDC-1496	•	Étude relative à la composition des portefeuilles de produits par fournisseur et les potentiels d'économies possibles pour les ménages, les PME et les indépendants sur le marché belge de l'électricité et du gaz naturel
(A)151217-CDC-1497 à 1500	•	Avis relatifs à un projet d'arrêté royal imposant à un producteur une obligation de service public couvrant le volume et le prix du service réglage de la tension et de la puissance réactive du 1er janvier 2016 au 31 décembre 2016 Studie over de samenstelling van de productportefeuilles per leverancier en mogelijke besparingspotentiëlen voor gezinnen, KMO's en zelfstandigen op de Belgische elektriciteits- en aardgasmarkt

• Confidential • Published on www.creg.be

Responsible Editor

Koen LOCQUET
Rue de l'Industrie 26-38
1040 Brussels

Graphic design and layout

www.inextremis.be
Cover: www.inextremis.be and fotolia.com

Staff photo

Ralitza Photography



Rue de l'Industrie, 26-38 • 1040 Brussels
Tel. +32 (0)2 289.76.11 • Fax +32 (0)2 289.76.09
Email: info@creg.be • www.creg.be