

## Part III.8 - Supplementary information sheet for the notification of an assessment plan

Member States must use this notification sheet of an assessment plan pursuant to Article 1(2)(a) of Regulation (EU) No 651/2014 also in the case of a notified aid scheme subject to an assessment, as set out in the relevant Commission guidelines.<sup>1</sup>

Please refer to the Staff Working Document entitled 'Common State Aid Assessment Methodology' for guidance on the preparation of an evaluation plan.<sup>2</sup>

### 1. Identification of the aid scheme to be assessed

- (1) Name of the aid scheme:  
**Belgian capacity remuneration mechanism**
- (2) The evaluation plan shall cover:
  - (a)  a scheme subject to assessment pursuant to Article 1(2)(a) of Regulation (EU) No 651/2014?
  - (b)  a scheme notified to the Commission under Article 108(3) TFEU?
- (3) Reference of the aid scheme (to be completed by the Commission):  
SA.54915 - 2020/C (ex 2019/N)
- (4) Please refer to any existing *ex ante* assessments or impact assessments related to the aid scheme and *the ex-post* evaluations or studies previously carried out on the predecessors of the aid scheme or similar schemes. For each of these studies, please provide the following information: (a) a brief description of the objectives, methodologies used, results and conclusions of the study and (b) the specific challenges that the evaluations and studies may have encountered methodologically, e.g. the availability of data that is relevant for the analysis of the current evaluation plan. If applicable, please identify relevant areas or topics that were not covered by previous evaluation plans that should be subject to the current evaluation. Please provide in the Annex summaries of those evaluations and studies and, if any, internet links to the documents concerned:  
**National resource adequacy assessment (2021)**. The Belgian TSO published a national resource adequacy assessment (NRAA), forecasting the level of adequacy in Belgium for 2022-2032. The NRAA identified a resource adequacy concern for Belgium without capacity remuneration mechanism, and estimated the impact of a capacity remuneration mechanism on adequacy in this Member State.  
**Simplified adequacy assessment (2022)**. Belgium provided a simplified analysis, relying on a sensitivity from the 2021 NRAA, qualitatively adapted to reflect recent events

<sup>1</sup> Commission Regulation (EC) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 of 26.6.2014, p. 1).

<sup>2</sup> SWD (2014)179 final din 28.5.2014.

(increased ambition for electrification, potential coal phase-outs, nuclear prolongation) to justify keeping unchanged the volume to procure in the capacity remuneration mechanism.

**Study on trajectories for CO<sub>2</sub> emission thresholds.** Belgium provided an analysis investigating different trajectories to gradually reduce the CO<sub>2</sub> emission threshold allowing participation in the capacity remuneration mechanism.

## 2. Objectives of the aid scheme to be assessed<sup>3</sup>

**2.1.** Please provide a description of the aid scheme specifying the needs and problems that the scheme intends to address and the expected categories of beneficiaries, e.g. size, sectors of activity, location, indicative number:

The scheme aims to ensure that the level of security of electricity supply in Belgium fulfils the Belgian reliability standard, set up pursuant to Article 25 of Regulation (EU) 2019/943 (“Electricity Regulation”). It sets up a competitive bidding process open to all generation, demand-side response and storage technologies.

The potential beneficiaries may be existing or newly-established economic operators – micro, small and medium-sized enterprises, but also large enterprises that have as an activity included in the company's statute, the main or, inter alia, the activity regarding the production or storage of electricity, or demand-side response.

The main **eligibility conditions** of the projects concern:

- location in Belgium or in a Member State with direct network connection
- CO<sub>2</sub> emissions below emission limits, which decrease over time
- no operating aid for the same operator
- minimum participation threshold of 1 MW

The estimated budget of the scheme is around EUR 250 million per year on average, over 10 years.

As regards **the way in which the scheme is carried out**, the Belgian transmission system operator (TSO) first checks eligibility of potential beneficiaries to allow them to bid in the process. Then, the State aid provider signs contracts with the beneficiaries of State aid following a competitive bidding process, after completing further evaluation. The State aid provider then checks whether the beneficiaries deliver the requested service, and introduces penalties if applicable.

---

<sup>3</sup> In addition to providing an overview of the objectives and eligibility rules of the scheme, the objective of this section is to assess how the eligibility and exclusion rules of the scheme can be used to identify the effect of the aid. In some cases, the exact eligibility rules may not be known in advance. In such cases, the best available forecasts should be provided.

2.2. Please specify the objectives of the scheme and the expected impact both at the level of the beneficiaries foreseen and in terms of the objective of common interest:

Regarding beneficiaries, the scheme aims to trigger investment in new capacity, or to ensure the financial viability of existing capacity, to enable them to provide security of electricity supply. The scheme will incentivize beneficiaries to rely on technologies with decreasing levels of CO<sub>2</sub> emissions.

At the same time, the implementation of the scheme will contribute to:

- supporting security of electricity supply, by ensuring that the Belgian reliability standard is fulfilled;
- reducing carbon emissions into the atmosphere from the energy sector by replacing a part of the amount of fossil fuels consumed each year - coal, natural gas; and
- supporting the development of greener technologies of generation, demand-side response and storage.

2.3. Please indicate the possible negative effects on the beneficiaries of the aid or on the wider economy, which could be directly or indirectly generated by the aid scheme<sup>4</sup>:

The implementation of the aid scheme is expected **not** to directly and/or indirectly generate negative effects on competition, such as regional or sectoral distortions or the exclusion of private investment.

This initial assessment will be verified and further documented in the interim report (see section 7.1)

2.4. Please indicate (a) the annual budget planned under the scheme, (b) the expected duration of the scheme, (c) the aid instrument(s) and (d) the eligible costs<sup>5</sup>:

See 2.1 for yearly budget and expected duration of the scheme. The aid instrument is a capacity remuneration mechanism, as defined in Article 2(22) of the Electricity Regulation.

In the event that the needs for security of supply are already fulfilled, the price of the capacity remuneration mechanism should tend to zero, pursuant to Article 22(3)(a) of the Electricity Regulation.

2.5. Please provide a summary of the eligibility criteria and methods for selecting the beneficiaries of the aid. In particular, please describe the following: (a) the methods used to select beneficiaries (e.g. score), (b) the indicative budget available to each group of beneficiaries, (c) the probability that the budget will be exhausted for certain groups of

---

<sup>4</sup> Examples of negative effects are regional or sectoral distortions or investment exclusion private sector due to the aid scheme.

<sup>5</sup> Aid schemes as defined in Article 1 Paragraph 2 point (a) of Regulation (EU) No 651/2014 are excluded from the scope of the Regulation to six months after their entry into force. After having analysed the evaluation plan, the Commission may decide to extend the period during which those schemes apply the Regulation. Member States are invited to indicate exactly the expected duration of the scheme.

beneficiaries, (d) the scoring rules if used under the scheme, (e) the thresholds of the aid intensity and (f) the criteria that the granting authority will take into account when evaluating the Applications:

Beneficiaries are selected through two competitive bidding processes:

- One process takes place four years before the delivery period (“T-4”)
- One process takes place one year before the delivery period (“T-1”)

Beneficiaries are first pre-selected based on technical, administrative and legal conformity, then selected according to the price of de-rated capacity (cheaper offers first).

In case the budget is insufficient to fund the measure, the special excise duties collected in the next year will increase accordingly to make up for the shortfall.

There is no threshold for aid intensity. The competitive bidding process is however subject to price caps, depending on the type of capacity.

**2.6.** Please indicate the specific constraints or risks that could affect the implementation of the scheme, its expected impacts and the achievement of its objectives:

The risks that could impact the application of the scheme in optimal conditions for achieving the objectives could be:

- The project activities take longer than one or four years to deliver upon their commitment or the revenues are not enough to ensure viability of capacity providers, thus the reliability standard is not fulfilled.
- Limited availability or unavailability of fossil fuels or raw materials prevents capacity providers from delivering upon their commitments
- The strike price does not accurately reflect times when adequacy services are needed
- Adverse weather conditions hamper security of electricity supply

### 3. Evaluation questions

**3.1.** Please mention the specific questions that the assessment should address by providing quantitative evidence on the impact of the aid. Please distinguish between (a) questions about the direct impact of aid on beneficiaries, (b) questions about indirect impacts and (c) questions about proportionality and appropriateness of the aid. Please explain how the evaluation questions relate to the objectives of the scheme:

**The evaluation questions proposed below are an initial list, which shall be refined as a result of the interim report (as described in section 7.1).**

The evaluation shall provide general information on whether the scheme achieves its objectives, as well as on the number and type of beneficiaries. In particular, the evaluation shall be based on questions

relating to both the direct and indirect effects of the aid, its wider economic effects and questions relating to the appropriateness and proportionality of the aid.

Some guidance on how to structure evaluation questions for such an evaluation plan is provided below.

a) contextual information

1. How often did load-shedding (due to adequacy reasons) occur over time?

*Suggested indicator:* List of hours when load-shedding occurred for adequacy reasons, key sources leading to load-shedding (e.g. lack of renewables, network concerns). Questions on the *direct effects* of the aid:

b) Direct effect

c) Questions on the indirect effects of the aid:

2. To what extent has the CO<sub>2</sub> emission threshold led to cleaner capacity?

*Suggested indicators:* Share of technologies selected by the capacity remuneration mechanism, amount of existing capacity excluded from the capacity remuneration mechanism due to the CO<sub>2</sub> emissions threshold, distribution of CO<sub>2</sub> emissions on the capacity selected by the capacity remuneration mechanism.

3. Were there adverse effects on electricity prices?

*Suggested indicators:* list of hours when prices reached the maximum clearing price in Belgium in the day-ahead or intraday market, list of hours when the price reached the strike price

4. How does the capacity remuneration mechanism affect the RePowerEU targets, in particular regarding ending the EU's dependence on Russian fossil fuels and diversification of energy supplies?

*Suggested indicator:* Share of the technologies selected by the capacity remuneration mechanism, which rely on fossil fuel (in particular on gas

5. What impact has the aid had on competition (in particular, the efficiency of entry and exit) in the electricity market in Belgium? Has the aid increased the beneficiary's market power?

*Suggested indicator:* Market shares; market concentration; etc.

6. How did the prolongation of the operation of nuclear power plants affect the capacity remuneration mechanism?

*Suggested indicator:* average availability of nuclear (compared to de-rated capacity assumed in capacity remuneration mechanism) during times when the strike price is reached, participation (or not) of nuclear in the capacity remuneration mechanism, incentives that nuclear faces to deliver security of supply services

d) Questions about the proportionality and appropriateness of the aid:

7. Was the type of public intervention efficient compared to other schemes (e.g. existing and previous BE schemes and schemes in other EU Member States)?

*Suggested indicator:* Average aid amount

8. Was the level of aid proportionate? Was the support for the plants appropriate? How has the profitability of the supported plants evolved in a changing market environment?

*Suggested indicator:* Aid provided; profitability profiles for the various aided technologies; detailed process leading to define the volume procured for each auction

9. Was the aid effectively competitive?

*Suggested indicator:* volume of capacity that failed the pre-qualification process, volume of pre-qualified capacity that did not participate in the bidding process, ratio between bids and volume cleared by the auction

10. Did the aid provide enough incentives for capacity providers to deliver upon their commitments?

*Suggested indicator:* average availability (relative to the de-rated capacity sold or assumed in the capacity remuneration mechanism) during times when the strike price was called (per technology), penalties paid by unavailable capacity providers (taking into account the extent of the availability, and comparing the penalty with the revenues earned from the capacity remuneration mechanism)

11. Did the aid ensure effective cross-border participation?

*Suggested indicator:* amount of foreign capacity that bid into the capacity remuneration mechanism, compared to maximum entry capacity (per Member State), price of foreign capacity (per Member State)

12. Was the split between the T-4 and T-1 auction efficient?

*Suggested indicator:* price variations between T-4 and T-1 auctions, amount of capacity which opted out-in in T-4 and effectively bid in T-1, amount of existing capacity which did not obtain a capacity contract in T-1, amount of DSR which was selected in T-4 and T-1 auctions

13. Did the secondary market enable capacity providers to trade effectively?

*Suggested indicator:* volume traded in secondary capacity market, bid/ask spread, correlation between prices in the secondary market and prices of the T-4/T-1 auctions

In addition to this, a set of questions providing background information on the description of the scheme's output could be added to the evaluation plan. These may include:

14. What has been the cost of the measure?

*Suggested indicators:* Total cost of the measure, cost per MW/year, cost per MWh demand

15. How many enterprises/projects/beneficiaries have received the aid under the scheme?

*Suggested indicator:* Number of enterprises/units that received support (i.e. number of beneficiaries)

16. Which were the main types of beneficiary projects and enterprises?

*Suggested indicator:* Differentiated result indicators above, by size of enterprises, by installed power and/or other relevant factors

17. (for new or refurbished capacity) Was the investment project carried out?

*Suggested indicator:* Share of projects carried out for successful vs. unsuccessful applicants

18. (for existing capacity) Was the capacity kept available in the market?

*Suggested indicator: Share of capacity kept available in the market from one delivery period to the next, for successful vs. unsuccessful applicants*

The purpose of the evaluation is to verify whether the assumptions and conditions underlying the compatibility of the scheme have been reached, as well as the effectiveness of the aid measure in the light of its general and specific objectives. Thus, the evaluation will provide general information on the achievement of the objectives of the scheme as well as on the number and type of beneficiaries. In particular, the assessment shall be based on issues relating to both the direct and indirect effects of the aid, its wider economic effects and issues relating to the appropriateness and proportionality of the aid.

The data will mainly be administrative data about the beneficiaries of the scheme's aid (applicants with winning bids), from the rejected bidders and from prequalified applicants which did not bid, as well as from a **control group** made up of professional associations in the field of energy, and survey tools, statistical data, etc. Surveys may be used where relevant, to complement administrative data.

The lessons learnt from the answers to the previous questions will be used for the design of future aid schemes in order to better achieve their objectives and increase their effectiveness

#### 4. Result indicators

**4.1.** Please use the following table to describe the indicators that will be developed for measuring the results of the scheme, as well as the relevant control variables, including data sources, and how each result indicator corresponds to the evaluation questions. In particular, please mention (a) the relevant assessment question, (b) the indicator, (c) the source of the data, (d) the frequency of data collection (e.g. annual, monthly, etc.), (e) the level at which the data are collected (e.g. at company level, at entity level, at regional level, etc.), (f) the target group targeted by the data from that source (e.g. beneficiaries of the aid, those who have not received the aid, all undertakings, etc.):

**The initial list of indicators (proposed in section 3) will be updated, refined, and included in the interim report (see section 7.1).**

Belgium (or an entity acting on its behalf) will gather and process the yearly data underlying the indicators from the respective stakeholders.

The final list of indicators will be mapped against the relevant evaluation questions and reported based on a table with the structure presented below:

Evaluation question	Result indicator	Comparison group	Data source (e.g. name of administrative)	frequency of collection (e.g.	level of collection (e.g. establishment	Population of data collection (e.g.	Envisaged method
---------------------	------------------	------------------	--	----------------------------------	--	--	------------------

		(e.g. general business population, rejected applicants, specific group)	e database, survey)	annual, multiple years, single year)	, company, region, etc.)	beneficiaries, all enterprises, applicants (both beneficiaries and not), etc.)	
Impact of aid granted							
1. Direct impact(s) on the aid beneficiaries (e.g. differentiated by size, location, sector, etc.)							
2. Indirect impacts							
a) Positive impact(s)							
b) Negative impact(s)							
3. Appropriateness of the aid instrument							
4. Proportionality of the aid							

Please explain why the chosen indicators are most relevant for measuring the expected impact of the scheme:

## 5. Envisaged methods for carrying out the assessment

**5.1.** Taking into account the evaluation questions, please describe the methods envisaged to identify the causal impact of the aid on the beneficiaries and to assess other indirect impacts. In particular, please explain why you chose those methods and rejected other methods (e.g. reasons for the way the scheme was designed):<sup>6</sup>

Belgium commits to assess the effectiveness of the scheme by using counterfactual impact evaluation methods and according to the timeline indicated in section 7.1. The counterfactual evaluation will partly rely on a central reference scenario without capacity remuneration mechanism from a European or national resource adequacy assessment.

**The specific methodology for the evaluation will be discussed and agreed with the European Commission and it will be described in the interim report (see section 7.1).**

The following methodological considerations will be used as the starting point for the identification of the evaluation approach to be used.

The specific characteristics of the scheme pose some methodological issues that shall be considered when estimating the causal effect associated with the aid. To begin with, and in accordance with the evidence brought about by similar schemes, it seems implausible that new peak capacity would be developed without support from the capacity remuneration mechanism<sup>7</sup>. Hence, the possibility to create a control group based on non-successful applicants is undermined.

Moreover, there might be the non-negligible risk that the size of the group of both beneficiaries and unsuccessful applicants is not large enough for conducting ex-post evaluations based on counterfactual methods.

Finally, successful and unsuccessful participants to the tender will likely cover a small number of projects or undertakings. This small number of entities limits the impact evaluation methodologies that can be used. Such evaluation methodologies could include theory-based impact assessment methodologies, and comparison (with Belgium in the past, and with other relevant Member States).

**5.2.** Please describe precisely the identification strategy for assessing the causal impact of the aid and the assumptions on which the strategy is based. Please describe in detail the structure and importance of the control group:

The details of the econometric approach used in the evaluation will be described in the interim report (see section 7.1).

---

<sup>6</sup> Please see SWD (2014) 179 final of 28.5.2014.

<sup>7</sup> Investments in storage or demand-side response could possibly happen without capacity remuneration mechanism support

**5.3.** Please explain how the envisaged methods remedy potential selection errors. Can it be said with sufficient certainty that the differences in the results achieved by the aid beneficiaries are generated by the aid?

Details how the evaluation questions and indicators identified will provide information as to the impact of the aid on the beneficiaries (thereby minimising the potential selection errors) will be described in the interim report (see section 7.1).

## 6. Data collection

**6.1.** Please provide information on the frequency of collection of data relevant to the assessment. Are the comments available at a sufficiently disaggregated level, i.e. at the level of individual undertakings?

The data will cover separately every delivery period of the capacity remuneration mechanism. The details on the level of disaggregation will be provided in the interim report (see section 7.1).

## 7. Proposed timing of the evaluation

**7.1.** Please indicate the proposed timing of the evaluation, including the steps for data collection, progress reports and stakeholder involvement. If relevant, please provide an annex detailing the proposed timetable:

The evaluation will be carried out in subsequent stages and will include the following deliverables:

- a. **Interim report:** methodological report presenting descriptive statistics on the scheme as it has been implemented until 31/12/2025. It is necessary to wait until the end of 2025, to ensure that data collected covers the whole process of the scheme (from auctions to delivery of availability<sup>8</sup>). Based on the descriptive statistics collected and the aspects discussed in the previous sections of this evaluation plan, the report will identify the questions and methodology for the evaluation, and the final list of indicators for the analyses. The methodology for the evaluation will be discussed and agreed upon with the European Commission. Upon requested from the European Commission, a revised version of the evaluation plan must be submitted as an attachment to this interim report.

**Delivery to the European Commission: 31/03/2026**

- b. **Final report:** impact evaluation on the effectiveness of the scheme until 2029. Depending on the availability of data, this evaluation may also include data related to the previous similar schemes (e.g. to the Belgian strategic reserve).

---

<sup>8</sup> The first delivery period of the capacity remuneration mechanism starts in 2025

**7.2.** Please mention the factors that could affect the envisaged timetable, along with mitigation actions:

**7. Body carrying out the assessment**

**8.1.** Please provide specific information on the body carrying out the assessment or, if it has not yet been selected, on its timing, procedure and selection criteria:

The body carrying out the evaluation will be independent, and will be selected through public procurement based on explicit and non-discriminatory criteria related to the evaluation plan.

**8.2.** Please provide information on the independence of the body carrying out the assessment and on how possible conflicts of interest will be excluded during the selection process:

**8. Publicity of the assessment**

**9.1.** Please provide information on how the evaluation will be made public, i.e. by publishing on a website the evaluation plan and the final evaluation report:

The interim and the final evaluation report of the State aid scheme will be published on the website of the Ministry of Energy, as provider of the aid and will also be transmitted to the relevant national and European authorities (e.g. European Commission)

**9.2.** Please indicate whether the evaluation plan contains confidential information that should not be published by the Commission:

Except of course the information on the tenderers' personal data, the Ministry of Energy does not expect that the evaluation plan will contain confidential information that should not be published by the European Commission.

**9. Other information**

**10.1.** Please provide here any other information that you consider relevant to the analysis of the evaluation plan:

**10.2.** Please list all documents attached to the notification and provide paper copies or internet links that allow direct access to the documents in question:

