All TSOs’ proposal for classification methodology for the activation purposes of balancing energy bids pursuant to Article 29(3) of Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing

DATE

DISCLAIMER
This document is released on behalf of the all transmission system operators ("TSOs") only for the purposes of the public consultation on the All TSOs’ proposal for the classification methodology of the activation purposes in accordance with Article 29(3) of Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing. This version of the proposal does not in any case represent a firm, binding or definitive TSOs’ position on the content.
All TSOs, taking into account the following:

**Whereas**

(1) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) regarding the classification methodology for activation purposes of balancing energy bids. The activation purposes proposal is hereafter referred to as the “APP”).

(2) APP takes into account the general principles and goals set in Regulation (EC) 2017/2195 establishing a guideline on electricity balancing (hereafter referred to as the “EBGL”), Regulation (EC) 2017/1485 establishing a guideline on electricity transmission system operation (hereafter referred to as the “SOGL”) as well as Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as “Electricity Regulation”).

(3) The goal of EBGL is the integration of balancing markets. To facilitate this goal, it is necessary to develop implementation frameworks for European platforms for balancing energy exchange from frequency restoration reserves with manual and automatic activation, replacement reserves and imbalance netting process. Article 29 of EBGL formulates the requirements regarding the activation of balancing energy bids from the common merit order list of these platforms.

(4) Article 29(3) of EBGL constitutes the legal basis for this proposal:

“3. By one year after the entry into force of this Regulation, all TSOs shall develop a proposal for a methodology for classifying the activation purposes of balancing energy bids. This methodology shall:

(a) describe all possible purposes for the activation of balancing energy bids;
(b) define classification criteria for each possible activation purpose.”

The requirement of this paragraph is fulfilled by the date of submission of APP to all NRAs.

(5) Article 3 of APP defines activation purposes and provides the classification criteria for each possible activation purpose. Article 4 defines which standard balancing energy product may be activated for which purpose.

(6) The APP fulfils the objectives stated in Article 3 of EBGL as follows:

(a) The APP fulfils the requirements of Article 29(3) of EB GL.
(b) As the foundation of the APP is the establishment of the European platforms for the exchange of balancing energy from RR, mFRR and aFRR its contribution to the efficiency, competition and integration of balancing markets must be considered in context of these platforms. The specific contribution of the APP is a harmonized definition of the activation purposes and the respective classification criteria.
(c) The APP sets non-discriminatory rules and principles as it applies the same rules for all TSOs and BSPs.
(d) The APP contributes to operational security and considers the agreed European standards and technical specification by fulfilling the SO GL and its supporting document.

**SUBMIT THE FOLLOWING APP TO ALL REGULATORY AUTHORITIES:**
Article 1
Subject matter and scope

(1) The APP is the common proposal of all TSOs in accordance with Article 29(3) of EBGL. This proposal defines the methodology for classifying the activation purposes solely for standard frequency restoration reserves with automatic activation (hereafter referred to as “aFRR”), frequency restoration reserves with manual activation (hereafter referred to as “mFRR”) and Replacement Reserves (hereafter referred to as “RR”) balancing energy product bids.

(2) Where the APP defines different requirements for activation of standard RR, mFRR and aFRR balancing energy product bids, only the TSOs obliged to implement the European platforms for the exchange of balancing energy in accordance with Articles 19, 20 and 21 of the EBGL are required to comply with these requirements.

Article 2
Definitions and interpretation

(1) For the purposes of APP, the terms used shall have the meaning given to them in Article 2 of Electricity Regulation, Article 3 of SOGL and Article 2 of EBGL.

(2) In addition, in the APP the following terms shall apply:
   (a) ‘standard aFRR balancing energy product’ means the standard product for balancing energy from frequency restoration reserves with automatic activation;
   (b) ‘standard mFRR balancing energy product’ means the standard product for balancing energy from frequency restoration reserves with manual activation;
   (c) ‘standard RR balancing energy product’ means the standard product for balancing energy from replacement reserves;
   (d) ‘standard aFRR balancing energy product bid’ means the balancing energy bid for a standard aFRR balancing energy product;
   (e) ‘standard mFRR balancing energy product bid’ means the balancing energy bid for a standard mFRR balancing energy product;
   (f) ‘standard RR balancing energy product bid’ means the balancing energy bid for a standard RR balancing energy product;

(3) In the APP, unless the context requires otherwise:
   (a) the singular indicates the plural and vice versa;
   (b) headings are inserted for convenience only and do not affect the interpretation of the APP; and
   (c) any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.

Article 3
Activation Purposes and Classification Criteria

(1) The TSO activating the bid from the common merit order list shall use the following activation purposes:
   (a) balancing;
   (b) system constraints.
(2) The TSOs are allowed to use all standard balancing energy bids for balancing purposes, whereas TSOs are allowed to use standard RR and mFRR balancing energy product bids for balancing and system constraint purposes.

(3) The TSO shall comply with following classification criteria for different balancing energy products when activating bids for balancing purposes:

(a) **standard RR product bid**: Activation aims to achieve the control target of the reserve replacement process in accordance with Article 144(1) of SOGL;

(b) **standard mFRR product bid**: Manual activation aims to achieve the control target of the frequency restoration process in accordance with Article 143(1) of SOGL;

(c) **standard aFRR product bid**: Automatic activation aims to achieve the control target of the frequency restoration process in accordance with Article 143(1) of SOGL.

(4) If the classification criteria for the balancing activation purpose in accordance with (3) of this article are not fulfilled, the standard balancing energy bid is activated for the system constraints purposes.

**Article 4
Publication and implementation of the APP**

(1) The TSOs shall publish the APP without undue delay after all NRAs have approved the proposal or a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 5(7), Article 6(1) and Article 6(2) of EBGL.

(2) The TSOs shall implement the APP in accordance to Article 4 of aFRR, mFRR and RR implementation frameworks.

**Article 5
Language**

The reference language for the APP shall be English. For the avoidance of doubt, where TSOs need to translate the APP into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 29(3) of the EBGL and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of the APP to their relevant national regulatory authorities.