
**All TSOs' proposal on list of standard products for balancing
capacity for frequency restoration reserves and replacement
reserves pursuant to Article 25(2) of
Commission Regulation (EU) 2017/2195 of 23 November 2017
establishing a guideline on electricity balancing**

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Content

Whereas	3
Abbreviations	5
Article 1 Subject Matter and Scope	6
Article 2 Definitions and Interpretation	6
Article 3 General Principles	6
Article 4 Characteristics of standard balancing capacity product	7
Article 5 General provision for standard balancing capacity product bid	7
Article 6 Implementation Timeline	8
Article 7 Publication of the SPBC Proposal	8
Article 8 Language	8

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 list of standard products for balancing capacity for frequency restoration reserves and replacement reserves pursuant to Article 25(2) of the Regulation (EC) 2017/2195 establishing a guideline on electricity balancing (hereafter referred to as the “EBGL”). This proposal is hereafter referred to as the “SPBC proposal”.
- (2) The SPBC proposal takes into account the general principles and goals set in the EBGL, Regulation (EC) 2017/1485 establishing a guideline on electricity transmission system operation (hereafter referred to as the “SOGL”), the 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 the “Electricity Regulation”).
- (3) The goal of the 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 automatic and manual activation, replacement reserves and imbalance netting process pursuant to Article 19 to 22 of the EBGL. Additionally, Article 25 of the EBGL formulates the standard products for balancing capacity.
- (4) In accordance with Article 25(4) of the EBGL, the list of standard products for balancing energy and balancing capacity may set out at least preparation period, ramping period, full activation time, minimum and maximum quantity, deactivation period, minimum and maximum duration of delivery period, validity period and mode of activation of a standard product bid. In addition, in accordance with Article 25(5) of the EBGL, this list shall set out at least price of the bid, divisibility, location and minimum duration between the end of deactivation period and the following activation as the variable characteristics of a standard product to be determined by the balancing service providers during the prequalification or when submitting the standard product bid.
- (5) In accordance with Article 25(6) of the EBGL, standard products for balancing energy and balancing capacity shall: ensure an efficient standardisation, foster cross-border competition and liquidity, and avoid undue market fragmentation as well as facilitate the participation of demand facility owners, third parties and owners of power generating facilities from renewable energy sources as well as owners of energy storage units as balancing service providers.
- (6) Article 16.8. of the EBGL specifies that *“for each product for balancing capacity, the reserve providing unit, the reserve providing group, the demand facility or the third party and the associated balance responsible parties, shall belong to the same scheduling area.”*
- (7) Article 32.3. of the EBGL defines the procurement rules, requiring that *“the procurement of upward and downward balancing capacity for at least the frequency restoration reserves and the replacement reserves shall be carried out separately.”*
- (8) The EBGL Whereas part recital (9) states that *“each balancing service provider intending to provide balancing energy or balancing capacity should successfully pass a qualification process defined by the TSOs in close cooperation with DSOs where necessary.”*
- (9) The SPBC proposal fulfils the objectives stated in Article 3 of the EBGL as follows:
 - (a) The SPBC proposal fulfils the requirements of Article 25 of the EBGL.

- (b) The SPBC proposal contributes to the efficiency, competition and integration of balancing markets by defining the list of standard products for balancing capacity for frequency restoration reserves and replacement reserves, including the respective static and variable bid parameters.
- (c) The SPBC proposal is non-discriminatory as it applies the same rules for all TSOs and BSPs. In particular, the standard balancing capacity product does not differ between technologies.
- (d) The SPBC proposal contributes to operational security and considers the agreed European standards and technical specification by fulfilling the SOGL and its supporting documents.
- (e) In conclusion, the SPBC proposal meets the objectives of the EBGL.

SUBMIT THE FOLLOWING SPBC PROPOSAL TO ALL REGULATORY AUTHORITIES:

Abbreviations

The list of abbreviations used in this SPBC proposal is following:

- aFRR: frequency restoration reserves with automatic activation
- BSP: balancing service provider
- EBGL: guideline on electricity balancing
- LFC: load-frequency control
- mFRR: frequency restoration reserves with manual activation
- MW: megawatt
- RR: replacement reserves
- SOGL: guideline on electricity transmission system operation
- SPBC: standard product for balancing capacity
- TSO: transmission system operator

Article 1

Subject Matter and Scope

- (1) The SPBC proposal is the common proposal of all TSOs in accordance with Article 25(2) and Article 25(5) of the EBGL.
- (2) The SPBC proposal defines the requirements of standard balancing capacity products for 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”).
- (3) This proposal applies solely for the requirements for standard balancing capacity products from RR, mFRR and aFRR. The prequalification process, TSO-BSP settlement, monitoring and other obligations related to procurement of standard balancing capacity product bids from RR, mFRR and RR in accordance with the EBGL and the SOGL are out of the scope of this SPBC proposal and will be treated in separate documents.

Article 2

Definitions and Interpretation

- (1) For the purposes of the SPBC proposal, the terms used shall have the meaning given to them in Article 2 of the Electricity Regulation, Article 3 of the SOGL and Article 2 of the EBGL.
- (2) In addition, in the SPBC proposal the following terms shall apply:
 - (a) ‘standard aFRR balancing capacity product’ means the standard product for balancing capacity from frequency restoration reserves with automatic activation;
 - (b) ‘standard mFRR balancing capacity product’ means the standard product for balancing capacity from frequency restoration reserves with manual direct activation;
 - (c) ‘standard RR balancing capacity product’ means the standard product for balancing capacity from replacement reserves;
 - (d) ‘balancing capacity validity period’ means the period for which the single standard balancing capacity bid (i.e. each submitted capacity volume has one single bid price) is offered and for which the accepted standard balancing capacity bid could be activated as standard balancing energy bid where all the characteristics of the standard balancing energy product are respected. The balancing capacity validity period is defined by a start time and an end time.
- (3) In the SPBC proposal, 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 SPBC proposal; 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;
 - (d) any reference to an article without an indication of the document shall mean a reference to the SPBC proposal.

Article 3

General Principles

- (1) Each standard RR balancing capacity product shall be able to provide standard RR balancing energy product, defined in all TSOs' proposal for the implementation framework for a European platform for the exchange of balancing energy from RR pursuant to Article 19 of the EBGL.
- (2) Each standard mFRR balancing capacity product shall be able to provide standard mFRR balancing energy product for direct activation, defined in all TSOs' proposal for the implementation framework for a European platform for the exchange of balancing energy from mFRR pursuant to Article 20 of the EBGL.
- (3) Each standard aFRR balancing capacity product shall be able to provide standard aFRR balancing energy product, defined in all TSOs' proposal for the implementation framework for a European platform for the exchange of balancing energy from aFRR pursuant to Article 21 of the EBGL.
- (4) Each TSO applying a central dispatching model may use integrated scheduling process bids for the exchange of balancing capacity or sharing of reserves pursuant to Article 27(1) of the EBGL and convert the integrated scheduling process bids to the standard balancing capacity product bids.
- (5) Each connecting TSO is responsible for the pre-qualification for the provision of standard balancing capacity product of the providing units and/or providing group in the LFC Area under its responsibility.
- (6) Each balancing service provider intending to provide standard balancing capacity product should successfully have passed a qualification process defined by the connecting TSO pursuant to Article 16 of the EBGL and processed pursuant to Article 159 and Article 162 of the SOGL.
- (7) In case of the TSO applying a central dispatching model, the rules for converting integrated scheduling process bids to standard balancing capacity product bids may be defined in the terms and conditions for BSPs pursuant to Article 27 of the EBGL.

Article 4

Characteristics of standard balancing capacity products

- (1) All standard balancing capacity products shall have at least the following characteristics:
 - (a) the balancing capacity validity period;
 - (b) the direction of the capacity: upward or downward.
- (2) Each TSO may also have additional characteristics for standard balancing capacity product to be defined in the terms and conditions, such as:
 - (a) any restriction on the number of options for the minimum duration between the end of deactivation period and the following activation as defined in accordance with paragraph 2.c of Article 5;
 - (b) the possibility to define a maximum delivery duration.

Article 5

General provision for standard balancing capacity product bid

- (1) Each standard balancing capacity product bid shall fulfil the following static characteristics:
 - (a) The standard balancing capacity product bid price shall be submitted in (EUR/MW)/h and has a resolution of 0.01 (EUR/MW)/h;
 - (b) The price of the bid shall be positive or zero and the payment shall be from TSO to BSP;
 - (c) The minimum bid quantity and granularity shall be 1 MW;

- (d) The maximum bid quantity according to the terms and conditions;
 - (e) The location shall be at least the smallest of LFC Area or bidding zone in which the providing units and/or providing groups are connected to. Each TSO may require further locational information in its terms and conditions.
- (2) Each standard balancing capacity product bid to be submitted by the BSPs shall contain at least:
- (a) The volume of the bid in MW;
 - (b) The price of the bid;
 - (c) The minimum duration between the end of deactivation period and the following activation in accordance with paragraph 2.a of Article 4, if applicable;
 - (d) The maximum delivery duration in accordance with paragraph 2.b of Article 4, if applicable;
 - (e) Volume divisibility: divisible with a minimum granularity of 1 MW or indivisible bids;
 - (f) The location, according to the terms and conditions;
- (3) Standard balancing capacity product bid may also have additional characteristics to be defined in the terms and conditions.
- (4) In case of a central dispatching model, all characteristics of the standard balancing capacity product bid may be determined by the connecting TSO based on integrated scheduling process bids submitted by BSPs following the rules for converting bids in a central dispatching model into standard balancing capacity product bids pursuant to Article 27 of the EBGL.

Article 6 Implementation Timeline

Each TSO shall apply the SPBC proposal for standard balancing capacity products if implementing a balancing capacity cooperation for the exchange of balancing capacity from FRR or RR, according to Article 33 of the EBGL.

Article 7 Publication of the SPBC Proposal

The TSOs shall publish the SPBC proposal 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 the EBGL.

Article 8 Language

The reference language for the SPBC proposal shall be English. For the avoidance of doubt, where TSOs need to translate the SPBC proposal into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 7 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 SPBC proposal to their relevant national regulatory authorities.