
Explanatory document to all TSOs' proposal for the harmonisation of terms and conditions for BSPs in accordance with Article 20(3)(f) and Article 21(3)(f) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

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DISCLAIMER

This document is released on behalf of all transmission system operators ("All TSOs") only for the purposes of the public consultation on the proposal for Common Harmonisation Proposal (hereafter referred to as "CHP") in accordance with Article 20(3)(f), and Article 21(3)(f) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter referred to as "EB Regulation"). This version of the CHP does not, in any case, represent a firm, binding or definitive TSOs' position on the content.

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Abbreviations

The list of abbreviations used in this document:

aFRR	Frequency restoration reserves with automatic activation
BP	Balancing Energy platform
BSP	Balancing Service Provider
CHP	Common Harmonisation Proposal
EB Regulation	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing
ENTSO-E	European Network of Transmission System Operators for Electricity
LFC	Load-frequency control
mFRR	Frequency restoration reserves with manual activation
MW	Megawatt
RPG	Reserve Providing Group
RPU	Reserve Providing Unit
SO Regulation	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity transmission system operation
TSO	Transmission system operator

1. Introduction

The Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (hereinafter referred to as the “EB Regulation”) provides that the Terms and Conditions (T&Cs) for balancing service providers remain the responsibility of each Transmission System Operator (TSO). However, TSOs are required to comply with the Implementation Frameworks (hereinafter referred to as “IFs”) established for the European platforms for the exchange of balancing energy, pursuant to Articles 20 and 21 of the EB Regulation.

Article 20 of the EB Regulation establishes the platform for the exchange of balancing energy from frequency restoration reserves with manual activation (MARI), while Article 21 establishes the platform for the exchange of balancing energy from frequency restoration reserves with automatic activation (PICASSO). Article 16 of the MARI Implementation Framework (mFRRIF) and Article 20 of the PICASSO Implementation Framework (aFRRIF) set out a process for the identification, consultation, adoption, and implementation of the necessary harmonisation measures.

Pursuant to this process, the first implementation framework survey was conducted in [2023](#), followed by a second survey in [2024](#). Based on the outcomes of these surveys, all TSOs jointly identified a shortlist of six [6] prioritised harmonisation needs and submitted them to [stakeholder consultation](#) between December 2024 and January 2025. Taking into account the feedback received during the public consultation, all TSOs have jointly developed the Common Harmonisation Proposal (hereinafter referred to as the “CHP”).

This document gives background information and rationale for the development of the CHP in accordance with Article 16 of the mFRRIF and Article 20 of aFRRIF. For higher legibility, this document is structured as follows:

- **Chapter 2** is dedicated to general provisions for harmonisation, including the publication of T&Cs in English and the use of English as a working language between TSOs and BSPs;
- **Chapter 3** is dedicated to the harmonisation of FRR Prequalification; and
- **Chapter 4** is dedicated to data exchange standards and communication protocols.

2. General provisions

The following general provisions are described in the CHP set out for public consultation:

- Article 2: TSOs have set out two new definitions:
 - 'Ex-post verification': TSOs have added a definition of ex-post verification specifying how the evaluation of an RPU/RPG to provide the relevant service would take place. This is only the alternative process to an activation test, in case of the allowance of a simplified verification.
 - 'Re-prequalification': TSOs have further added a definition of re-prequalification to clarify that a simplified process of re-prequalification shall take place due to specific changes on RPU/RPGs.
- Article 3 describes the publication of T&Cs in English:
 - TSOs will be publishing a non-binding version of their T&Cs in English in addition to the version (s) approved by the NRA. This version could be a summary version or a full version. Such difference is due to the large T&Cs that some NRAs have approved. Such version will be published in the ENTSO-E Transparency Platform as well as on each TSOs' website.
 - TSOs have set out in Article 3 (2) the harmonised requirements for the summary of the T&Cs. The summary must include basic technical requirements, requirements on communication; and the step-by-step process on how to become a BSP.
- Article 4 describes the permission of English communication between TSOs and BSPs:
 - TSOs shall allow written and verbal English communication between TSOs and BPS at working-level. This would not include any legally binding documents, in specific, forms to become a BSPs or any similar documents.
 - Communication with TSOs control rooms will continue to take place in the national language if not specified otherwise in T&Cs or any binding legal documents.

3. Provisions referring to the harmonisation of FRR Prequalification

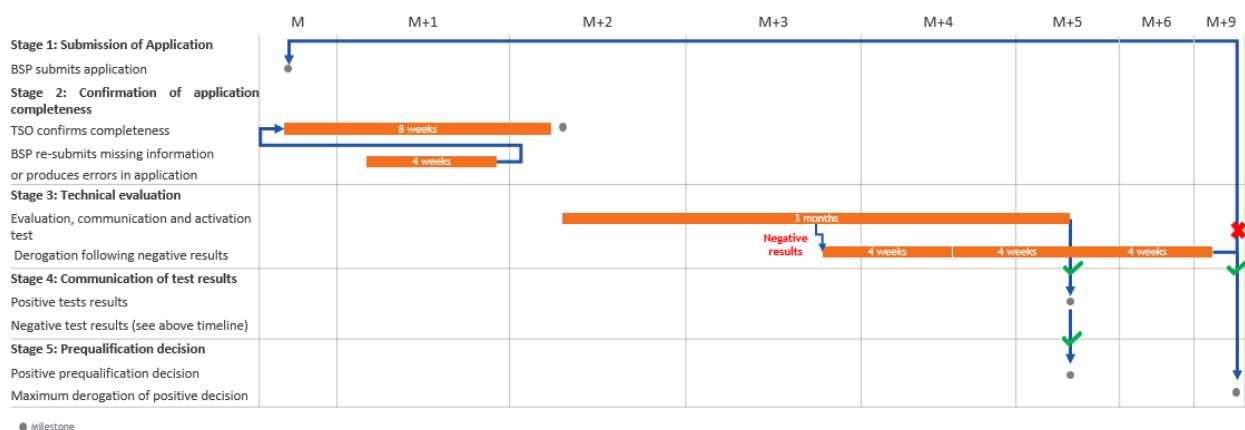
This chapter provides background information of the harmonisation of FRR Prequalification process established under the CHP.

In Article 5 and Article 6, the CHP describes the harmonised process of FRR prequalification. All TSOs have outlined several steps which shows the process of evaluation of Reserve Providing Units' (RPU) and Reserve Providing Groups' (RPGs) prequalification. This process aims to ensure a consistent approach among all reserve connecting TSOs and Balancing Service Providers (BSPs).

- Article 5(2) sets out a sequential process consisting of five main steps (see figure 1):

 1. **Submission of the application:** The process begins with the BSP submitting a prequalification application to the reserve connecting TSO. This application must include all information relevant to the provision of balancing services by the RPU or RPGs. The required content is further specified in Article 6. The content of the application will be harmonised across all TSOs as specified in Article 6 (1)(a), though some TSOs may further require additional information as noted in Article 6 (1)(b).
 2. **Confirmation of application completeness:** The reserve connecting TSO confirms within eight weeks whether the submitted application is complete.
 3. **Technical evaluation:** The reserve connecting TSO, in coordination with the BSP, assesses compliance with FRR requirements from Article 158 of the SO Regulation, including a mandatory communication test and, where applicable, an activation test. National T&Cs may allow ex-post verification in some cases.
 4. **Communication of test results:** Following the tests, the reserve connecting TSO shall notify the BSP of the results without undue delay.
 5. **Prequalification decision:** Upon successful completion of the evaluation and testing, the reserve connecting TSO shall approve the prequalification of the RPU or RPG, respecting the overall timeline defined in Article 5(4).

Table 1: FRR prequalification processes and timelines



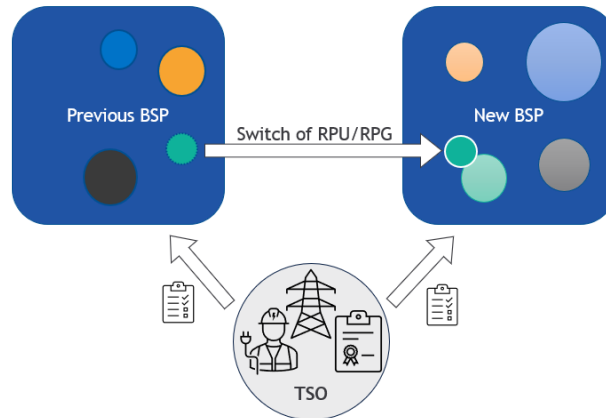
- Article 5(3) clarifies the procedure in case of missing, incorrect, or inadequate information. If the application fails to meet the requirements at any step, the BSP shall be required to submit corrected or additional information within four weeks. Failure to comply with this deadline may result in the

rejection of the application by the reserve connecting TSO. The reserve connecting TSO shall have the timeline established under Article 5 (2)(b) to assess the newly submitted application.

- Article 5(4) defines a maximum evaluation period of three months, starting from the date the reserve connecting TSO confirms the completeness of the application. Within this period, the reserve connecting TSO must complete the technical evaluation and decide whether the RPU or RPGs meet the prequalification criteria. If the evaluation results are negative, the BSP is granted the possibility to conduct a new activation test within the conditions described in Article 5(5).
- Article 5(5) allows for an extension period of up to nine months from the original application submission date, within which the BSP may provide supplementary activation tests or additional information following a negative evaluation. If the BSP fails to meet the requirements within this timeframe, the reserve connecting TSO may terminate the prequalification process pursuant to Article 10(1)(c).
- Article 7 outlines the conditions by which RPUs or RPGs may retain their prequalification status when switching from one BSP to another within the same Load Frequency Control (LFC) area. The switching of RPUs/RPGs between BSPs without requiring a full prequalification process would be permitted only if **all of the following** are fulfilled:
 1. The communication infrastructure used by both the former and the new BSP must be compatible with the RPU/RPG in question;
 2. The new BSP must hold a valid qualification under Article 16 of the EB Regulation;
 3. The new BSP must demonstrate experience in controlling a technically similar RPU or RPG for the same FRR service, as defined in the reserve connecting TSO's T&Cs;
 4. The RPU/RPG must have a prequalified capacity below the threshold specified in the national T&Cs.

Should all of the above conditions be met, the TSO may apply ex-post verification of the new BSP's control of the RPU/RPG, with the full switching process taking place in six [6] weeks. This duration has been defined to ensure that all TSOs are able to complete the switching process in due time, considering the administrative work related and the possibility of many simultaneous switching requests by BSPs, while ensuring that the switching process is reasonably shorter than the prequalification process.

If any condition is not met, the TSO shall determine whether a new prequalification with activation test or an ex-post verification is required. As the goal of the FRR prequalification process is for the BSP to demonstrate to the TSO the ability of the RPU/RPG to deliver the FRR Service in compliance with the requirements stated in SOGL Art.158, allowing the switching of RPU/RPG with a simplified process as described above, must be allowed under clear conditions that ensures the new BSP will also be able to deliver the Service with the concerned RPU/RPG in compliance with these requirements. Delivering the FRR Service depends not only on the technical characteristics of the RPU/RPG, but also on the ability of the BSP to control it. Therefore, a condition on the BSP having demonstrated experience in controlling a similar RPU/RPG is introduced. Additionally, TSOs may introduce in the national T&Cs absolute or relative thresholds on the capacity of the concerned RPU/RPG, to avoid cases where the new BSP, by the switching process, increases the size of its portfolio by a large factor without demonstrating to the TSO its ability to deliver the Service with a portfolio of this scale.



- Article 8 outlines when and how a BSP must notify the reserve connecting TSO of changes that could affect prequalification status, and how the reassessment process is conducted. The BSP must inform the reserve connecting TSO **at least 6 weeks** in advance of any planned changes listed in Article 9(1). **Within 4 weeks** of receiving the BSP's notification, the reserve connecting TSO assesses whether the changes require re-prequalification. If so, the BSP will be formally notified, including the scope of the reassessment, in line with Article 5.
 - 1) **Continuation of services during assessment:** If the required re-prequalification concerns ICT systems or invalid information, the BSP may continue to provide services, as allowed by national T&Cs. If the change concerns a modification in capacity, the BSP may continue only with the previously approved capacity.
 - 2) **Immediate suspension:** If the TSO deems that a BSP failed to deliver the corresponding service at RPU or RPG level, the BSP must immediately stop providing the service with the affected RPU or RPG. A full re-prequalification process under Article 5 must be initiated.
- Article 10 outlines the conditions under which a prequalification or re-prequalification status or process can be terminated. The prequalification status of an RPU/RPG may be terminated if the conditions outlined in Article 10 (1) take place, in particular, lack of compliance by the RPU/RPG with the service requirements of Article 158 of the SO Regulation. The prequalification or re-prequalification procedure may also be terminated as noted in Article 10 (2) if the BSP fails to complete the required prequalification process as per Article 5 or Article 8, or the process exceeds the deadline allowed for repeating activation tests (according to Article 5(5)), as well if any condition listed in Article 10(1) is met.

4. Provisions referring to data exchange standards and communication protocols

- Article 11 outlines the harmonisation of data exchange standards and communication protocols for reserve connecting TSOs. By 18 months of the approval of the CHP, ENTSO-E will be required to define and publish a list of European data exchange standards and communication protocols based on ETSI-CEN-CENELEC set of standards. Such standards and protocols shall focus on procurement, non-real-time activation, and settlement. Each reserve connecting TSO will then need to implement the use of the European data exchange standards and communication protocols 24 months after the publication of the list, though data exchange standards and communication protocols already implemented at the national level may continue to be applied.