



Press release

PICASSO Project: Further development in integration of European balancing market

- **Eight European transmission system operators establish cooperation**
- **Goal is implementation of automatic Frequency Restoration Reserves platform**

In July 2017, eight transmission system operators (TSOs) signed a Memorandum of Understanding for the design, implementation and operation of a platform for common activation of automatic Frequency Restoration Reserves (aFRR platform) in order to, among others, integrate their aFRR balancing markets. The project name PICASSO stands for “Platform for the International Coordination of the Automatic frequency restoration process and Stable System Operation”. The eight involved TSOs are the Belgian TSO Elia, which is coordinating the project, the Austrian TSO APG, the Dutch TSO Tennet, the French TSO RTE and the German TSOs – 50Hertz, Amprion, Tennet, TransnetBW.

As the Guideline on Electricity Balancing (GL EB) - adopted by the European Commission on 16 March 2017 and expected to enter into force end of 2017 - provides the introduction of platforms to enable the exchange of balancing energy from frequency restoration reserves and replacement reserves, the eight TSOs took the voluntary initiative to anticipate the timelines set forth by GL EB by already starting the work on the design and preparation for implementation of the aFRR platform to facilitate future European-wide discussions.

The aFRR Target Platform will meet the requirements of the GL EB and furthermore increase the security of supply and the economic efficiency of the activation of balancing energy.

Stakeholders and regulators will be closely involved in the design and implementation process of the aFRR platform. Stakeholder workshop and consultation are planned to already take place in 2017. The TSOs aim to go live with the aFRR platform by 2020.

Initial cooperations on aFRR in participating countries are part of PICASSO and considered to be evolutionary on the way to the target design. An example is the existing aFRR cooperation between Austria and Germany, which is already in operation. PICASSO is also open for the participation of other countries.

By agreeing on this MoU for an aFRR platform, the eight involved TSOs are showing their willingness to be front runners in the integration of national balancing markets for the benefit of all the involved market parties. The TSOs prove their ability to move forward on a voluntary basis, ahead of the legally and regulatory binding requirements.

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