

Clarification T&C mFRR

Summary	This note is a clarification following CREG's request for a note explaining the expected impact of the changes in T&C BSP mFRR on the objectives of the EU Commission Regulation (EU) 2017/2195 of November 23, 2017 on a guideline for balancing the electricity system (hereinafter: the "EBGL") .	
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Related documents

T&C mFRR	Proposal for Amendment of the Terms and Conditions for Balancing Service Providers for manual Frequency Restoration Reserve (mFRR), v. 19/10/2023
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1. Introduction

This note is a clarification following CREG's request¹ for a note explaining the expected impact of the changes in T&C BSP mFRR on the objectives of the EU Commission Regulation (EU) 2017/2195 of November 23, 2017 on a guideline for balancing the electricity system (hereinafter: the "EBGL") .

2. Impact on the objectives of the EBGL

The expected impact of the changes in T&C BSP mFRR on the objectives of the EBGL is as follows:

- a) Since the T&C BSP mFRR will apply to all providers of balancing services for mFRR, and all market participants will have access to the same reliable information at the same time and in a transparent manner, as set forth in Article 12 of the EBGL, this will promote effective competition, non-discrimination and transparency in balancing markets, as set forth in Article 3.1(a) of the EBGL.
- b) Daily procurement of mFRR capacity and daily submission of mFRR energy bids with updates possible until mFRR Balancing GCT² will promote efficiency of balancing and efficiency of European and national balancing markets in accordance with Article 3(1)(b) of the EBGL.
- c) The financial incentives applied to BSPs in the event of a failed activation control established in application of Article 44(1)(h) of the EBGL, will improve the efficiency of balancing and the efficiency of European and national balancing markets in accordance with Article 3(1)(b) of the EBGL by providing incentives to BSPs to ensure the reliability of their balancing offers and to actually deliver the activated services.
- d) The obligation introduced in application of Article 18(7)(b) of the EBGL for suppliers of balancing services to make available to Elia their available upward or downward active power on each power generation unit with a maximum capacity of 25 MW or more and each type C or D energy storage facility will contribute to operational security in accordance with Article 3(1)(c) of the EBGL. It will also contribute to the efficient long-term operation of the electricity transmission system in accordance with Article 3(1)(d) of the EBGL and promote the liquidity of balancing markets in accordance with Article 3(1)(e) of the EBGL.
- e) The procurement of mFRR capacity contributes to the consistent functioning of balancing markets in accordance with Article 3(1)(d) of the EBGL.
- f) The daily procurement of mFRR capacity at an offered, market-based price and the related online publication of relevant information before and after the organization of the auction ensure that the procurement of balancing services is fair, objective, transparent and market-based, avoid unnecessary entry barriers for new entrants, promote the liquidity of the balancing markets and avoid unnecessary distortions in the internal electricity market in accordance with Article 3(1)(e) of the EBGL.
- g) The possibility of aggregating supply points in mFRR energy bids facilitates the participation of demand response, including aggregation facilities and energy storage, as well as the participation of renewable energy sources in accordance with Article 3(1)(f) and (g) of the EBGL.

¹ See CREG decision (B) 2755 of February 29, 2024 "Decision on the proposal by Elia Transmission Belgium S.A. to modify the conditions of the balancing service provider (BSP) for the mFRR", article 54.

² GCT: Gate Closing Time