

Please add here your feedback related to the introductory Articles 1 and 2 - Articles 1 and 2

No objection or proposal for amendment

no comments

No comments

(3) We require a more specific term instead of “demand”, e.g. “aFRR demand”? The single term “demand” can be mixed up with “general demand” in an LFC block.

In Article 1, the scope of the Implementation Framework of the IN-Platform is limited to the imbalance netting process, leaving out of its scope both the pricing mechanism of balancing energy and cross zonal capacity used for balancing energy exchange, and the TSO-TSO settlement rules applicable to the process.

From our viewpoint, both issues are critical design elements for the success and well-functioning of the IN-Platform, which should be covered within this Implementation Framework. The appropriateness of other issues treated in subsequent articles (as planning terms, functions responsibilities...) depend on the definition given to that functions. Therefore, we consider necessary to broaden the scope of the Implementation Framework.

Particularly, we would like to refer to Article 22.3.c of the EBGL: ‘The proposal in paragraph 1 shall include at least: (...) (c) the definition of functions required to operate the European platform;’.

No comment.

Although the proposal is consistent with the provisions of Article 22 of the Electricity Balancing Guidelines (EBGL), we regret the choice done by ENTSO-E of postponing the disclosure of information regarding the TSO-TSO settlement rules and the pricing of balancing energy and cross-zonal capacity for exchange of balancing energy and operating the imbalance netting process: these aspects will be consulted separately, according to Article 30 and 50 of the EBGL. As already observed in other consultations and workshops by us and by other stakeholders, the entire implementation of the EBGL should be performed giving stakeholders also a holistic view of the entire processes rather than consulting single articles and single provisions related to balancing platforms in a separate way.

No comments.

In the document, the TSO-TSO settlement function is considered out of the consultation scope but will be appropriately considered in another document. Edison welcomes this TSOs' approach, since it witnesses the will to appropriately establish coherent TSO-TSO settlement rules for balancing products among the new exchange platforms, as foreseen by the Regulation EBGL.

We take the opportunity to underline the importance of guaranteeing that the implementation of the Imbalance Netting platform should not affect the system costs for the activation on balancing reserve from any TSO's point of view. In fact, from the proposal we understand that the opportunity costs of any kind will not be considered in the optimization process. We strongly believe that it shall be ensured that the cross-border compensation through the Imbalance Netting process should result to be less expensive than the activation of local balancing resources. Otherwise, for some of the TSOs participating to the platform the Imbalance Netting process would turn out to be, instead, a loss.

We would have appreciated the possibility to read about the TSO-TSO settlement current solution as it is now implemented in Europe, maybe as part of the Explanatory Note document. This would have allowed us to acquire a deeper knowledge of the Imbalance Netting solution of IGCC project and, consequently, to understand what kind of difficulties could arise in the future stakeholder consultations, for sake of more valuable stakeholders contribution.

(3) We require a more specific term instead of "demand", e.g. "aFRR demand"? The single term "demand" can be mixed up with "general demand" in an LFC block.

Article 1: TSOs plan to address TSO-TSO settlement pursuant to Regulation on Electricity Balancing (EBGL) Articles 30 and 50 in a separate document. EDF agrees that this approach allows ensuring consistency between the settlement of the different balancing energy exchange platforms (RR, mFRR, aFRR and IN). However, EDF regrets that current IGCC settlement rules are not described in the Explanatory Document. This would provide useful information in the view of the upcoming discussions and would greatly help market participants to have a clear picture of the functioning of the platform.

Concerning settlement, EDF wishes TSOs could start soon the consultations with stakeholders to discuss the options considered for the settlement of balancing energy and imbalances with a holistic approach.

Article 2(2-k) – “optimization region” : concerning Articles 11(3) and 11(4), it seems that “optimization region” refers to the pre-netting implemented either within an “aFRR cooperation” or between all other TSOs not participating in the aFRR cooperation, while pre-netting within a single LFC-block is not an “optimisation region”.

In EDF’s view, the purpose of this specific notion should be further explained (see also comments to articles 5 et 11): in particular, are there differences in distribution of volumes and settlement?

Please add here your feedback on Article 3 High level design of the IN-Platform - Article 3

No objection or proposal for amendment

no comments

No comments

We welcome the implementation of the IN-Platform to ensure an efficient balancing process over all Europe.

Article 3.6 establishes that 'The imbalance netting process function and the TSO-TSO settlement function shall be operated by the host TSO of the IN-Platform.' In line with the previous comment, we consider that defining the settlement function is mandatory prior to establishing who should perform such function.

No comment.

We have no observations on this Article.

No comments.

Please add here your feedback on Article 4 Implementation of the IN-Platform - Article 4

No objection or proposal for amendment

Axpo welcomes the fact that the existing project IGCC will become the official Imbalance Netting Platform according to Article 22 of the GLEB. This allows the use of existing infrastructure and processes and therefore minimizes implementation costs.

No comments

We support the implementation of the IN-Plattform on the basis of the existing IGCC projects. The IGCC project has already gained experience over several years and in the involved countries market parties are already familiar with the process.

In accordance with GLEB, Article 4 establishes following main steps and timeline in order to accomplish GLEB milestones. However, we would appreciate further detail in order to ensure a progressive and timely development of the different phases:

- Separate development and adaptation phase from testing phase, as differentiated milestones.
- Include a functional design milestone.
- Link national implementation milestones to available developments at IN-Plattform level.

Furthermore, the trigger of this timeline with the Implementation Framework signature reinforces the need of defining from the beginning all the IN-functions (including pricing and settlement). Otherwise, the implementation phase would start running without being conceptually defined a relevant part of its functionality.

In the sentence “As soon as IGCC fulfils every requirement defined in this Implementation Framework and further requirements by the GLEB, IN-Platform is formally implemented as required by Article 22(4) and 22(5) of the GLEB”, the TSOs need to clarify what “further requirements by the GLEB” are referred to and which extra conditions they add to the Implementation Framework. If all GLEB requirements have already been included in the Implementation Framework, then the reference should be deleted.

The implementation steps of article 4 make no reference to stakeholder engagement. Though imbalance netting is a TSO-TSO process, market participants should be at least duly informed of the major steps in the project, especially the adaptation of IGCC, the testing and go-live steps.

ENTSO-E should specify which are the “further requirements” of the EBGL not considered in the proposed Implementation Framework, if any. Please clarify if this is related only to Articles 30 and 50 provisions or if other provisions need to be considered before formal implementation of the Imbalance Netting Platform. Besides, the implementation timeline presented in this Article should foresee adequate information of stakeholders at each milestone

No comments.

Edison endorses the structure of the implementation timescale for the Imbalance Netting platform in the consultation, as it is consistent with EBGL Regulation's instructions.

However, from Edison's point of view, the following elements are missing:

- The explicit statement about the kind of requirements that are not established in the current IGCC platform and have to be implemented in the following months;
- The indication of stakeholders involvement during the implementation steps.

Acknowledging the importance of transparent information exchange between TSO and stakeholders, we expect participating TSOs to duly involve and inform stakeholders, e.g. through open workshops, appropriate informative documents on tests and go-live dates, periodical reports, as regards the implementation status and future development. For sake of clarity, thus, we suggest to add a statement related to TSOs' duty to inform the stakeholders during the Imbalance Netting implementation.

We support the implementation of the IN-Plattform on the basis of the existing IGCC projects. The IGCC project has already gained experience over several years and in the involved countries market parties are already familiar with the process.

Please add here your feedback on Article 5 Functions of the IN-Platform - Article 5

No objection or proposal for amendment

no comments

No comments

Comment on article 5(2): see comment to article 11(2), regarding objective function “netting at any cost”.

Comment on art.5.3 (a): There is a clear need for clarification in the platform design of how the distribution of costs will be implemented. Especially in a case where multiple optimisation regions or LFC blocks perform prior imbalance netting. There should at least be a reference to art.11.4(b), where this procedure seems to be implied.

Comment on art.5.3 (b) ii: There is no definition or description of the term ‘strong detrimental effects in terms of costs and benefits’. We are convinced that at least a description is needed. The current wording is too vague. It should be specified how long such strong detrimental effects should persist before an exclusion of a border can be done. Further examples of the “strong detrimental effects should be provided. If such exclusion is implemented, sufficient transparency must be ensured. These examples should include what are the reasons for such effects, how they can be mitigated and a timeline for implementing the mitigation measures.

Comment on art.5.4 (d): It should be specified on what the imbalance settlement pricing will be based. If such a settlement will be based on prices of (avoided) aFRR activations, some level of harmonization of aFRR pricing should be implemented, in particular for LFC blocks outside the aFRR cooperation. Furthermore a description is needed of how the prices of the activated bids the aFRR, mFRR and RR-platform are allocated to the imbalance settlement price in such a case

Comment on art.5(2): see comment to article 11(2), regarding objective function “netting at any cost”.

Comment on art.5.3(a): It should be clarified which distribution of cost should be implemented. Especially in a case where multiple optimization regions or LFC blocks perform prior imbalance netting. There should at least be a reference to art. 11.4(b), where this procedure seems to be implied.

Comment on art.5.3(b)ii: There is no definition or description of the term “strong detrimental effects in terms of costs and benefits”. We are convinced that at least a discretion is needed, The current wording is too vague. It should be specified how long such strong detrimental effects should persist before an exclusion of a border can be done. Further examples of the “strong detrimental effects” should be provided. If such exclusion is implemented, sufficient transparency must be ensured. These examples should include what are the reasons for such effects, how they can be mitigated and a timeline for implementing the mitigation measures.

Comment on art.5.4(d): It should be specified on what the imbalance settlement pricing will be based. If such a settlement will be based on prices of (avoided) aFRR activations, some level of harmonization of aFRR pricing should be implemented, in particular for LFC blocks outside the aFRR cooperation.

Furthermore a description is needed how the prices of the activated bids the aFRR, mFRR and RR-platform are allocated to the imbalance settlement price in such a case

Article 5.3.b.ii. and 5.3.b.iii. establish conditions in which borders between TSOs could be excluded, particularly unilaterally due to ‘... strong detrimental effects in terms of costs and benefits are expected...’ and/or bilaterally being ‘... the reasons for it shall be made transparent to other participating TSOs.’

From our perspective, these statements could potentially open high level of discretion to TSOs operation, because of reasons not technically supported that could reduce global system efficiency. Therefore, we consider that reasons for borders exclusions/inclusions should be further clarified and justified.

The conditions for which a border can be excluded from the IN process should be made more precise (Art.5.3(b)ii). The current wording of 'strong detrimental effects in terms of costs and benefits' remains too vague. There should be at least a precision on how long such effects are observed, how quickly a border can be excluded and the parties that are exposed to such detrimental effects (is this only applicable to TSOs?). There should also be sufficient transparency on such a measure in terms of implementation time and period.

It should be clarified on what basis the settlement will be performed (art.5.4(d)): will this be the aFRR prices? If that would be the case, some requirements on pricing harmonization should be targeted.

The reference to proportional distribution of imbalances (art.5.3(a)) should make clear that this allocation mechanism is not applicable to the imbalance netting between an aFRR cooperation and other TSOs, where for the selection of imbalances at aFRR cooperation side, an economic selection is performed.

In Article 5.3(a), TSOs should clarify in their concept of "proportional distribution" the difference of treatment between LFC imbalance netting between the LFC borders participating in an aFRR cooperation where economic selection of bids is performed, and imbalance netting between an aFRR cooperation and other TSOs.

Article 5.3(b) foresees the possibility for certain LFC area borders to be excluded from the imbalance netting process. The sub-paragraph generally lacks precision and robustness:

- In Article 5.3(b)i: as the GLEB does not foresee general exemptions to the participation of LFC borders to the imbalance netting process, it seems doubtful that ENTSO-E rules, or any national regulatory decision, could contradict a European Regulation.
- In Article 5.3(b)ii: the possibility for a TSO to unilaterally exclude an LFC border from the imbalance netting process for "strong detrimental effects in terms of costs and benefits" is too lax:
 - o First we have concerns with the opportunity given to single TSOs to withdraw from multilateral processes. We would therefore recommend amending the beginning of the sub-paragraph as follows: "a border between participating TSOs can be excluded upon their bilateral agreement..."
 - o Second, it is important that TSOs bring more clarity on their proposal:
 - these costs and benefits need to be assessed from an overall welfare perspective, not solely based on TSOs' costs and benefits;
 - these costs and benefits should be assessed at regional level, or at the very least in common between the two TSOs on each side of an LFC border;
 - there should be more clarity on the timescale according to which these costs and benefits would be assessed.
- Article 5.3(b)iii: this sub-paragraph gives TSOs the possibly to exclude an LFC border from the imbalance netting process without justification. This is not acceptable and not in line with Article 22 of the Electricity Balancing Guideline.

The IN-Platform assigns the imbalance netting potential among the participating TSOs according to a principle of proportional distribution. Major clarity should be given on how this principle can be respected with the parallel existence of pre-netting processes in LFC blocks and optimization regions.

The conditions for which a border can be excluded from the IN process should be made more precise (Art.5.3(b)ii). The current wording of 'strong detrimental effects in terms of costs and benefits' remains too vague. There should be at least a precision on how long such effects are observed, how quickly a border can be excluded and the parties that are exposed to such detrimental effects (is this only applicable to TSOs?). There should also be sufficient transparency on such a measure in terms of implementation time and period. It should be clarified on what basis the settlement will be performed (art.5.4(d)): will this be the aFRR prices?

If that would be the case, some requirements on pricing harmonization should be targeted.

The reference to proportional distribution of imbalances (art.5.3(a)) should make clear that this allocation mechanism is not applicable to the imbalance netting between an aFRR cooperation and other TSOs, where for the selection of imbalances at aFRR cooperation side, an economic selection is performed.

With reference to the Imbalance Netting process function, Edison underlines that motivations of one or more than one TSO for excluding or including a border from Imbalance Netting process shall be made transparent not only for other TSOs and NRAs, but also for stakeholders.

We are conscious that in certain moments TSOs might need to exclude some borders, e.g. due to security reasons, but we deem as important that the stakeholders are informed of this process in real time. In order to guarantee an appropriate level of transparency, the market participants should be aware of the TSOs decisions of excluding a border from the balancing reserve compensation process operated by the Imbalance Netting function. Moreover, it is not clear if a cap to the amount of time a border can be excluded from the Imbalance Netting process will be implemented.

We remark that the same level of transparency has to be applied also for the cases in which TSOs limit the amount of cross-border capacity available for the Imbalance Netting process (see comments to article 11).

With reference to the TSO-TSO settlement function, please refer to comments to article 1.

Comment on art.5(2): see comment to article 11(2), regarding objective function “netting at any cost”.

Comment on art.5.3(a): It should be clarified which distribution of cost should be implemented. Especially in a case where multiple optimization regions or LFC blocks perform prior imbalance netting. There should at least be a reference to art. 11.4(b), where this procedure seems to be implied.

General comment on art.5.3(b): we note that the reasons for the inclusion and exclusion of borders should also be made transparent to market participants. Comment on art.5.3(b)ii: There is no definition or description of the term “strong detrimental effects in terms of costs and benefits”. We are convinced that at least a discretion is needed, The current wording is too vague. It should be specified how long such strong detrimental effects should persist before an exclusion of a border can be done. Further examples of the “strong detrimental effects” should be provided. If such exclusion is implemented, sufficient transparency must be ensured. These examples should include what are the reasons for such effects, how they can be mitigated and a timeline for implementing the mitigation measures.

Comment on art.5.4(d): It should be specified on what the imbalance settlement pricing will be based. If such a settlement will be based on prices of (avoided) aFRR activations, some level of harmonization of aFRR pricing should be implemented, in particular for LFC blocks outside the aFRR cooperation.

Furthermore a description is needed how the prices of the activated bids the aFRR, mFRR and RR-platform are allocated to the imbalance settlement price in such a case

Article 5(2): see the comments to Article 11(2), regarding objective function “netting at any cost”.

Article 5(3-a)

Assignment of imbalance netting volume should be detailed in case of pre-netting through an “optimization region” (aFRR-cooperation or between all TSOs not participating in a aFRR-cooperation related to Article 11(4)) or pre-netting within a LFC Block related to Article 11(3). It seems that netting volume is first distributed between “pre-netting / optimisation regions” and secondly between LFC areas. It would be useful that the implementation framework make this point clearer.

Article 5(3-b)

EDF understands that TSOs reserve the right to exclude some borders from the imbalance netting process. In this case, full transparency must be ensured about such decisions and the criteria used, and mitigation measures must be considered. By full transparency, we mean disclosure of important information not only among TSOs, as currently proposed, but also to market participants.

In particular, the term “strong detrimental effects in terms of cost and benefits” should be specified: is it related to the netting function “at any cost”?

See also comment on Article 11(1-e) about additional cross-border capacity limitations.

Article 5(4)

As already highlighted, EDF urges TSOs to provide a clear view on their intents about settlement and to involve stakeholders in the definition of the settlement principles and in particular:

- the definition of the price of the avoided aFRR activations;
- the ex-post adjustment of settlement in case of negative individual benefits for one or more blocks, as currently applied in IGCC.

Please add here your feedback on Articles 6 - 7 Governance and Decision making - Article 6 - 7

No objection or proposal for amendment

no comments

No comments

Comment on art.6.1: A further explanation is needed or a specification of what 'unjustified economic advantages' could occur. We are asking TSOs to be more concrete and give examples for such cases of "unjustified economic advantages". There should also be a reference to the settlement and market participants, as they are at least as much at risk to suffer unjustified economic (dis)advantages. This reference should be based on transparent and traceable facts in order to promote confidence of market parties

Comment on art.6/7: We notice a complete lack of reference to stakeholder consultations in either governance or decision making (e.g. in case of methodology update). If decisions taken by the platform have impacts on the (balancing) market or the formation of imbalance settlement pricing, market participants should be informed and consulted before.

Comment on art. 7 (9 and 10): Pursuant to GLEB article 4(4) and similarly to 7(8), it should be added that "A blocking minority for these decisions must include at least a minimum number of TSOs representing more than 35 % of the population of the participating Member States, plus TSOs representing at least one additional Member State concerned, failing of which the qualified majority shall be deemed attained".

Comment on art.6.1: A further explanation is needed or a specification what “unjustified economic advantages” could occur. We are asking TSOs to be more concrete and give examples for such cases of “unjustified economic advantages”. There should also be a reference to the settlement and market participants, as they are at least as much at risk to suffer unjustified economic (dis)advantages.

This reference should be based on transparent and traceable facts in order to promote confidence of market parties.

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No comments.

The reference to 'unjustified economic advantages' (art.6.1) should be clarified: does this include the settlement and/or market participants?

Both articles 6 and 7 fail to include any reference to a market consultation in either the governance of the cooperation or the decision making. While IN is mainly a technical process, it has impacts on market functioning, especially the activation of aFRR and thus the Imbalance Price. Therefore, market participants should have some view and voice in the governance of the cooperation.

In Article 6.1, we wonder – and would welcome – if the reference to “unjustified economic advantages” applies only to TSOs or to market participants active in their respective control areas.

We are disappointed to see that TSOs forgot to include market consultations and stakeholder engagement in the Implementation framework, and more specifically in these Articles 6 and 7. Though imbalance netting is a TSO-TSO process, it has an impact on the process for the activation of aFRR and consequently on the imbalance settlement price, two subjects that are key for market participants and market functioning in general.

We would like to stress the importance of keeping market participants involved through consultations in any process leading to the change of this proposed Implementation Framework or approved methodologies. Imbalance Netting is a TSO-TSO process which influences aFRR activations and imbalance settlement price, two aspects that heavily impact market participants.

The reference to 'unjustified economic advantages' (art.6.1) should be clarified: does this include the settlement and/or market participants?

Both articles 6 and 7 fail to include any reference to a market consultation in either the governance of the cooperation or the decision making. While IN is mainly a technical process, it has impacts on market functioning, especially the activation of aFRR and thus the Imbalance Price. Therefore, market participants should have some view and voice in the governance of the cooperation.

In the consultation document the Governance and the decision making process do not include the stakeholders involvement. As previously stated, Edison deems as fundamental that the stakeholders are informed about the implementation process (see comments to article 4).

As regards further modification or amendment of the current proposal framework, both in case of Imbalance Netting process function and TSO-TSO settlement function, we highlight that the procedure should be integrated with the public consultation of stakeholders and the final approval of NRAs, in accordance to art. 10 of EBGL Regulation.

Comment on art.6.1: A further explanation is need or a specification what “unjustified economic advantages” could occur. We are asking TSOs to be more concrete and give examples for such cases of “unjustified economic advantages”. There should also be a reference to the settlement and market participants, as they are at least as much at risk to suffer unjustified economic (dis)advantages.

This reverence should be based on transparent and traceable facts in order to promote confidence of market parties.

Comment on art.6/7: We notice a complete lack of reference to stakeholder consultations in either governance or decision making (e.g. in case of methodology update). If decisions taken by the platform have impacts on the (balancing) market or the formation of imbalance settlement pricing, market participants should be in-formed and consulted before.

Stakeholders' involvement is not mentioned in the governance rules. EDF asks for stakeholders' involvement at all stages: definition of the implementation frameworks, reporting, further evolutions of the design of the platform, etc.

Article 6 should precise that pursuant to Article 6(3) of EBGL, later changes of the implementation framework have also to be submitted to NRAs' approval after consultation of stakeholders.

Paragraphs 7(7) and 7(8): a reference to EBGL Articles 4(3) and 5(2) should be added. Pursuant to EBGL Article 4(3), it should either be stated that 7(8) refers to 7(7) and to the decisions taken according to paragraphs 1 and 2, or it should be considered to merge paragraphs 7(7) and 7(8).

Paragraphs 7(9) and 7(10): a reference to EBGL Articles 4(4) and 5(3) should be added. Pursuant to EBGL Article 4(4) and similarly to 7(8), it should be added that "A blocking minority for these decisions must include at least a minimum number of TSOs representing more than 35 % of the population of the participating Member States, plus TSOs representing at least one additional Member State concerned, failing of which the qualified majority shall be deemed attained".

Please add here your feedback on Article 8 Proposal for entity or entities - Article 8

No objection or proposal for amendment

no comments

No comments

We agree with the Proposal that, for the designation of the entity entrusted with operating the imbalance netting process function, appointing the host TSO of IGCC to operate the imbalance netting process function may be the most efficient and pragmatic approach for the IN-Platform launching.

Nevertheless, we consider this may not be the best long-term option. For that reason, the Implementation Framework may foresee alternative options once the initial transitory period is finished, in order to ensure neutrality and maximum standardization (distributed operation, rotating responsibilities, new entity as vehicle of cooperation...).

No comment.

We have no observations on this Article.

No comments.

Please add here your feedback on Article 9 Framework for harmonization of the terms and conditions related to balancing - Article 9
No objection or proposal for amendment

no comments

No comments

Is this Article really necessary in the implementation framework?

We consider that harmonization needs cannot be disregarded until pricing and settlement functions have been designed and detailed.

No comment.

We have no observations on this Article.

No comments.

Could you be more specific what is covered by "Terms and conditions". Does this refer to the principles for calculating balancing prices?

TSOs state that there is no need for harmonisation of terms and conditions related to balancing for the establishment of the IN-platform: EDF doesn't share this certainty and cannot state an opinion without a clear view on financial settlement rules. Therefore, EDF has some doubts on the necessity to include this article in the implementation framework.

Please add here your feedback on Article 10 Categorization of costs and detailed principles for sharing the common costs - Article 10
No objection or proposal for amendment

no comments

No comments

Comment on art. 10: The allocation of regional costs as defined in 10(1-b) is not specified. We are asking for transparency and further explanation. As regards to GLEB article 23(5), this allocation should be further detailed, or alternatively use common costs sharing arrangements set out in 10(6).

Comment on art.10.1 (b): There seems to be a missing word in “[...] but not [all?] member TSOs in the IN-Platform”.

Comment on art.10.4: eurelectric would welcome explanations on the inclusion of ‘optimization regions’ (excl. the aFRR cooperation region, whose costs will be handled within the aFRR implementation projects) in this sub-paragraph, as they may entail costs on a regional level.

Comment on art 10: The allocation of regional costs as defined in 10(1-b) is not specified. We are asking for transparency and further explanation. As regards to GLEB article 23(5), this allocation should be further detailed, or alternatively use common costs sharing arrangements set out in 10(6).

No comments.

In art.10.1(b), there seems to be a missing word in the sentence "[...] but not [all?] member TSOs in the IN-Platform", which creates some confusion regarding its interpretation.

ENGIE wonders whether optimization regions - excluding aFRR cooperation regions - should not be included in the sub-paragraph of art.10.4. It is unclear where costs resulting from a pre-netting in an optimization region would be allocated otherwise.

Missing word in Article 10.1(b): "several but not [all] member TSOs in the IN-Platform".

It is unclear where the costs associated with pre-netting in an optimisation region are allocated.

We have no observations on this Article.

In art.10.1(b), there seems to be a missing word in the sentence “[...] but not [all?] member TSOs in the IN-Platform”, which creates some confusion regarding its interpretation. FEBEG wonders whether optimization regions – excluding aFRR cooperation regions – should not be included in the sub-paragraph of art.10.4. It is unclear where costs resulting from a pre-netting in an optimization region would be allocated otherwise.

We request a clarification about the article 10 sentence in relation to the IN-platform costs splitting: is a “all” missing in the regional costs specification in 10.1(b)?

Comment on art 10: The allocation of regional costs as defined in 10(1-b) is not specified. We are asking for transparency and further explanation. As regards to GLEB article 23(5), this allocation should be further detailed, or alternatively use common costs sharing arrangements set out in 10(6).

Paragraph 10(1-b): The formulation “regional costs resulting from activities of several but not member TSOs in the IN-Platform” is not clear --> “regional costs resulting from activities of several but not ALL member TSOs in the IN-Platform“?

The allocation of regional costs related to 10(1-b) is not specified. According to EBGL Article 23(5), this allocation should be detailed, or alternatively the common costs sharing arrangements set out in Article 10(6) (EBGL) should be used.

Please add here your feedback on Article 11 Description of the algorithm for the operation of imbalance netting process function. - Article 11

No objection or proposal for amendment

Article 11.1(e): TSOs and NRAs must ensure, that - in line with Article 37 (1) of the GLEB - cross-zonal capacity is made available to the day ahead and intraday market to the fullest extent possible, and only used for imbalance netting, if it has not been procured in the cross border intraday market. No implicit or explicit reservation of cross-zonal capacity should be allowed.

Hence, our point concerns the rules on allocation of capacity prior to the usage of remaining capacity for imbalance netting. It must be prevented that TSOs reduce capacity for intraday trading ex-ante in order to have more available for the netting. Clear incentives must be put in place to avoid this.

No comments

Comment on art. 11.1: There is a clear need to describe the fall-back approaches in detail, These should be linked with the fall-back solutions for the aFRR cooperation platform. We are asking TSOs to publish this information in a transparent way.

Comment on art. 11(1-e-i) Beyond reference to EBGL article 37, the sequence between imbalance netting, the cooperation of FCR-activation and aFRR activation for the use of cross zonal capacity should be detailed and the final proposal should be published.

Comment on art. 11(1-e-ii) which foresees that TSOs may enforce additional limitations on netting capacity: such decisions have to be made fully transparent (methodology, values, revisions) and justified. See also comments to article 5(3-b) (exclusion of a border)

Comment on art. 11(2). eurelectric assumes that IN-platform intends to keep actual IGCC principle of netting "at any costs", regardless of the opportunity costs within different LFC areas. According to ENTSO-E's reports, it seems that some control areas suffer economic losses for up to 30% of the control cycles. This highlights that settlement rules are crucial to share appropriately the overall benefits of imbalance netting, and avoid any unjustified economic disadvantage.

Comment on art. 11(3) see also comments to 5(3)

Comment on art. 11(4). There is a need for market parties to understand the interactions between IN and aFRR cooperation would work. eurelectric is asking for a clear description. Currently we understand that:

- For a given control-cycle, all LFC-areas/blocks send their ACE and aFRR bids to the aFRR-cooperation platform

- The aFRR-platform performs prior netting and sends its net need to the IN-platform

- The IN-platform performs netting with the others blocks/optimisation region and returns a correction to aFRR-cooperation platform

- The aFRR-cooperation platform clearing algorithm performs bids activation in order to fulfil its residual need. and returns a correction through new settings for virtual tie-lines between the participating LFC-areas

Comment on art. 11.1: There is a clear need to describe the fall back approaches in detail. These should be linked with the fall back solutions for the aFRR cooperation platform. We are asking TSOs to publish this information in a transparent way.

Comment on art. 11(1-e-i) Beyond reference to EBGL article 37, the sequence between imbalance netting the cooperation of FCR-activation and aFRR activation for the use of cross zonal capacity should be detailed and the final proposal should be published.

Comment on art. 11(1-e-ii) which foresees TSOs have the right to reserve cross border capacity to enforce additional limitations on netting capacity: We refuse such additions reservation. Before such decisions are implemented the possible effects on the other market segments of the balancing market and the intraday market must be investigated. A final decision made fully transparent (methodology, values, revisions). See also comments to article 5(3-b) (exclusion of a border)

Comment on art. 11(2). TIWAG-Tiroler Wasserkraft AG (TIWAG) assumes that IN-platform intends to keep actual IGCC principle of netting “at any costs”, regardless of the opportunity costs within different LFC areas. According to ENTSO-E’s reports, it seems that some control areas suffer economic losses for up to 30% of the control cycles. This highlights that settlement rules are crucial to share appropriately the overall benefits of imbalance netting, and avoid any unjustified economic disadvantage.

Comment on art. 11(3) see also comments to 5(3)

Comment on art.11(4): A optimization system with prior netting + imbalance netting can lead to different results than an optimization system with one single common optimization. How do TSOs ensure the highest social welfare as it is granted in a common optimization with a single optimization target function and rules.

Comment on art.11(4). There is a need for market parties to understand the interactions between IN and aFRR cooperations would work. We are asking for a clear description. At first, we tend to understand that:

- For a given control-cycle, all LFC-areas/blocks send their ACF and aFRR bids to the aFRR-cooperation

We appreciate the general principles of the IN algorithm established in Article 11, setting the bases for its detailed formulation. However, further details of the final formulation and optimization calculation should be subsequently open to public, to ensure transparency and understanding for all agents affected.

Further clarification on the governance of multiple optimization regions in Art.11.4(c) would be welcome: will there be an obligation to merge such optimization regions once they share a border, or can they co-exist/overlap until they join the aFRR cooperation?

In art.11.6, it is mentioned that the IN platform 'can' merge with the aFRR platform, once both cover the same geographic region. Should this not be an obligation, as it would simplify the governance, technical discussions and imply a cost-reduction?

In Article 11.4(c), further clarification is necessary regarding the interaction and governance of multiple optimisation regions. In particular, the treatment of multiple optimisation regions sharing an LFC border (possible co-existence, obligation to merge) needs to be clarified.

Article 11.6 should be a firm requirement: the IN platform should be merged with the aFRR platform once both cover the same geographical scope. This will simplify governance and technical decision-making, hopefully driving the running costs of the combined entity down.

The Implementation Framework as well as the explanatory document should better explain and detail the interactions and dependencies among the IN-Platform and the Picasso Platform (future EU Platform or the exchange of balancing energy from aFRR reserves). Major details should be given for the transitory period before the merge of the two platforms in terms of:

- ~~R~~espect of the “proportional distribution” principle as per article 3 of this Implementation Framework;
- ~~A~~mount of aFRR activation allowed in the implicit pre-netting phase in the “optimization regions” participating to an aFRR cooperation before the execution of the IN Platform process

In particular, an analysis of the technical (in terms of secure operation) and economic benefits should be provided, ensuring that benefits are shared in a fair manner between TSOs and that a level playing field is present for market participants in terms of aFRR activation (the ones providing balancing services in an optimisation region and the ones which are not connected to a TSO member of an optimisation region).

Further clarification on the governance of multiple optimization regions in Art.11.4(c) would be welcome: will there be an obligation to merge such optimization regions once they share a border, or can they co-exist/overlap until they join the aFRR cooperation?

In art.11.6, it is mentioned that the IN platform ‘can’ merge with the aFRR platform, once both cover the same geographic region. Should this not be an obligation, as it would simplify the governance, technical discussions and imply a cost-reduction?

In accordance to art. 37 of EBGL Regulation, the proposal envisages that the cross-border capacity limits, used for the Imbalance Netting platform calculation, are based on available cross-zonal capacity after cross-border intraday markets, which could be further limited to ensure operational security. As previously stated about the exclusion of a border from the platform calculation (see comments to article 5), we understand the need of updating and adapting the cross-border capacity values to the situation of the system. However, Edison advocates TSOs to guarantee a fair level of transparency of the platform operation, publishing in real time the limitation and the underlying motivations for stakeholders and NRAs. In addition, we recommend the publication of other information, for instance the aFRR-Demand before the Imbalance Netting and the remaining aFRR demand after the compensation, the TSO-TSO settlement price. Suitable periodic reports summarizing the data should be made available to the public for further ex-post analysis.

Comment on art. 11.1: There is a clear need to describe the fall back approaches in detail. These should be linked with the fall back solutions for the aFRR cooperation platform. We are asking TSOs to publish this information in a transparent way.

Comment on art. 11(1-e-i) Beyond reference to EBGL article 37, the sequence between imbalance netting the cooperation of FCR-activation and aFRR activation for the use of cross zonal capacity should be detailed and the final proposal should be published.

Comment on art. 11(1-e-ii) which foresees TSOs have the right to reserve cross border capacity to enforce additional limitations on netting capacity: We refuse such additions reservation. Before such decisions are implemented the possible effects on the other market segments of the balancing market and the intraday market must be investigated. A final decision made fully transparent (methodology, values, revisions). See also comments to article 5(3-b) (exclusion of a border)

Comment on art. 11(2). TIWAG-Tiroler Wasserkraft AG (TIWAG) assumes that IN-platform intends to keep actual IGCC principle of netting “at any costs”, regardless of the opportunity costs within different LFC areas. According to ENTSO-E’s reports, it seems that some control areas suffer economic losses for up to 30% of the control cycles. This highlights that settlement rules are crucial to share appropriately the overall benefits of imbalance netting, and avoid any unjustified economic disadvantage.

Comment on art. 11(3) see also comments to 5(3)

Comment on art.11(4): A optimization system with prior netting + imbalance netting can lead to different results than an optimization system with one single common optimization. How do TSOs ensure the highest social welfare as it is granted in a common optimization with a single optimization target function and rules.

Comment on art.11(4). There is a need for market parties to understand the interactions between IN and aFRR cooperations would work. We are asking for a clear description. At first, we tend to understand that:

- For a given control-cycle, all LFC-areas/blocks send their ACE and aFRR bids to the aFRR-cooperation

Paragraph 11(1): Fall-back procedures should be detailed and linked with the fall-back solutions for the aFRR cooperation platform.

Paragraph 11(1-e-i): Beyond reference to EBGL Article 37, the sequence between the different timeframes and products (RR, mFRR, aFRR) for the use of cross zonal capacity should be specified.

Paragraph 11(1-e-ii): EDF understands that TSOs may need to apply additional limitations to cross-border capacity available for imbalance netting for operational security purposes. Yet, such decisions have to be made fully transparent (methodology, values, revisions), including towards market parties. See also our comments to Article 5(3-b) (exclusion of a border).

Paragraph 11(2): EDF assumes that TSOs intend to keep the current IGCC principle of netting “at any costs” for the IN-platform, regardless of the opportunity costs between different LFC areas. According to ENTSO-E website’s reports, it seems that some control areas suffer economic losses for up to 30% of the control cycles.

It should be considered to proceed to netting only when there is a gain, and not when there is a loss. This issue mainly depends on the effective representativeness of opportunity prices, which currently seems to be very different and very approximate in some IGCC countries. This highlights that settlement rules are critical to assess appropriately the overall benefits of imbalance netting.

In the absence of progress on this issue, a corrective mechanism similar to the current IGCC’s “ex-post adjustment of settlement in case of negative benefits” must imperatively be maintained, together with periodical reports providing quantitative analysis of the loss of welfare and de-optimisation.

Paragraph 11(3): What is the difference between on the one hand pre-netting through an “optimization region” (aFRR cooperation or between all TSOs not participating to aFRR platform), and on the other hand pre-netting within a LFC Block related to article 11(3) ? Is there a difference in energy proportional distribution and settlement? See also comments to 2(2-k) and 5(3).

Please add here general comments on the proposal - all

No objection or proposal for amendment

no comments

We generally support the methodology

We welcome the implementation of the IN-Platform to ensure an efficient balancing process over all Europe. The Implementation Framework contains so far no data/information publication towards the market parties.

Netting volumes should be published as soon as possible after real-time and any additional information (limits on cross-border capacity, limits on activation volume, etc.) should be published as soon as possible.

This information is very important to allow BRPs and BSPs to take efficient operational decisions.

Follow-up and feedbacks should be presented in periodical reports as mentioned in GLEB articles 59 and 60.

We are still missing a discretion whether and what limits can be set on the imbalance netting volume of individual LFC blocks: Are there any limits remaining (e.g. pre-contracted volumes, free bids, ...)? Eurelectric need clarity on the way limitations to imbalance netting are set, in particular but not exclusively with respect to volumes of aFRR. We consider that those limitations should not hinder the level-playing field between BRPs and BSPs.

In addition, eurelectric would appreciate more precise information on how the remaining imbalances post-netting are allocated. For instance, one article in the official documents could detail this. We also strongly recommend the algorithm to be made public.

We would also like to ask ENTSO-E to publish all individual submitted answers, on the dedicated website, along with a relevant report on how they were treated.

Last but not least eurelectric would like to have more clarity on where the interaction between the different platforms, in relation to the allocation of cross-zonal capacity, will be addressed.

We welcome the implementation of the IN-Platform to ensure an efficient European balancing process. We support the IN-platform, as through the imbalance netting process, the cost of activation and especially the simultaneous counter activation of balancing bid is minimized. This is a clear benefit of all BRPs, as imbalance costs will be reduced.

The Implementation Framework contains no information about data/information publication towards the market parties.

Follow-up and feedbacks should be presented in periodical reports as mentioned in GLEB articles 59 and 60.

We are still missing a description whether and what limits can be set on the imbalance netting volume of individual LFC blocks: Are there any limits remaining (e.g. pre-contracted volumes, free bids ...)?

In addition, TIWAG would appreciate more precise information on how the remaining imbalances post netting are allocated. For instance, one article in the official documents could detail this. We also strongly recommend the algorithm to be made public.

We would also like to ask ENTSO-E to publish all individual submitted answers, on the dedicated website, along with a relevant report on how they were treated.

Last but not least TIWAG would like to have more clarity on where the interaction between the different platforms, in relation to the allocation of cross-zonal capacity, will be addressed. We are asking TSOs for more information.

In general terms, we evaluate positively the consultation document, as well as the opportunity given to market players and stakeholders to be involved in the project definition.

ENGIE is disappointed that the proposed Implementation Framework makes no reference whatsoever to data/information publication towards the market. Netted volumes should be published as soon as possible and near real-time. Also any additional information regarding the functioning of the IN platform (e.g. limits on cross-border transmission capacity, limits on volumes that can be netted, etc.) should be published as soon as possible. Especially - but not solely - for countries that perform reactive balancing and/or allow passive balancing contributions, such information is essential.

The Implementation Framework also does not specify if individual countries will be subject to limits on imbalance volumes they can net. Until today, most countries limit the volumes to the volume of pre-contracted aFRR capacity for reasons of security. Will this be the case in the future, and how would the introduction of free bids in aFRR impact such limits?

The European Federation of Energy Traders (EFET) thanks the European TSOs for this opportunity to provide feedback on their proposal of an implementation framework for a European platform for the imbalance netting process.

EFET regrets the absence in the Implementation Framework of any commitment by the TSOs regarding data transparency, in particular with regard to the publication of netted volumes in near real time, limits on cross-border transmission capacity, limits on volumes that can be netted.

Also, there is no information with regard to the continuance or not of existing limits on imbalance volumes individual countries can net.

More generally, we insist on the need for greater involvement of market participants when TSOs propose design changes to the platform: we are disappointed to see that TSOs forgot to include market consultations and stakeholder engagement in many parts of the Implementation framework (see our comments on articles 4, 6 and 7). Though imbalance netting is a TSO-TSO process, it has an impact on the process for the activation of aFRR and consequently on the imbalance settlement price, two subjects that are key for market participants and market functioning in general.

We welcome the implementation of an efficient European balancing process. We support an IN-platform, as through the imbalance netting process, especially the simultaneous counter activation of balancing energy is minimized. This is a clear benefit of all BRPs, as imbalance costs should be reduced.

We miss the following information to give a specific feedback to the IN-Platform in the proposed way:

1. To be able to estimate the effects on the markets, information about the financial settlement method is needed.
2. From our point of view a clear definition of a model optimization the general welfare is needed to secure the target of lowest possible system costs.
3. Furthermore we miss information about transparency in a technical and economical way in the market and also information on the reports as mentioned in GLEB.
4. We would appreciate more precise information on how the remaining imbalances post netting are allocated. We also strongly recommend the algorithm to be made public.
5. We ask for more clarity on where the interaction between the different platforms, in relation to the allocation of cross-zonal capacity, will be addressed. We are asking TSOs for more information.

Last but not least we would appreciate that also BRPs in future are involved also in the process of definition of the IN, as they are part of the market.

FEPEG is disappointed that the proposed Implementation Framework makes no reference whatsoever to data/information publication towards the market. Netted volumes should be published as soon as possible and near real-time. Also any additional information regarding the functioning of the IN platform (e.g. limits on cross-border transmission capacity, limits on volumes that can be netted, etc.) should be published as soon as possible. Especially – but not solely – for countries that perform reactive balancing and/or allow passive balancing contributions, such information is essential.

The Implementation Framework also does not specify if individual countries will be subject to limits on imbalance volumes they can net. Until today, most countries limit the volumes to the volume of pre-contracted aFRR capacity for reasons of security. Will this be the case in the future, and how would the introduction of free bids in aFRR impact such limits?

Finally, FEPEG regrets the lack of transparency on the TSO-TSO settlement function which is said to be out of scope of the consultation, but nevertheless reference is made hereto. It would have been helpful that in the explanatory document already the existing TSO-TSO settlement function would have been explained. It could help to understand some considerations and choices better.

Edison appreciates the consultation and looks with interest to the implementation of the Imbalance Netting platform, which is currently in operation in Europe as IGCC project. Through the current consultation, we are indeed able to understand the process that will be applied to Italian borders for the compensation of balancing reserve activation.

However, we regret that the foreseen governance structure and the decision making process does not include the involvement of stakeholders (see comments to articles 6-7).

In addition, the framework should include the publication of crucial information to be made transparent not only for other TSOs and in case for NRAs, but also for stakeholders (see comments to 5 and 11 articles).

Prot. AFIR-Ing.eel/EF-ib/7-18

We welcome the implementation of the IN-Platform to ensure an efficient European balancing process. We support the IN-platform, as through the imbalance netting process, the cost of activation and especially the simultaneous counter activation of balancing bid is minimized. This is a clear benefit of all BRPs, as imbalance costs will be reduced.

We expect that the imbalancing netting process via the new established European platform becomes more transparent for all market participants by providing all relevant data - in particular costs - to all market participants. We note that from our experience some intransparency exists for the current Imbalance Netting on the AT - SI/HR border, which hopefully will be improved.

The following issues are not addressed in the implementation framework while they should be included (at least in a supporting document) :

- Stakeholders involvement (see comments to Article 6)

- Follow-up and return on experience, in order to inform stakeholders through periodical reports as mentioned in EBGL Articles 59 and 60.

- Publications and transparency (according to Article 12 of EBGL) for each ISP,
Need per LFC area/block;
Available cross-border capacity, per border;
Additional limitations to cross-border capacity used for netting according to article 11(1-e-ii);
Netted volume per LFC area/block;
Opportunity price per zone;
TSO-TSO Settlement price.