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# **Explanatory Document to all TSOs' proposal for classification methodology for the activation purposes of balancing energy bids pursuant to Article 29(1) of Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing**

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## **Date**

### **DISCLAIMER**

This document is released on behalf of the all transmission system operators ("TSOs") only for the purposes of the public consultation on the All TSOs' proposal for the activation purposes ("APP") in accordance with Article 29(3) of Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing. This explanatory document does not in any case represent a firm, binding or definitive TSOs' position on the content.

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## Abbreviations

List of abbreviations used in this document:

<b>aFRR</b>	frequency restoration reserves with automatic activation
<b>aFRR-Platform</b>	European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation
<b>APP</b>	activation purposes proposal
<b>BRP</b>	balance responsible party
<b>EBGL</b>	guideline on electricity balancing
<b>EU</b>	European Union
<b>FRR</b>	Frequency restoration reserves
<b>mFRR-Platform</b>	European platform for the exchange of balancing energy from frequency restoration reserves with manual activation
<b>RR</b>	Replacement reserves
<b>RR-Platform</b>	European platform for the exchange of balancing energy from replacement reserves
<b>SOGL</b>	guideline on electricity transmission system operation
<b>TSO</b>	Transmission System Operator

## **1 Introduction**

This document gives background information and rationale for the all TSOs' proposal regarding the development of a proposal to further specify and harmonise activation purposes in accordance with Article 29(3) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter referred to as "EBGL"). The common proposal developed by all TSOs regarding the classification methodology for activation purposes of balancing energy bids is hereafter referred to as "APP".

### **1.1 Interpretation and scope of the proposal**

The APP contains a definition and classification of activation purposes of balancing energy bids from common merit order lists. In this explanatory document, classification criteria is explained and the activation purposes allowed for each platform are precised.

The activation purposes for specific products may be defined in the respective national terms and conditions.

#### **1.1.1 Definitions**

The terms used shall have the meaning given to them in Article 2 of Electricity Regulation, Article 3 of SOGL and Article 2 of EBGL and Article 2 of APP.

## **2 The all TSOs' proposal for a methodology for classifying the activation purposes of balancing energy bids from common merit order lists**

### **2.1 Definition and classification of activation purposes**

#### **2.1.1 Proposal for activation purposes list**

The proposed list includes two main activation purposes categories, namely “Balancing” and “System constraints”.

#### **2.1.2 Classification criteria**

The classification criteria for the activation purposes proposed in the list above relates to the issues identified, the associate timeframes and the respective market rules.

For balancing, the reason for activating a standard balancing energy product bid is the mismatch between the scheduled and the actual or forecasted position on system level. The total imbalance reflects the imbalances on BRP level.

When distinguishing between the three processes (RR, mFRR, aFRR), the criteria relate to timeframe and also the mode of activation. For standard RR product bid, activation aims to achieve the control target of the reserve replacement process in accordance with Article 144(1) of SOGL. For standard FRR product bid, activation aims to achieve the control target of frequency restoration process in accordance with Article 143(1) of SOGL.

For the system constraints, the reason for activating a standard balancing energy product bid is a reason different than the mismatch between the scheduled and the actual or forecasted position on system level such as, at least, (i) process congestions, or (ii) rebuild system margin so as to ensure enough margin and/or avoid entering into alert state.

### **2.2 Activation of balancing energy bids from common merit order lists**

#### **2.2.1 Activation purposes for the European platform for the exchange of balancing energy from replacement reserves**

Each TSO participating in the RR-Platform shall activate standard RR balancing energy product bids for the purpose of balancing or system constraints.

#### **2.2.2 Activation purposes for the European platform for the exchange of balancing energy from frequency restoration reserves with manual activation**

Each TSO participating in the mFRR-Platform shall activate standard mFRR balancing energy product bids for the purpose of balancing or system constraints.

#### **2.2.3 Activation purposes for the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation**

Each TSO participating in the aFRR-Platform shall activate standard aFRR balancing energy product bids for the purpose of balancing.