

Commission Regulation (EU) 2017/2195 of 23 November 2017
establishing a guideline on electricity balancing (Text with EEA relevance)

TITLE I

GENERAL PROVISIONS

Article 2

Definitions

For the purposes of this Regulation, the definitions in Article 2 of Directive 2009/72/EC, Article 2 of Regulation (EC) No 714/2009, Article 2 of Commission Regulation (EU) No 543/2013⁽¹⁾, Article 2 of Commission Regulation (EU) 2015/1222⁽²⁾, Article 2 of Commission Regulation (EU) 2016/631⁽³⁾, Article 2 of Commission Regulation (EU) 2016/1388⁽⁴⁾, Article 2 of Commission Regulation (EU) 2016/1447⁽⁵⁾, Article 2 of Commission Regulation (EU) 2016/1719⁽⁶⁾, Article 3 of Commission Regulation (EU) 2017/1485, and Article 3 of Commission Regulation (EU) 2017/2196⁽⁷⁾ shall apply.

The following definitions shall also apply:

- (1) ‘balancing’ means all actions and processes, on all timelines, through which TSOs ensure, in a continuous way, the maintenance of system frequency within a predefined stability range as set out in Article 127 of Regulation (EU) 2017/1485, and compliance with the amount of reserves needed with respect to the required quality, as set out in Part IV Title V, Title VI and Title VII of Regulation (EU) 2017/1485;
- (2) ‘balancing market’ means the entirety of institutional, commercial and operational arrangements that establish market-based management of balancing;
- (3) ‘balancing services’ means balancing energy or balancing capacity, or both;
- (4) ‘balancing energy’ means energy used by TSOs to perform balancing and provided by a balancing service provider;
- (5) ‘balancing capacity’ means a volume of reserve capacity that a balancing service provider has agreed to hold and in respect to which the balancing service provider has agreed to submit bids for a corresponding volume of balancing energy to the TSO for the duration of the contract;
- (6) ‘balancing service provider’ means a market participant with reserve-providing units or reserve-providing groups able to provide balancing services to TSOs;
- (7) ‘balance responsible party’ means a market participant or its chosen representative responsible for its imbalances;
- (8) ‘imbalance’ means an energy volume calculated for a balance responsible party and representing the difference between the allocated volume attributed to that balance responsible party and the final position of that balance responsible party, including any imbalance adjustment applied to that balance responsible party, within a given imbalance settlement period;

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- (9) 'imbalance settlement' means a financial settlement mechanism for charging or paying balance responsible parties for their imbalances;
- (10) 'imbalance settlement period' means the time unit for which balance responsible parties' imbalance is calculated;
- (11) 'imbalance area' means the area in which an imbalance is calculated;
- (12) 'imbalance price' means the price, be it positive, zero or negative, in each imbalance settlement period for an imbalance in each direction;
- (13) 'imbalance price area' means the area for the calculation of an imbalance price;
- (14) 'imbalance adjustment' means an energy volume representing the balancing energy from a balancing service provider and applied by the connecting TSO for an imbalance settlement period to the concerned balance responsible parties, used for the calculation of the imbalance of these balance responsible parties;
- (15) 'allocated volume' means an energy volume physically injected or withdrawn from the system and attributed to a balance responsible party, for the calculation of the imbalance of that balance responsible party;
- (16) 'position' means the declared energy volume of a balance responsible party used for the calculation of its imbalance;
- (17) 'self-dispatching model' means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power generating facilities and demand facilities are determined by the scheduling agents of those facilities;
- (18) 'central dispatching model' means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power generating facilities and demand facilities, in reference to dispatchable facilities, are determined by a TSO within the integrated scheduling process;
- (19) 'integrated scheduling process' means an iterative process that uses at least integrated scheduling process bids that contain commercial data, complex technical data of individual power generating facilities or demand facilities and explicitly includes the start-up characteristics, the latest control area adequacy analysis and the operational security limits as an input to the process;
- (20) 'integrated scheduling process gate closure time' means the point in time when the submission or the update of integrated scheduling process bids is no longer permitted for the given iterations of the integrated scheduling process;
- (21) 'TSO-TSO model' means a model for the exchange of balancing services where the balancing service provider provides balancing services to its connecting TSO, which then provides these balancing services to the requesting TSO;
- (22) 'connecting TSO' means the TSO that operates the scheduling area in which balancing service providers and balance responsible parties shall be compliant with the terms and conditions related to balancing;
- (23) 'exchange of balancing services' means either or both exchange of balancing energy and exchange of balancing capacity;

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- (24) ‘exchange of balancing energy’ means the activation of balancing energy bids for the delivery of balancing energy to a TSO in a different scheduling area than the one in which the activated balancing service provider is connected;
- (25) ‘exchange of balancing capacity’ means the provision of balancing capacity to a TSO in a different scheduling area than the one in which the procured balancing service provider is connected;
- (26) ‘transfer of balancing capacity’ means a transfer of balancing capacity from the initially contracted balancing service provider to another balancing service provider;
- (27) ‘balancing energy gate closure time’ means the point in time when submission or update of a balancing energy bid for a standard product on a common merit order list is no longer permitted;
- (28) ‘standard product’ means a harmonised balancing product defined by all TSOs for the exchange of balancing services;
- (29) ‘preparation period’ means the period between the request by the connecting TSO in case of TSO-TSO model or by the contracting TSO in case of TSO-BSP model and the start of the ramping period;
- (30) ‘full activation time’ means the period between the activation request by the connecting TSO in case of TSO-TSO model or by the contracting TSO in case of TSO-BSP model and the corresponding full delivery of the concerned product;
- (31) ‘deactivation period’ means the period for ramping from full delivery to a set point, or from full withdrawal back to a set point;
- (32) ‘delivery period’ means the period of delivery during which the balancing service provider delivers the full requested change of power in-feed to, or the full requested change of withdrawals from the system;
- (33) ‘validity period’ means the period when the balancing energy bid offered by the balancing service provider can be activated, where all the characteristics of the product are respected. The validity period is defined by a start time and an end time;
- (34) ‘mode of activation’ means the mode of activation of balancing energy bids, manual or automatic, depending on whether balancing energy is triggered manually by an operator or automatically in a closed-loop manner;
- (35) ‘divisibility’ means the possibility for a TSO to use only part of the balancing energy bids or balancing capacity bids offered by the balancing service provider, either in terms of power activation or time duration;
- (36) ‘specific product’ means a product different from a standard product;
- (37) ‘common merit order list’ means a list of balancing energy bids sorted in order of their bid prices, used for the activation of those bids;
- (38) ‘TSO energy bid submission gate closure time’ means the latest point in time when a connecting TSO can forward the balancing energy bids received from a balancing service provider to the activation optimisation function;
- (39) ‘activation optimisation function’ means the function of operating the algorithm applied to optimise the activation of balancing energy bids;

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- (40) ‘imbalance netting process function’ means the role to operate the algorithm applied for operating the imbalance netting process;
- (41) ‘TSO-TSO settlement function’ means the function of performing the settlement of cooperation processes between the TSOs;
- (42) ‘capacity procurement optimisation function’ means the function of operating the algorithm applied for the optimisation of the procurement of balancing capacity for TSOs exchanging balancing capacity.
- (43) ‘TSO-BSP model’ means a model for the exchange of balancing services where the balancing service provider provides balancing services directly to the contracting TSO, which then provides these balancing services to the requesting TSO;
- (44) ‘contracting TSO’ means the TSO that has contractual arrangements for balancing services with a balancing service provider in another scheduling area;
- (45) ‘requesting TSO’ means the TSO that requests the delivery of balancing energy.

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- (1) Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council ([OJ L 163, 15.6.2013, p. 1](#)).
- (2) Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management ([OJ L 197, 25.7.2015, p. 24](#)).
- (3) Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators ([OJ L 112, 27.4.2016, p. 1](#)).
- (4) Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection ([OJ L 223, 18.8.2016, p. 10](#)).
- (5) Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules ([OJ L 241, 8.9.2016, p. 1](#)).
- (6) Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation ([OJ L 259, 27.9.2016, p. 42](#)).
- (7) Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (see page 54 of this Official Journal).

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulation revoked by [S.I. 2019/532 reg. 5\(2\)](#) (This amendment not applied to [legislation.gov.uk](#). Reg. 5(2) omitted (15.9.2020) by virtue of [S.I. 2020/1016](#), regs. 1(2), 5(3))
- Art. 2 words substituted by [S.I. 2019/532 Sch. 2 para. 3\(2\)](#)
- Art. 2 words substituted in earlier amending provision [S.I. 2019/532](#), Sch. 2 para. 3(2) by [S.I. 2020/1016 reg. 5\(5\)\(a\)](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Title 2 Ch. 2 heading substituted by [S.I. 2019/532 Sch. 2 para. 19](#)
- Title 3 Ch. 1 omitted by [S.I. 2019/532 Sch. 2 para. 22](#)
- Title 3 Ch. 3 omitted by [S.I. 2019/532 Sch. 2 para. 26](#)
- Title 4 omitted by [S.I. 2019/532 Sch. 2 para. 27](#)
- Title 5 Ch. 3 omitted by [S.I. 2019/532 Sch. 2 para. 31](#)
- Title 6 omitted by [S.I. 2019/532 Sch. 2 para. 36](#)
- Title 10 heading words omitted by [S.I. 2019/532 Sch. 2 para. 42](#)
- Signature words omitted by [S.I. 2019/532 Sch. 2 para. 44](#)
- Art. 2(18)-(21) omitted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(a\)](#)
- Art. 2(23)-(25) omitted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(a\)](#)
- Art. 2(27) words omitted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(b\)](#)
- Art. 2(28)-(32) omitted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(c\)](#)
- Art. 2(34)-(45) omitted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(c\)](#)
- Art. 2(46)-(49) inserted by [S.I. 2019/532 Sch. 2 para. 3\(3\)\(d\)](#)
- Art. 2(46)-(48) words substituted in earlier amending provision [S.I. 2019/532](#), Sch. 2 para. 3(3)(d) by [S.I. 2020/1016 reg. 5\(5\)\(b\)](#)
- Art. 2(49) omitted in earlier amending provision [S.I. 2019/532](#), Sch. 2 para. 3(3)(d) by [S.I. 2020/1006 reg. 2\(2\)](#)
- Art. 3(1)(b) words omitted by [S.I. 2019/532 Sch. 2 para. 4\(2\)\(a\)](#)
- Art. 3(1)(d) words omitted by [S.I. 2019/532 Sch. 2 para. 4\(2\)\(b\)](#)
- Art. 3(1)(e) words substituted by [S.I. 2019/532 Sch. 2 para. 4\(2\)\(c\)](#)
- Art. 3(1)(g) words substituted by [S.I. 2019/532 Sch. 2 para. 4\(2\)\(d\)](#)
- Art. 3(2)(f) words substituted by [S.I. 2019/532 Sch. 2 para. 4\(3\)\(b\)](#)
- Art. 3(2)(h) word omitted by [S.I. 2019/532 Sch. 2 para. 4\(3\)\(c\)](#)
- Art. 5(4)(d)(e) omitted by [S.I. 2019/532 Sch. 2 para. 6\(4\)\(b\)](#)
- Art. 5(4)(j)(k) inserted by [S.I. 2019/532 Sch. 2 para. 6\(4\)\(c\)](#)
- Art. 12(3)(c)(d) omitted by [S.I. 2019/532 Sch. 2 para. 13\(2\)\(a\)](#)
- Art. 12(3)(e)(iii) words omitted by [S.I. 2019/532 Sch. 2 para. 13\(2\)\(b\)\(i\)](#)
- Art. 12(3)(e)(iv) omitted by [S.I. 2019/532 Sch. 2 para. 13\(2\)\(b\)\(ii\)](#)
- Art. 12(3)(g) words substituted by [S.I. 2019/532 Sch. 2 para. 13\(2\)\(c\)](#)
- Art. 12(3)(h)-(l) omitted by [S.I. 2019/532 Sch. 2 para. 13\(2\)\(d\)](#)
- Art. 18(3)(b) omitted by [S.I. 2019/532 Sch. 2 para. 18\(3\)](#)
- Art. 18(5)(b) word omitted by [S.I. 2019/532 Sch. 2 para. 18\(4\)\(a\)](#)
- Art. 18(5)(g) word substituted by [S.I. 2019/532 Sch. 2 para. 18\(4\)\(b\)](#)
- Art. 18(6)(e) words substituted by [S.I. 2019/532 Sch. 2 para. 18\(5\)](#)
- Art. 18(7)(a) omitted by [S.I. 2019/532 Sch. 2 para. 18\(6\)\(a\)](#)
- Art. 18(7)(b) words omitted by [S.I. 2019/532 Sch. 2 para. 18\(6\)\(b\)\(i\)](#)
- Art. 18(7)(b) words omitted by [S.I. 2019/532 Sch. 2 para. 18\(6\)\(b\)\(ii\)](#)
- Art. 18(7)(c) omitted by [S.I. 2019/532 Sch. 2 para. 18\(6\)\(c\)](#)

- Art. 18(7)(f) words omitted by S.I. 2019/532 Sch. 2 para. 18(6)(d)
- Art. 18(7)(g) words substituted by S.I. 2019/532 Sch. 2 para. 18(6)(e)
- Art. 32(1)(a) words omitted by S.I. 2019/532 Sch. 2 para. 23(2)(a)
- Art. 32(1)(c) word omitted by S.I. 2019/532 Sch. 2 para. 23(2)(b)(i)
- Art. 32(1)(c) words omitted by S.I. 2019/532 Sch. 2 para. 23(2)(b)(ii)
- Art. 32(3)(c) words substituted by S.I. 2019/532 Sch. 2 para. 23(3)(b)
- Art. 34(3)(c) words substituted by S.I. 2019/532 Sch. 2 para. 25(2)
- Art. 44(1)(d) omitted by S.I. 2019/532 Sch. 2 para. 28(2)
- Art. 52(2)(d)(i) word substituted by S.I. 2019/532 Sch. 2 para. 32(2)(b)(i)
- Art. 52(2)(d)(i) words omitted by S.I. 2019/532 Sch. 2 para. 32(2)(b)(ii)
- Art. 54(3)(c) omitted by S.I. 2019/532 Sch. 2 para. 34(3)
- Art. 60(2)(a) omitted by S.I. 2019/532 Sch. 2 para. 38(2)
- Art. 60(2)(d) omitted by S.I. 2019/532 Sch. 2 para. 38(2)
- Art. 60(2)(e) omitted by S.I. 2019/532 Sch. 2 para. 38(2)
- Art. 60(2)(f) omitted by S.I. 2019/532 Sch. 2 para. 38(2)
- Art. 60(2)(g) omitted by S.I. 2019/532 Sch. 2 para. 38(2)
- Art. 61(2)(e) words omitted by S.I. 2019/532 Sch. 2 para. 39(3)(a)
- Art. 61(2)(f) word omitted by S.I. 2019/532 Sch. 2 para. 39(3)(b)
- Art. 62(2)(a)-(c) omitted by S.I. 2019/532 Sch. 2 para. 40(3)(a)
- Art. 62(2)(d) word substituted by S.I. 2019/532 Sch. 2 para. 40(3)(b)
- Art. 62(2)(e) words omitted by S.I. 2019/532 Sch. 2 para. 40(3)(c)
- Art. 62(5)(d)(e) omitted by S.I. 2019/532 Sch. 2 para. 40(5)
- Art. 62(8)(d) word omitted by S.I. 2019/532 Sch. 2 para. 40(6)(a)
- Art. 62(8)(f) omitted by S.I. 2019/532 Sch. 2 para. 40(6)(b)