

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

TITLE II

**ELECTRICITY BALANCING MARKET**

CHAPTER I

***Functions and responsibilities***

*Article 14*

**Role of the TSOs**

1 Each TSO shall be responsible for procuring balancing services from balancing service providers in order to ensure operational security.

2 Each TSO shall apply a self-dispatching model for determining generation schedules and consumption schedules. TSOs that apply a central dispatching model at the time of the entry into force of this Regulation shall notify to the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC in order to continue to apply a central dispatching model for determining generation schedules and consumption schedules. The relevant regulatory authority shall verify whether the tasks and responsibilities of the TSO are consistent with the definition in Article 2(18).

*Article 15*

**Cooperation with DSOs**

1 DSOs, TSOs, balancing service providers and balance responsible parties shall cooperate in order to ensure efficient and effective balancing.

2 Each DSO shall provide, in due time, all necessary information in order to perform the imbalance settlement to the connecting TSO in accordance with the terms and conditions related to balancing pursuant to Article 18.

3 Each TSO may, together with the reserve connecting DSOs within the TSO's control area, jointly elaborate a methodology for allocating costs resulting from actions of DSOs pursuant to paragraphs 4 and 5 of Article 182 of Regulation (EU) 2017/1485. The methodology shall provide for a fair allocation of costs taking into account the responsibilities of the parties involved.

4 DSOs shall report to the connecting TSO any limits defined pursuant to paragraphs 4 and 5 of Article 182 of Regulation (EU) 2017/1485 that could affect the requirements set out in this Regulation.

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**Changes to legislation:** There are outstanding changes not yet made to Commission Regulation (EU) 2017/2195. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## Article 16

### Role of balancing service providers

1 A balancing service provider shall qualify for providing bids for balancing energy or balancing capacity which are activated or procured by the connecting TSO or, in a TSO-BSP model, by the contracting TSO. Successful completion of the prequalification, ensured by the connecting TSO and processed pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485 shall be considered as a prerequisite for the successful completion of the qualification process to become a balancing service provider pursuant to this Regulation.

2 Each balancing service provider shall submit to the connecting TSO its balancing capacity bids that affect one or more balance responsible parties.

3 Each balancing service provider participating in the procurement process for balancing capacity shall submit and have the right to update its balancing capacity bids before the gate closure time of the procurement process.

4 Each balancing service provider with a contract for balancing capacity shall submit to its connecting TSO the balancing energy bids or integrated scheduling process bids corresponding to the volume, products, and other requirements set out in the balancing capacity contract.

5 Any balancing service provider shall have the right to submit to its connecting TSO the balancing energy bids from standard products or specific products or integrated scheduling process bids for which it has passed the prequalification process pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485.

6 The price of the balancing energy bids or integrated scheduling process bids from standard and specific products pursuant to paragraph 4 shall not be predetermined in a contract for balancing capacity. A TSO may propose an exemption to this rule in the proposal for the terms and conditions related to balancing set-up pursuant to Article 18. Such an exemption shall only apply to specific products pursuant to Article 26(3)(b) and be accompanied with a justification demonstrating higher economic efficiency.

7 There shall be no discrimination between balancing energy bids or integrated scheduling process bids submitted pursuant to paragraph 4 and balancing energy bids or integrated scheduling process bids submitted pursuant to paragraph 5.

8 For each product for balancing energy or balancing capacity, the reserve providing unit, the reserve providing group, the demand facility or the third party and the associated balance responsible parties pursuant to Article 18(4)(d), shall belong to the same scheduling area.

## Article 17

### Role of balance responsible parties

1 In real time, each balance responsible party shall strive to be balanced or help the power system to be balanced. The detailed requirements concerning this obligation shall be defined in the proposal for terms and conditions related to balancing set up pursuant to Article 18.

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2 Each balance responsible party shall be financially responsible for the imbalances to be settled with the connecting TSO.

3 Prior to the intraday cross-zonal gate closure time, each balance responsible party may change the schedules required to calculate its position pursuant to Article 54. TSOs applying a central dispatching model may establish specific conditions and rules for changing the schedules of a balance responsible party in the terms and conditions related to balancing set up pursuant to Article 18.

4 After the intraday cross-zonal gate closure time, each balance responsible party may change the internal commercial schedules required to calculate its position pursuant to Article 54 in accordance with the rules set out in the terms and conditions related to balancing set up pursuant to Article 18.

### *Article 18*

#### **Terms and conditions related to balancing**

1 No later than six months after entry into force of this Regulation and for all scheduling areas of a Member State, the TSOs of this Member State shall develop a proposal regarding:

- a the terms and conditions for balancing service providers;
- b the terms and conditions for balance responsible parties.

Where a LFC area consists of two or more TSOs, all TSOs of that LFC area may develop a common proposal subject to the approval by the relevant regulatory authorities.

2 The terms and conditions pursuant to paragraph 1 shall also include the rules for suspension and restoration of market activities pursuant to Article 36 of Regulation (EU) 2017/2196 and rules for settlement in case of market suspension pursuant to Article 39 of Regulation (EU) 2017/2196 once approved in accordance with Article 4 of Regulation (EU) 2017/2196.

3 When developing proposals for terms and conditions for balancing service providers and balance responsible parties, each TSO shall:

- a coordinate with the TSOs and DSOs that may be affected by those terms and conditions;
- b respect the frameworks for the establishment of European platforms for the exchange of balancing energy and for the imbalance netting process pursuant to Articles 19, 20, 21 and 22;
- c involve other DSOs and other stakeholders throughout the development of the proposal and take into account their views without prejudice to public consultation pursuant to Article 10.

4 The terms and conditions for balancing service providers shall:

- a define reasonable and justified requirements for the provisions of balancing services;
- b allow the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to offer balancing services subject to conditions referred to in paragraph 5 (c);
- c allow demand facility owners, third parties and owners of power generating facilities from conventional and renewable energy sources as well as owners of energy storage units to become balancing service providers;
- d require that each balancing energy bid from a balancing service provider is assigned to one or more balance responsible parties to enable the calculation of an imbalance adjustment pursuant to Article 49.

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- 5 The terms and conditions for balancing service providers shall contain:
- a the rules for the qualification process to become a balancing service provider pursuant to Article 16;
  - b the rules, requirements and timescales for the procurement and transfer of balancing capacity pursuant to Articles 32, 33 and 34;
  - c the rules and conditions for the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to become a balancing service provider;
  - d the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO during the prequalification process and operation of the balancing market;
  - e the rules and conditions for the assignment of each balancing energy bid from a balancing service provider to one or more balance responsible parties pursuant to paragraph 4 (d);
  - f the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO to evaluate the provisions of balancing services pursuant to Article 154(1), Article 154(8), Article 158(1)(e), Article 158(4)(b), Article 161(1)(f) and Article 161(4)(b) of Regulation (EU) 2017/1485;
  - g the definition of a location for each standard product and each specific product taking into account paragraph 5 (c);
  - h the rules for the determination of the volume of balancing energy to be settled with the balancing service provider pursuant to Article 45;
  - i the rules for the settlement of balancing service providers defined pursuant to Chapters 2 and 5 of Title V;
  - j a maximum period for the finalisation of the settlement of balancing energy with a balancing service provider in accordance with Article 45, for any given imbalance settlement period;
  - k the consequences in case of non-compliance with the terms and conditions applicable to balancing service providers.
- 6 The terms and conditions for balance responsible parties shall contain:
- a the definition of balance responsibility for each connection in a way that avoids any gaps or overlaps in the balance responsibility of different market participants providing services to that connection;
  - b the requirements for becoming a balance responsible party;
  - c the requirement that all balance responsible parties shall be financially responsible for their imbalances, and that the imbalances shall be settled with the connecting TSO;
  - d the requirements on data and information to be delivered to the connecting TSO to calculate the imbalances;
  - e the rules for balance responsible parties to change their schedules prior to and after the intraday energy gate closure time pursuant to paragraphs 3 and 4 of Article 17;
  - f the rules for the settlement of balance responsible parties defined pursuant to Chapter 4 of Title V;
  - g the delineation of an imbalance area pursuant to Article 54(2) and an imbalance price area;
  - h a maximum period for the finalisation of the settlement of imbalances with balance responsible parties for any given imbalance settlement period pursuant to Article 54;
  - i the consequences in case of non-compliance with the terms and conditions applicable to balance responsible parties;

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- j an obligation for balance responsible parties to submit to the connecting TSO any modifications of the position;
- k the settlement rules pursuant to Articles 52, 53, 54 and 55;
- l where existing, the provisions for the exclusion of imbalances from the imbalance settlement when they are associated with the introduction of ramping restrictions for the alleviation of deterministic frequency deviations pursuant to Article 137(4) of Regulation (EU) 2017/1485.

7 Each connecting TSO may include the following elements in the proposal for the terms and conditions for balancing service providers or in the terms and conditions for balance responsible parties:

- a a requirement for balancing service providers to provide information on unused generation capacity and other balancing resources from balancing service providers, after the day-ahead market gate closure time and after the intraday cross-zonal gate closure time;
- b where justified, a requirement for balancing service providers to offer the unused generation capacity or other balancing resources through balancing energy bids or integrated scheduling process bids in the balancing markets after day ahead market gate closure time, without prejudice to the possibility of balancing service providers to change their balancing energy bids prior to the balancing energy gate closure time or the integrated scheduling process gate closure time due to trading within intraday market;
- c where justified, a requirement for balancing service providers to offer the unused generation capacity or other balancing resources through balancing energy bids or integrated scheduling process bids in the balancing markets after intraday cross-zonal gate closure time;
- d specific requirements with regard to the position of balance responsible parties submitted after the day-ahead market timeframe to ensure that the sum of their internal and external commercial trade schedules equals the sum of the physical generation and consumption schedules, taking into account electrical losses compensation, where relevant;
- e an exemption to publish information on offered prices of balancing energy or balancing capacity bids due to market abuse concerns pursuant to Article 12(4);
- f an exemption for specific products defined in Article 26(3)(b) to predetermine the price of the balancing energy bids from a balancing capacity contract pursuant to Article 16(6);
- g an application for the use of dual pricing for all imbalances based on the conditions established pursuant to Article 52(2)(d)(i) and the methodology for applying dual pricing pursuant to Article 52(2)(d)(ii).

8 TSOs applying a central dispatching model shall also include the following elements in the terms and conditions related to balancing:

- a the integrated scheduling process gate closure time pursuant to Article 24(5);
- b the rules for updating the integrated scheduling process bids after each integrated scheduling process gate closure time pursuant to Article 24(6);
- c the rules for using integrated scheduling process bids prior to the balancing energy gate closure time pursuant to Article 24(7);
- d the rules for converting integrated scheduling process bids pursuant to Article 27.

9 Each TSO shall monitor the fulfilment by all parties of the requirements set out in the terms and conditions for balancing within its scheduling area or scheduling areas.

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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))

**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)