

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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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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CHAPTER 2

European platforms for the exchange of balancing energy

Article 19

European platform for the exchange of balancing energy from replacement reserves

1 By six months after entry into force of this Regulation, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 shall develop a proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves.

2 The European platform for the exchange of balancing energy from replacement reserves, operated by TSOs or by means of an entity the TSOs would create themselves, shall be based on common governance principles and business processes and shall consist of at least the activation optimisation function and the TSO-TSO settlement function. That European platform shall apply a multilateral TSO-TSO model with common merit order lists to exchange all balancing energy bids from all standard products for replacement reserves, except for unavailable bids pursuant to Article 29(14).

3 The proposal in paragraph 1 shall include at least:

- a the high level design of the European platform;
- b the roadmap and timelines for the implementation of the European platform;
- c the definition of the functions required to operate the European platform;
- d the proposed rules concerning the governance and operation of the European platform, based on the principle of non-discrimination and ensuring equitable treatment of all member TSOs and that no TSO benefits from unjustified economic advantages through the participation in the functions of the European platform;
- e the proposed designation of the entity or entities that will perform the functions defined in the proposal. Where the TSOs propose to designate more than one entity, the proposal shall demonstrate and ensure:
 - (i) a coherent allocation of the functions to the entities operating the European platform. The proposal shall take full account of the need to coordinate the different functions allocated to the entities operating the European platform;
 - (ii) that the proposed setup of the European platform and allocation of functions ensures efficient and effective governance, operation and regulatory oversight of the European platform as well as, supports the objectives of this Regulation;
 - (iii) an effective coordination and decision making process to resolve any conflicting positions between entities operating the European platform;
- f the framework for harmonisation of the terms and conditions related to balancing set up pursuant to Article 18;
- g the detailed principles for sharing the common costs, including the detailed categorisation of common costs, in accordance with Article 23;
- h the balancing energy gate closure time for all standard products for replacement reserves in accordance with Article 24;
- i the definition of standard products for balancing energy from replacement reserves in accordance with Article 25;
- j the TSO energy bid submission gate closure time in accordance with Article 29(13);

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- k the common merit order lists to be organised by the common activation optimisation function pursuant to Article 31;
- l the description of the algorithm for the operation of the activation optimisation function for the balancing energy bids from all standard products for replacement reserves in accordance with Article 58.

4 By six months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 shall designate the proposed entity or entities entrusted with operating the European platform pursuant to paragraph 3(e).

5 By one year after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 and that have at least one interconnected neighbouring TSO performing the replacement reserves process shall implement and make operational the European platform for the exchange of balancing energy from replacement reserves. They shall use the European platform to:

- a submit all balancing energy bids from all standard products for replacement reserves;
- b exchange all balancing energy bids from all standard products for replacement reserves, except for unavailable bids pursuant to Article 29(14);
- c strive to fulfil all their needs for balancing energy from replacement reserves.

Article 20

European platform for the exchange of balancing energy from frequency restoration reserves with manual activation

1 By one year after entry into force of this Regulation, all TSOs shall develop a proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with manual activation.

2 The European platform for the exchange of balancing energy from frequency restoration reserves with manual activation, operated by TSOs or by means of an entity the TSOs would create themselves, shall be based on common governance principles and business processes and shall consist of at least the activation optimisation function and the TSO-TSO settlement function. This European platform shall apply a multilateral TSO-TSO model with common merit order lists to exchange all balancing energy bids from all standard products for frequency restoration reserves with manual activation, except for unavailable bids pursuant to Article 29(14).

3 The proposal in paragraph 1 shall include at least:

- a the high level design of the European platform;
- b the roadmap and timelines for the implementation of the European platform;
- c the definition of the functions required to operate the European platform;
- d the proposed rules concerning the governance and operation of the European platform, based on the principle of non-discrimination and ensuring equitable treatment of all member TSOs and that no TSO benefits from unjustified economic advantages through the participation in the functions of the European platform;
- e the proposed designation of the entity or entities that will perform the functions defined in the proposal. Where the TSOs propose to designate more than one entity, the proposal shall demonstrate and ensure:

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- (i) a coherent allocation of the functions to the entities operating the European platform. The proposal shall take full account of the need to coordinate the different functions allocated to the entities operating the European platform;
- (ii) that the proposed setup of the European platform and allocation of functions ensures efficient and effective governance, operation and regulatory oversight of the European platform as well as, supports the objectives of this Regulation;
- (iii) an effective coordination and decision making process to resolve any conflicting positions between entities operating the European platform;
- f the framework for harmonisation of the terms and conditions related to balancing set up pursuant to Article 18;
- g the detailed principles for sharing the common costs, including the detailed categorisation of common costs, in accordance with Article 23;
- h the balancing energy gate closure time for all standard products for frequency restoration reserves with manual activation in accordance with Article 24;
- i the definition of standard products for balancing energy from frequency restoration reserves with manual activation in accordance with Article 25;
- j the TSO energy bid submission gate closure time in accordance with Article 29(13);
- k the common merit order lists to be organised by the common activation optimisation function pursuant to Article 31;
- l the description of the algorithm for the operation of the activation optimisation function for the balancing energy bids from all standard products for frequency restoration reserves with manual activation in accordance with Article 58.

4 By six months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with manual activation, all TSOs shall designate the proposed entity or entities entrusted with operating the European platform pursuant to paragraph 3(e).

5 By eighteen months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with manual activation, all TSOs may develop a proposal for modification of the European platform for the exchange of balancing energy from frequency restoration reserves with manual activation pursuant to paragraph 1. Proposed modifications shall be supported by a cost-benefit analysis performed by all TSOs pursuant to Article 61. The proposal shall be notified to the Commission.

6 By thirty months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with manual activation, or where all TSOs submit a proposal for modification of the European platform pursuant to paragraph 5, by 12 months after the approval of the proposal for modification of the European platform, all TSOs shall implement and make operational the European platform for the exchange of balancing energy from frequency restoration reserves with manual activation and they shall use the European platform to:

- a submit all balancing energy bids from all standard products for frequency restoration reserves with manual activation;
- b exchange all balancing energy bids from all standard products for frequency restoration reserves with manual activation, except for unavailable bids pursuant to Article 29(14);
- c strive to fulfil all their needs for balancing energy from the frequency restoration reserves with manual activation.

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Article 21

European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation

1 By one year after entry into force of this Regulation, all TSOs shall develop a proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation.

2 The European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation, operated by TSOs or by means of an entity the TSOs would create themselves, shall be based on common governance principles and business processes and shall consist of at least the activation optimisation function and the TSO-TSO settlement function. This European platform shall apply a multilateral TSO-TSO model with common merit order lists to exchange all balancing energy bids from all standard products for frequency restoration reserves with automatic activation, except for unavailable bids pursuant to Article 29(14).

3 The proposal in paragraph 1 shall include at least:

- a the high level design of the European platform;
- b the roadmap and timelines for the implementation of the European platform;
- c the definition of the functions required to operate the European platform;
- d the proposed rules concerning the governance and operation of the European platform, based on the principle of non-discrimination and ensuring equitable treatment of all member TSOs and that no TSO benefits from unjustified economic advantages through the participation in the functions of the European platform;
- e the proposed designation of the entity or entities that will perform the functions defined in the proposal. Where the TSOs propose to designate more than one entity, the proposal shall demonstrate and ensure:
 - (i) a coherent allocation of the functions to the entities operating the European platform. The proposal shall take full account of the need to coordinate the different functions allocated to the entities operating the European platform;
 - (ii) that the proposed setup of the European platform and allocation of functions ensures efficient and effective governance, operation and regulatory oversight of the European platform as well as supports the objectives of this Regulation;
 - (iii) an effective coordination and decision making process to resolve any conflicting positions between entities operating the European platform;
- f the framework for harmonisation of the terms and conditions related to balancing set up pursuant to Article 18;
- g the detailed principles for sharing the common costs, including the detailed categorisation of common costs, in accordance with Article 23;
- h the balancing energy gate closure time for all standard products for frequency restoration reserves with automatic activation in accordance with Article 24;
- i the definition of standard products for balancing energy from frequency restoration reserves with automatic activation in accordance with Article 25;
- j the TSO energy bid submission gate closure time in accordance with Article 29(13);
- k the common merit order lists to be organised by the common activation optimisation function pursuant to Article 31;

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- 1 the description of the algorithm for the operation of the activation optimisation function for the balancing energy bids from all standard products for frequency restoration reserves with automatic activation in accordance with Article 58.

4 By six months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation, all TSOs shall designate the proposed entity or entities entrusted with operating the European platform pursuant to paragraph 3(e).

5 By eighteen months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation, all TSOs may develop a proposal for modification of the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation pursuant to paragraph 1 and of the principles set in paragraph 2. Proposed modifications shall be supported by a cost-benefit analysis performed by the all TSOs pursuant to Article 61. The proposal shall be notified to the Commission.

6 By thirty months from the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation, or where all TSOs submit a proposal for modification of the European platform pursuant to paragraph 5, by 12 months after the approval of the proposal for modification of the European platform, all TSOs performing the automatic frequency restoration process pursuant to Part IV of Regulation (EU) 2017/1485 shall implement and make operational the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation and they shall use the European platform to:

- a submit all balancing energy bids from all standard products for frequency restoration reserves with automatic activation;
- b exchange all balancing energy bids from all standard products for frequency restoration reserves with automatic activation, except for unavailable bids pursuant to Article 29(14);
- c strive to fulfil all their needs for balancing energy from the frequency restoration reserves with automatic activation.

Article 22

European platform for imbalance netting process

1 By six months after entry into force of this Regulation, all TSOs shall develop a proposal for the implementation framework for a European platform for the imbalance netting process.

2 The European platform for the imbalance netting process, operated by TSOs or by means of an entity the TSOs would create themselves, shall be based on common governance principles and business processes and shall consist of at least the imbalance netting process function and the TSO-TSO settlement function. The European platform shall apply a multilateral TSO-TSO model to perform the imbalance netting process.

3 The proposal in paragraph 1 shall include at least:

- a the high level design of the European platform;
- b the roadmap and timelines for the implementation of the European platform;
- c the definition of functions required to operate the European platform;
- d the proposed rules concerning the governance and operation of the European platform, based on the principle of non-discrimination and ensuring equitable treatment of all

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- member TSOs and that no TSO benefits from unjustified economic advantages through the participation in the functions of the European platform;
- e the proposed designation of the entity or entities that will perform the functions defined in the proposal. Where the TSOs propose to designate more than one entity, the proposal shall demonstrate and ensure:
- (i) a coherent allocation of the functions to the entities operating the European platform. The proposal shall take full account of the need to coordinate the different functions allocated to the entities operating the European platform;
 - (ii) that the proposed setup of the European platform and allocation of functions ensures efficient and effective governance, operation and regulatory oversight of the European platform as well as supports the objectives of this Regulation;
 - (iii) an effective coordination and decision making process to resolve any conflicting positions between entities operating the European platform;
- f the framework for harmonisation of the terms and conditions related to balancing set up pursuant to Article 18;
- g the detailed principles for sharing the common costs, including the detailed categorisation of common costs, in accordance with Article 23;
- h the description of the algorithm for the operation of imbalance netting process function in accordance with Article 58.
- 4 By six months after the approval of the proposal for the implementation framework for a European platform for the imbalance netting process, all TSOs shall designate the proposed entity or entities entrusted with operating the European platform pursuant to paragraph 3(e).
- 5 By one year after the approval of the proposal for the implementation framework for a European platform for the imbalance netting process, all TSOs performing the automatic frequency restoration process pursuant to Part IV of Regulation (EU) 2017/1485 shall implement and make operational the European platform for the imbalance netting process. They shall use the European platform to perform the imbalance netting process, at least for the Continental Europe synchronous area.

Article 23

Cost sharing between TSOs in different Member States

- 1 All TSOs shall provide a yearly report to the relevant regulatory authorities in accordance with Article 37 of Directive 2009/72/EC in which the costs of establishing, amending and operating the European platforms pursuant to Articles 19, 20, 21 and 22 are explained in detail. This report shall be published by the Agency taking due account of sensitive commercial information.
- 2 The costs referred to in paragraph 1 shall be broken down into:
- a common costs resulting from coordinated activities of all TSOs participating in the respective platforms;
 - b regional costs resulting from activities of several but not all TSOs participating in the respective platforms;
 - c national costs resulting from activities of the TSOs in that Member State participating in the respective platforms.

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3 Common costs referred to in paragraph 2(a) shall be shared among the TSOs in the Member States and third countries participating in the European platforms. To calculate the amount to be paid by the TSOs in each Member State and, if applicable, third country, one eighth of the common cost shall be divided equally between each Member State and third country, five eighths shall be divided between each Member State and third country proportionally to their consumption, and two eighths shall be divided equally between the participating TSOs pursuant to paragraph 2(a). The Member State's share of the costs shall be borne by the TSO or TSOs operating in a territory of that Member State. In case several TSOs are operating in a Member State, the Member State's share of the costs shall be distributed among those TSOs proportionally to the consumption in the TSOs control areas.

4 To take into account changes in the common costs or changes in the participating TSOs, the calculation of common costs shall be regularly adapted.

5 TSOs cooperating in a certain region shall jointly agree on a proposal for the sharing of regional costs in accordance with paragraph 2(b). The proposal shall then be individually approved by the relevant regulatory authorities of each of the Member States and, if applicable, third country in the region. TSOs cooperating in a certain region may alternatively use the cost sharing arrangements set out in paragraph 3.

6 The cost sharing principles shall apply to costs contributing to the establishing, amending and operating the European platforms from the approval of the proposal for the relevant implementation frameworks pursuant to Articles 19(1), 20(1), 21(1) and 22(1). In case the implementation frameworks propose that existing projects shall evolve into a European platform, all TSOs participating in the existing projects may propose that a share of the costs incurred before the approval of the proposal for the implementation frameworks directly related to the development and implementation of this project and assessed as reasonable, efficient and proportionate is considered as part of the common costs pursuant to paragraph 2(a).

Article 24

Balancing energy gate closure time

1 As part of the proposals pursuant to Articles 19, 20 and 21, all TSOs shall harmonise the balancing energy gate closure time for standard products at the Union level, at least for each of the following processes:

- a replacement reserves;
- b frequency restoration reserves with manual activation;
- c frequency restoration reserves with automatic activation.

2 Balancing energy gate closure times shall:

- a be as close as possible to real time;
- b not be before the intraday cross-zonal gate closure time;
- c ensure sufficient time for the necessary balancing processes.

3 After the balancing energy gate closure time, the balancing service providers shall no longer be permitted to submit or update their balancing energy bids.

4 After the balancing energy gate closure time, balancing service providers shall report to the connecting TSO any unavailable volumes of balancing energy bids without undue delay in accordance to 158(4)(b) and 161(4)(b) of Regulation (EU) 2017/1485. If the balancing service provider has a connection point to a DSO, and if required by the DSO, the balancing service

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provider shall also report any unavailable volumes of balancing energy bids to the DSO without undue delay.

5 By two years after entry into force of this Regulation, each TSO applying a central dispatching model shall define at least one integrated scheduling process gate closure time which shall:

- a enable balancing service providers to update their integrated scheduling bids as close as possible to real time;
- b be no longer than eight hours before real-time;
- c be set before the TSO energy bid submission gate closure time.

6 After each integrated scheduling process gate closure time, the integrated scheduling process bid may only be changed in accordance with the rules defined by the connecting TSO in the terms and conditions for balancing service providers set up pursuant to Article 18. Those rules shall be implemented before the connecting TSO joins any process for the exchange of balancing energy and shall allow balancing service providers to update their integrated scheduling bids to the extent possible until the intraday cross-zonal gate closure time, while ensuring:

- a the economic efficiency of the integrated scheduling process;
- b operational security;
- c consistency of all iterations of the integrated scheduling process;
- d fair and equal treatment of all balancing service providers in the scheduling area;
- e no negative effect on the integrated scheduling process.

7 Each TSO applying a central dispatching model shall establish the rules for using the integrated scheduling process bids prior to the balancing energy gate closure time in accordance with Article 18(8) (c) in order to:

- a ensure that the TSO meets its reserve capacity requirements in real time;
- b ensure sufficient resources to solve internal congestions;
- c ensure the possibility of feasible dispatching of power generating facilities and demand facilities in real time.

Article 25

Requirements for standard products

1 Standard products for balancing energy shall be developed as part of the proposals for the implementation frameworks for the European platforms pursuant to Articles 19, 20 and 21. After the approval of each implementation framework and no later than the time when a TSO uses the respective European platform, the TSO shall use only standard and, where justified, specific balancing energy products in order to maintain the system's balance in accordance with Article 127, Article 157 and Article 160 of Regulation (EU) 2017/1485.

2 By two years after entry into force of this Regulation, all TSOs shall develop a proposal for a list of standard products for balancing capacity for frequency restoration reserves and replacement reserves.

3 At least every two years, all TSOs shall review the list of standard products for balancing energy and balancing capacity. The review of standard products shall take into account:

- a the objectives set out in Article 3(1);

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- b if applicable, proposed changes to the list of standard products and the number of common merit order lists pursuant to Article 31(2);
- c the performance indicators set out in Article 59(4).

4 The list of standard products for balancing energy and balancing capacity may set out at least the following characteristics of a standard product bid:

- a preparation period;
- b ramping period;
- c full activation time;
- d minimum and maximum quantity;
- e deactivation period;
- f minimum and maximum duration of delivery period;
- g validity period;
- h mode of activation.

5 The list of standard products for balancing energy and balancing capacity shall set out at least the following variable characteristics of a standard product to be determined by the balancing service providers during the prequalification or when submitting the standard product bid:

- a price of the bid;
- b divisibility;
- c location;
- d minimum duration between the end of deactivation period and the following activation.

6 Standard products for balancing energy and balancing capacity shall:

- a ensure an efficient standardisation, foster cross-border competition and liquidity, and avoid undue market fragmentation;
- b facilitate the participation of demand facility owners, third parties and owners of power generating facilities from renewable energy sources as well as owners of energy storage units as balancing service providers.

Article 26

Requirements for specific products

1 Following the approval of the implementation frameworks for the European platforms pursuant to Articles 19, 20 and 21, each TSO may develop a proposal for defining and using specific products for balancing energy and balancing capacity. This proposal shall include at least:

- a a definition of specific products and of the time period in which they will be used;
- b a demonstration that standard products are not sufficient to ensure operational security and to maintain the system balance efficiently or a demonstration that some balancing resources cannot participate in the balancing market through standard products;
- c a description of measures proposed to minimise the use of specific products subject to economic efficiency;
- d where applicable, the rules for converting the balancing energy bids from specific products into balancing energy bids from standard products;
- e where applicable, the information on the process for the conversion of balancing energy bids from specific products into balancing energy bids from standard products and the information on which common merit order list the conversion will take place;

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- f a demonstration that the specific products do not create significant inefficiencies and distortions in the balancing market within and outside the scheduling area.
- 2 Each TSO using specific products shall review at least once every two years the necessity to use specific products in accordance with the criteria laid down in paragraph 1.
- 3 The specific products shall be implemented in parallel to the implementation of the standard products. Following the use of the specific products, the connecting TSO may alternatively:
- convert the balancing energy bids from specific products into balancing energy bids from standard products;
 - activate the balancing energy bids from specific products locally without exchanging them.
- 4 The rules for converting balancing energy bids from specific products into balancing energy bids from standard products pursuant to paragraph 1(d) shall:
- be fair, transparent and non-discriminatory;
 - not create barriers for the exchange of balancing services;
 - ensure the financial neutrality of TSOs.

Article 27

Conversion of bids in a central dispatching model

- 1 Each TSO applying a central dispatching model shall use the integrated scheduling process bids for the exchange of balancing services or for the sharing of reserves.
- 2 Each TSO applying a central dispatching model shall use the integrated scheduling process bids available for the real time management of the system to provide balancing services to other TSOs, while respecting operational security constraints.
- 3 Each TSO applying a central dispatching model shall convert as far as possible the integrated scheduling process bids pursuant to paragraph 2 into standard products taking into account operational security. The rules for converting the integrated scheduling process bids into standard products shall:
- be fair, transparent and non-discriminatory;
 - not create barriers for the exchange of balancing services;
 - ensure the financial neutrality of TSOs.

Article 28

Fall-back procedures

- 1 Each TSO shall ensure that fall-back solutions are in place in case the procedures referred to in paragraphs 2 and 3 fail.
- 2 Where the procurement of balancing services fails, the concerned TSOs shall repeat the procurement process. TSOs shall inform market participants that fall-back procedures will be used as soon as possible.
- 3 Where the coordinated activation of balancing energy fails, each TSO may deviate from the common merit order list activation and shall inform market participants as soon as possible.

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.

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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)