

## 18th Electricity Balancing Stakeholder Group (EBSG) Meeting

Date: 12 May 2022

Time: 9:00 – 13:00

Place: Telco

### Participants

No.	Surname	Name	Company	Present (Y/N):
1.	Aliyev	Sultan	ENTSO-E	Y
2.	Ambrosi	Verdiana	Terna	Y
3.	Bakker	Chiel	VEMW	Y
4.	Benquey	Romain	Centrica	Y
5.	Beune	René	E-Bridge	Y
6.	Biglia	Lorenzo	EFET	Y
7.	Bourrousse	Marie	EDF	Y
8.	Chemišinec	Igor	OTE	Y
9.	Cyprien	Videlaine	CRE	Y
10.	de Haan	Jerom	ENTSO-E	Y
11.	de Wit	Paul	Alliander	Y
12.	Demir	Mert	ENTSO-E	Y
13.	Dubbeling	Timon	ACM	Y
14.	Fortanier	Vincent	CRE	Y
15.	Fransen	Mathieu	ACER	Y
16.	Grüneberg	Axel	ENTSO-E	Y
17.	Janson	Stefan	EnBW	Y
18.	Kasper	Ulf	ENTSO-E	Y
19.	Knop	Torsten	EON	Y
20.	Kobliha	Jan	OTE	Y
21.	Kordeš	Andraž	Borzen	Y
22.	Lantrain	Aurore	Epex Spot	Y
23.	Maenhoudt	Marijn	CREG	Y
24.	Maes	Guillaume	Engie	Y
25.	Maier	Sarah	ENTSO-E	Y
26.	Marcina	Kristine	ENTSO-E	Y
27.	Mohr	Lisa-Marie	ACER	Y
28.	Nilsson	Rickard	Nord Pool	Y
29.	Oldenburg	Bernd	ACM	Y
30.	Özmen	Zeynep	EPIAŞ	Y
31.	Peerhossaini	Donia	Eurelectic	Y

No.	Surname	Name	Company	Present (Y/N):
32.	Pinto-Bello	Andres	smartEn	Y
33.	Radanovic	Heni	ACER	Y
34.	Rossi	Stefano	ARERA	Y
35.	Setran	Cristina	Opcom	Y
36.	Tellidou	Athina	ACER	Y
37.	van Putten	Jan	TenneT	Y
38.	van Vliet	Lisse	Europex	Y
39.	Weeber	Sophia	ENTSO-E	Y
40.	Wood	Chris	Elexon	Y
41.	Zwinka	Barbara	BnetZA	Y

## Contents

1. Opening .....	3
2. Updates on the platform go-live planning .....	3
2.1 MARI .....	3
2.2 PICASSO .....	3
3. Common procurement on balancing capacity .....	5
3.1 CZC allocation harmonised methodology .....	5
3.2 Co-optimization .....	8
4. FCR Cooperation .....	12
5. AT-DE balancing capacity cooperation .....	12
6. Transparency Platform Updates .....	13
7. Implementation framework amendments .....	14
8. Discussion and Closing .....	14

# Minutes

## 1. Opening

ACER representative and ENTSO-E representative welcome participants and introduce the agenda.

## 2. Updates on the platform go-live planning

### 2.1 MARI

ENTSO-E representative gives a brief update on current status of the MARI platform, explains updated go-live due to situation in Ukraine. He states that the delay is supposed to be around 2 months.

### 2.2 PICASSO

ENTSO-E representative presents PICASSO platform updates and detailed go-live planning. First TSO (CEPS) will go live on 1<sup>st</sup> of June, on 22<sup>nd</sup> of June, German TSOs and APG will join the platform, so by then first exchange of aFRR should be possible.

EBSG discusses:

- A participant asks to develop the point related to third-countries joining MARI.
  - o ENTSO-E representative states that for PICASSO the 3<sup>rd</sup> country is Swiss TSO that has participated in all IOTs and is technically ready. He states that Swissgrid isn't mentioned in the list of TSOs that will join, there will be a statement of market information of Switzerland in next weeks on this.
  - o ENTSO-E representative notes that Swissgrid is technically capable to join, but due to current circumstances it would be approved to clarify their request to join or not to join by informing the market participants accordingly.
- ACER representative asks that as for MARI there will be update later mid-July for the planning to inform the stakeholders, will that be on ENTISOE webpage.
  - o ENTSO-E representative states that it will be published on the webpage of MARI project at ENTSO-E.
- ACER representative asks to forward the link to EBSG for information.
- A participant asks that as the PICASSO platform is responsible for TSO-TSO communication, is there any information on the current status of the local TSO-BSP platform on their status of implementation of adjusting to target market design as this is a prerequisite for having joined balancing markets operators, are there some insides on early entrance.
  - o ENTSO-E representative states that within PICASSO project there is a so-called LIP monitor, where the readiness of local implementation progress is monitored and one part of that is also the local bidding system. He states that it's a prerequisite to join IOT tests that confirm that the local bidding platform is technical ready for new PICASSO rules. He notes that every

local bidding platform of TSOs that join early, CEPS and the Austrian and German TSOs should be technically ready now.

- A participant asks if the German platform is considered ready.
  - o ENTSO-E representative states that the platform has had its final release update. He states that he is not sure if it has been tested with all BSPs, as he doesn't know about individual testing, but the platform release is there. He notes that German TSOs are now more updating their individual systems in the background, the invoices systems for instance have to be tested and updated now, but the interface to the German BSPs should be there in final version.
- A participant asks if on the transparency part, it is possible to say a couple of words on implementation timing of publication and when is it available at the TP. He states that from the timeline it looks pretty much like immediately after the start. He asks to clarify on publication timing, what is intended frequency and delay of publication.
  - o ENTSO-E representative states that for the planned update of the TP, the go live of the relevant version for short time publication is July 13<sup>th</sup>.
  - o ENTSO-E representative states that the update cycles are as defined in implementation framework, 30 min after occurrence of event if the normal publication time intervals are taken available on the Transparency platform with the 15 minutes interval, then the normal publication cycle is that events are published quite short after the end of these 15 min cycles, normally 3 or 4 minutes. Then the update is published on the transparency platform. He states that what PICASSO now will publish on the Transparency Platform in the beginning is the fallbacks, it is published if a TSO was not connected to the platform but also publish the fallbacks of the PICASSO platform itself on the TP, cross-border capacity limits will be published if there is an operational security reason, if the cross-border capacity limits are manually limited. He notes that on the TransnetBW homepage, also in this 15 min cycle, cross border marginal price in a 4 second resolution will be published as well as the activated volumes also with a 4 second granularity and with an update cycle of 15 min. He states that therefore it's 15 minutes and then afterwards 2 or 3 minutes. He notes that all this data on TransnetBW homepage will be published in simple format, there will be one file per day and this file will then be updated. He explains that also published on the TransnetBW homepage is if there are bids that are set unavailable after GTC, then the reason for unavailability will be published. On the IOP of TP, the publications from the test period are available.
  - o ACER representative asks if adding an item for the next EBSG should be considered, by then the PICASSO go live happened and perhaps also MARI, to present all these publications, the data that is send from balancing to transparency platforms.
- A participant states that he is curious on PICASSO relevant and high granularity data on activations, pricing, capacity, and how and when this is supposed to be published. He states that that obviously causes additional requirements to the platform compared to just 15-minute granularity publications. He notes that it probably can be seen on the testing platform and asks if there maybe is something similar for the TransnetBW website preliminary publication or testing publication available.
  - o ENTSO-E representative states that it is already possible to go to TransnetBW.de under Market, there's the category PICASSO. For beginning of May there should be data.

- ACER representative states that for next EBSG it is possible to provide more structured information, if in the meantime there will be more specific requests they can also be addressed.

### 3. Common procurement on balancing capacity

#### 3.1 CZC allocation harmonised methodology

ENTSO-E representative presents Design Decisions Impacting Market Participants and next steps of the harmonised methodology of Article 38(3) of EB Regulation. He states that it serves to provide stakeholders an idea about what kind of decisions the TSOs have made, and that it should be found on version for public consultation.

EBSG discusses:

- A participant asks to elaborate what the current timing looks like, he states that the central European timings with all reserve categories ahead of the day ahead market are rather familiar to him and asks for confirmation that the Nordics are procuring their capacity way earlier.
  - o ENTSO-E representative states that he has been informed that a suitable timing for them is 7.30 am for aFRR BSP-TSO GCT in the context of a market-based allocation. FCR cooperation would then interfere if CORE etc. would also use 7.30, there the timings are more like 8.30, 9am. He explains that the Baltics and other CCRs have indicated that something between 8.30 and 9 am would work for them. He notes that the issue is also, when CZCAOF is performed, it must be made sure that CZC split is correctly processed and that it is correctly integrated in the final day ahead capacity calculation processes of the CCRs, that must come afterwards. He states that if that is not the case, if in a certain CCR the DACC would be earlier then a new process is needed after the split of CZC in order to make sure that the correct cross-zonal capacity is send to SDAC and normally there's the DACC for that.
- A participant asks if FCR procurement is at 5.30 am in the Nordics.
  - o ENTSO-E representative states that he has no precise information about the FCR.
  - o ACER representative explains that the difference also comes from the way to forecast the market value of the cross-zonal capacity for the exchange of energy. She states that when a TSO is confident enough with the forecasting methodology, it's possible to perform it way before, that is linked to the fact that the Nordics have chosen a different methodology for forecasting which is linked to the market spreads of the previous day. She states that in the CORE market-based, the approach is different, in dialogue with capacity calculation which also puts the timing at a later stage. From the two ACER decisions on these two different methodologies, the Nordic market-based and the CORE market based, the forecasting of the market value of the cross-zonal capacity for the exchange of energy, also defined somehow the timing of the cross-zonal capacity allocation.
  - o ENTSO-E representative states that although he doesn't know if it is for the regional CCRs, but it is not at all an issue for the market-based allocation process of this new harmonised methodology. He notes that the general approach of this market based is not one on one Nordic and not one on one CORE, but something in the middle. He states that the inputs for forecast could be provided D-2, so that's not an issue. He adds that it's just an issue that the

current markets and the processes like DACC and every CCR do have such different timings so there's no natural timeslot with one gate closure, so it is still possible to do the CZCAOF and feed that into the day ahead capacity calculation. He states that because a methodology is developed that fits the flow-based, it's important that the connection to the DACC works well, so it's an additional problem to find a proper one. He notes that that is not the blame of Nordics, even until now with other CCRs it was not possible to find an exact timing.

- A participant states that the gate closure timings have been updated in past, so it is feasible.
- ENTSO-E representative states that the Nordics are one of most serious partners in market based and that it should fit also their market at the end. He shares the concern that even though it is a design decision, it's difficult to find the timing. He states that ENTSO-E is trying to find a solution that can hopefully be part of a public consultation to hear opinions of market participants as they are mostly affected.
- A participant asks what the process/timing is to find a solution, and whether this will be a part of public consultation?
  - ENTSO-E representative explains that this methodology, an all TSO methodology, will have a public consultation of two months where every European market participant has a possibility to respond. He states that as for the process timing, to find a solution, there won't be an exact timing in methodology for public consultation, but it would be great to receive some feedback. He states that the decision must be made in the end of September from TSO side and then in June next year when there is the final approval, it is set in stone. He notes that there is still a year to find a solution. He states that the whole process is defined, it's just now to find this absolute timing that is needed in the methodology for clarity.
  - A participant states that it is being looked for a timing for any balancing capacity cooperation that is choosing either of the three variants that ENTSO-E is providing. He notes that for co-optimisation, the timing is obvious, and the other 2 are yet to be found.
  - ENTSO-E representative states that for inverted market based approach indeed but the question is if it is necessary to find an absolute timing. He states that that is because now there is only one TSO known that has the intention or sees the possibility of applying the inverted market based approach. He states that it will be something in between after SDAC and before intraday starts, somewhere there the balancing capacity procurement should be done, because after procurement it is known exactly how much of the cross-zonal capacity that was made possible is used. The allocated CZC volumes not needed should be given back to the intraday as defined in the EB Regulation.
- A participant asks if it applies to pure market based.
  - ENTSO-E representative states that there are 3 timeframes, and in those 3 timeframes, one unique gate closure is allowed. He states that for this timeframe it is possible to engage as a TSO in a maximum for 6 applications, aFRR, mFRR and RR, in both positive and negative direction, but all those 6 products should have one unique gate closure. He explains that if two different applications of the same standard product are not engaging, it doesn't matter, they still have the same gate closure. He states that if a TSO uses aFRR and mFRR, aFRR with TSO A and mFRR with TSO B, still the two products should have the same closure so the

countries that engage with more than one product can link their bids in order to facilitate markets and liquidity is not gone and substitution of reserve requirements can be fulfilled.

- A participant states that ENTSO-E is arguing that a common GCT for aFRR, mFRR and RR is an immediate consequence of providing the ability for applying market based. He states that he cannot see why general application of market based with consecutive GCT should be infeasible.
  - o ENTSO-E representative states that it is feasible, but it is not fitting the purpose of creating equal markets with equal competition on CZC in case of flow-based. He explains that the same rule is already in CORE market based, there's one gate closure for all standard products. He states as an example that if Germany and Austria extend their cooperation with mFRR the GC of aFRR and mFRR must be the same, but that's already defined in CORE. In the harmonised, this thought has been continued in order to let the CZCAOF create a field where at one moment in time it is possible to make an honest selection of all markets and all applications, that also by flow-based have an interdependency to equal platform make these selections and optimize the allocation of CZC in Europe and open the door for easier merging of creating larger balancing capacity co-operations.
  - o ACER representative states that that was discussed with CORE market based, in the decision we have provided our reasoning for that. She explains that having consecutive GCT means giving priority to specific products for accessing available CZC over others or to co-operations over others in case of flow based because the exchange with a specific TSO would affect also the available CZC on other borders.
- A participant asks if the timing of the consultations have been announced already and what the process / timing to find a solution is.
  - o ENTSO-E representative states that it will be from 29 of June to 29 of August plus minus 1 week.
- A participant states that the presented points were presented as design decisions, so they have been discussed among TSOs. He states that that's the first time that the stakeholders see those 9 points, and as they are impacting BSPs, he asks if there will there be an explanatory document. He suggests that perhaps it is also possible to reorganise a dedicated meeting on that subject, as he feels it is getting more and more complicated.
  - o ENTSO-E representative states that for the public consultation, there should be additional information on this. He notes that there is a digital stakeholder workshop planned.
  - o ACER representative states that the next EBSG is end of October, so maybe at this point it will be possible to provide more information, so comments of stakeholders may be considered. She asks if it is possible to schedule some follow up.
- A participant states that he finds the "PB of GCT" difficult to understand without detailed slides with practical examples. He asks if this will be included in the material of the consultation.
  - o ENTSO-E representative states that this is well noted and can be included in explanatory document and webinar during public consultation.
  - o ENTSO-E representative states that here is an illustration with CCR timings, CCR request with what they thought what timing s would be in 3, 4 years, perhaps it is possible to add that and have an overview what exactly is the issue.

- A participant asks for an update on how many TSOs will apply co-optimisation and how many TSOs will set up a balancing capacity cooperation and make use of the option to co-optimised capacity according to Art.38.1 EBGL.
  - o ENTSO-E representative states that this will be answered in next point.

### 3.2 Co-optimization

ENTSO-E representative states that a lot of research has been done on co-optimisation in the past. He notes that now there is the prototype with the work of N-SIDE. He states that there is a steep learning curve, a lot is developed and there are a lot of new findings but also new complications. He notes that there is one gate closure which also is the case in market based which adds a lot of questions, what kind of linking would then really fit the purpose for market participants. He states that with all these unknowns, it is difficult for a TSO to say, once implemented, it is going for application. He states that also in general, there is just a very small number of TSOs that are engaging in a cross-border balancing capacity cooperation now, even though it is possible.

ENTSO-E representative presents slides on co-optimisation, explains N-SIDE and EUPHEMIA.

- A participant asks about the cost-minimization topic. He states that at the time where the concept of co-optimization was developed at an early stage, it was clearly demonstrated that if cost-minimization in capacity allocation for balancing energy is chosen, welfare could be lost. He asks how the conclusion was taken that cost minimization should be applied.
  - o ENTSO-E representative states that it is also possible to lose welfare if no indivisible bid is taken, but instead a divisible bid. He notes that the purpose of procurement of balancing capacity, which is an interaction between BSPs and end consumers, is cost minimisation, and that's also a reason to trigger substitution of reserves. He states that this is given by legislation and that it is essential to be compliant to that. He notes that the buyer in this balancing market is not allowed to set a price and states that it is complicated to formulate a price wanting to maximise welfare as the price of the TSO is always the price cap. He explains that with the cost minimization and knowing that the highest price is always the highest BSP bid that is taken, that is a start and as indivisible bids can be skipped, setting at a higher price is possible but still the volume is lower, so if this higher price multiplied with a smaller volume results in less total costs, then that is the way forward according to the legislation. He states that he understands it is possible to lose welfare but explains that the trigger of the balancing market is not to maximise welfare, but to cost minimize procurement and certain rules are to maximize welfare.
  - o A participant states that it is possible to demonstrate that cost minimization might lead to less surplus as defined contrary to welfare maximisation. He notes that this could be a task for regulators to look after.
  - o ENTSO-E representative states that this is not the legislation and therefore not the target.
  - o ACER representative states that ACER doesn't see a conflict as the requirement of the regulation does not refer to TSOs procurement cost but to overall cost minimisation. She notes that the objective of welfare maximisation respects also the principles set in Article 58 from ACER's perspective. She explains that ACER understands that the TSOs are looking into

other problems that this may cause but on regulatory side, ACER has provided the confirmation that a conflict with this specific requirement of welfare maximisation is not seen. She states that ACER understands that there could be other issues linked to marginal pricing rule or other, but at the end ACER doesn't see that the objective should change to be TSO cost minimization.

- ENTSO-E representative states that he disagrees as there was a lot of time spent on this with legal checks and according to how it is defined in EBGL it is not about merging markets, but about optimization the split of cross-zonal capacity. He explains that it's not foreseen to be a price coupling between balancing capacity markets and the day ahead market. He notes that there is a price coupling between balancing capacity markets with the substitution of reserve principle as an example, but there is no legislation that indicates that this direction is how it should be and then the cost minimization logic is violated.
- ACER representative states that the topic is indeed not about TSO cost minimisation, but overall procurement.
- ENTSO-E representative states that the end consumer pays the procurement, and the end consumer must be protected. He asks why the consumer should pay more to add surpluses to BSPs. He states that it is fair that the buyer is also allowed to add a price on his demand, and that is also excluded very clearly as well as linking to other products. He notes that end consumer or the TSO have almost no rights, and now suddenly the TSO also must give away its surplus. He states that this is not in the EBGL, as there it is clearly written cost minimisation.
- A participant notes that he thinks that the issue only applies with pay as bid in the procurement.
- A participant states that this is a twostep approach, as the 1<sup>st</sup> step is splitting cross border capacity with welfare optimization as the marginal value is important here and the 2<sup>nd</sup> step is CPOF optimizing the procurement of reserves, once the capacity has been allocated for the exchange of reserves. He states that the optimisation function is cost minimisation of procurement of balancing reserves. He explains that the distinction between those two steps is important, as they do not have same optimization function. He summarises that the 1<sup>st</sup> is welfare optimisation, the 2<sup>nd</sup> one cost minimisation.
- A participant notes that not every reaction of TSOs is just to protect consumers. He states that there is always a self-interest and not automatically when costs are minimised or when congestion revenue potentially is maximised, that that automatically triples down to consumers. He proposes to discuss the technical side and what happens. He states that one challenge with co-optimisation is the fact that apples and oranges are compared. He explains that in the day ahead market, parties are placing orders to buy or sell a quantity and if activated they have to pay and schedule, it is then possible to re-trade or bilaterally trade in intraday, continuous markets, until they have to put a plan to TSOs. He states that whatever they have bought, that is a position they have paid economically, or get paid and have scheduling obligations. He notes that the other thing about balancing is that the process is about splitting capacities between day ahead and balancing capacity, the capacity is only a reservation about some party saying I want to be paid a certain EUR per MWh, to stand by with a certain capacity in a bidding zone. He notes that one of the challenges is that day

ahead (“I want to buy and sell at a price”) is compared to “I am willing to hold a reserve or a unit for a certain price”. He states that then the expectation is that that’s the price you get paid no matter what, and when it gets activated, it might be 10 %, 20 %, 40 % of the time, that it will be another price. He notes that when cost and welfare are compared, it gets complex because it’s not the same. He asks if that is addressed somewhere in the slides or in the workings.

- ENTSO-E representative states that the TSOs tried to follow the market rules of day ahead, to the extent allowable, how it is priced, how a cap works etc., but in the end, it is never the same. He notes that article 58 3a mentions cost minimization.
- ACER representative states that this is the same topic as for market based. She states that it is not possible to say that capacity procurement would have a different objective. She states that the cross-zonal capacity that is allocated is for the exchange of balancing capacity, based on capacity procurement optimization function. She states that this was also on the market based, and it was decided that the objective for both is welfare maximisation as under welfare maximisation the costs are minimized as principle, not necessary as the objective function of minimizing cost. She notes that this is not a new topic that only realizes under co-optimization discussion, but it is in general for cross-zonal capacity allocation for exchange of balancing capacity no matter what process is followed.
- ENTSO-E representative states that he sees a difference between market based and co-optimisation as in co-optimisation there is one gate closure and linking is also a topic, and if linking is done and there is no sequential market setting, that is a step further towards something else, so that is a dimension that the market based doesn’t have. He states that the whole legislation just said that with welfare maximisation, make better use of your cross-zonal capacity, that is what the EBGL says. He states that it is not cost minimization, as it is clearly defined in the EBGL, the price formation of balancing capacity, how the bids are taken there, the volumes are decided, and the prices are determined based on cost minimization.
- ACER representative states that it is the same than in market based, there it was concluded on not being cost minimisation.
- ENTSO-E representative states that there are 3 algorithms and the CZCAOF is all that needs to be developed, in order to split cross-zonal capacity, welfare needs to be maximised. He states that in order to calculate that, the surpluses of the balancing markets need to be known and to determine prices and volumes, CPOF must be used. He notes that the price in balancing markets is determined by cost minimisation as stated in EBGL. He states that when total procurement costs increase, the CPOF declines.
- A participant states that in the first step it is important to use welfare to split the capacity. He notes that in CZCAOF there are also bids from day ahead and balancing capacity markets, so that algorithm would also select bids for balancing capacities. He states that if later, the allocated balancing capacity and cost minimisation is used in 3<sup>rd</sup> step, then in 1<sup>st</sup> step there was an error. He states that he is just determining inconsistency between articles and EBGL.
- ENTSO-E representative states that those three requirements are all packed in one function. He explains that in the CZCAOF, there are EUPHEMIA all the requirements of the CPOF and the constraints. He explains that if the selection between balancing market and trades must

be made, the CZCAOF states which one to take. He represents how CPOF and CZCAOF work together and gives examples and explains roles of SDAC and EUPHEMIA.

- A participant asks concerning the regulatory conflict between legal requirements and performance of the algorithms, shall a CBA demonstrate to be positive.
  - o ENTSO-E representative explains that the existing EUPHEMIA algorithm must take the legal requirements to manage CZCAOF and CPOF. He states that if certain requirement cannot meet, N-SIDE is asked to indicate why it cannot be met in order to have the transparency and awareness.
- A participant remarks that the algorithm is called PCR EUPHEMIA and is owned by PCR co-owners, it is not N-SIDE's algorithm, they just provide it. He proposes to correct this. He states that about compliance, the algorithm is developed for SDAC, there is of course requirement on allocation for cross-zonal capacity. He asks that as it is a BSP bid selection, not only the actual capacity reservation, but also activation, is the algorithm supposed to be also confirming activation of orders?
  - o ENTSO-E representative states that it is about the BSP balancing capacity bid selection, not about activation. He notes that it is nothing related to balancing activation, only balancing capacity.
  - o ENTSO-E representative states that this issue is in general there, the EUPHEMIA works with welfare, at this moment EUPHEMIA cannot do price determination for balancing capacity based on a cost minimisation objective function.
- A participant asks if the final results of N-SIDE will be published.
  - o ENTSO-E representative states that he doesn't have the final confirmation.
  - o ACER representative asks if a workshop will be held to present the results, not necessarily by N-SIDE to showcase the results, maybe in May or June.
  - o ENTSO-E representative states that he is not aware of that.
- ACER representative states that all these analyses are part of preparatory work in order to submit requirements to NEMOs. She states a part of this will anyway be publicly available. She asks if it is needed to publicly justify those requirements as she is not familiar with the process.
  - o ENTSO-E representative states that he is also not familiar with the process.
  - o ACER representative states that submitted requirements need some sort of reasoning and justification.
  - o ENTSO-E representative states that the set of requirements as defined is based on co-optimisation methodology and EBGL, and the set of requirements was not drafted. He states that the only thing in set of requirements is if there is a link between balancing and capacity markets.
  - o ACER representative states that further specification is needed which would also help NEMOs to understand requirements.
  - o ENTSO-E representative states that if a two-step is done, multilateral linking is not possible. He states that there is no difference in the methodology, it's the linking information that is

one on one, for the NEMOs it was more to already make a first step in understanding the impact.

- ACER representative asks if the requirements will be publicly available.
  - o ENTSO-E representative confirms.
- ACER representative proposes that in next EBSG there could be a NEMO presenting to explain.
- A participant notes that first it needs to be seen whatever TSOs are sending to NEMOs to be evaluated, if it is proposing amendments or methodologies. He states that it is very unlikely that any such changes could be implemented without having a public consultation. He notes that neither NEMOs nor TSOs should have the right to change methodology.
  - o ACER representative states that there will be public consultation of NEMOs. She states that the question is what triggers NEMOs proposal and if that is also publicly available at the time of the submission.
  - o A participant states that there should be consultation, he states he is sure there will be transparency and background documentation.

## 4. FCR Cooperation

ENTSO-E representative presents slides on FCR Cooperation.

EBSG discusses:

- A participant asks what observers are.
  - o ENTSO-E representative states that they are participating in all discussion meetings because preparing for go live, there is no distinction between observer and member TSOs that are not yet operational.
- ACER representative states that this year is the detailed version of balancing report, as soon as it is available the link will be sent to EBSG members. She states that stakeholders can propose topics to be further discussed and amendments/approvals in report.

## 5. AT-DE balancing capacity cooperation

ENTSO-E representative presents slides on AT-DE balancing capacity cooperation.

EBSG discusses:

- A participant asks to develop the link / interaction with Core FB.
  - o ENTSO-E representative states that there are three methodologies for CORE that need to be amended to allow article, congestion income, intraday and day ahead methodology. He explains that they must be amended to allow application of methodology and states that it is still possible to implement it, but it is only possible to apply when methodology is approved.
- A participant refers to previous discussion on co-optimisation and article 41 market-based method. He states that those are the same type of limitations and asks for the upper limit of cross-zonal

capacity. He states that as there is potentially a shifting from one of the three allowed methods, it would still be adhering to limitations.

- ENTSO-E representative states that in general when moving to another methodology, it is also linked to another change in the market system, marginal pricing needs to be applied from June 2022 onwards but will also need to be applied for capacity, needs to be approved NRAs, upper limit also needs to be approved of capacity, as well as the SOGL limit (50 % of dimensioned demand of aFRR) , 280 MW volume, only 140 MW can be exchanged, done by operators of APG, limit exchange to 100 MW. He states that there is only an increase from Germany to Austria, as Germany procures 2000 MW of aFRR, so that is far away from 50 %.
- A participant states that there should be a common setting in Europe, these kinds of upper limits should be defined for each border, the market-based economy efficiency (5 % and 10 %), there was not set an upper limit, now it was stated that it is limited to 50 %.
- ENTSO-E representative states that he also has the limit of 10 % in mind but cannot say if it was market based or economic efficiency.
- ENTSO-E representative states that the 50 % is a technical reserve limit, the methodology defines about cross-zonal capacity allocation limits. He states in D-1 timeframe according to EBGL, there is no limit, but CZC limits will be defined in methodology.
- A participant asks as in the presentation the impact on day ahead market was mentioned, was the impact of capacity reservation on intraday activities or day ahead clearing results also analysed. He asks that as on CBA it is being concentrated on balancing energy savings, is there an attributing of balancing energy savings to capacity cooperation?
  - ENTSO-E representative states that not completely. He states that CBA uses capacity price from day-ahead market and energy price from balancing market, those volumes are being compared to each other and the energy price is transformed to a capacity price. He states that it is also driven to the market design (pay as bid), there are fewer capacity prices, and they are close to 0, but high energy prices, merit order increases quite fast, therefore recalculation of energy price to capacity price can be necessary to make it comparable to day ahead market.

## 6. Transparency Platform Updates

ENTSO-E representatives present slides on Transparency Platform updates.

EBSG discusses:

- A participant asks if the testing will be a public WS.
  - ENTSO-E representative states that no, it will be purely technical workshop/testing with the volunteering TSOs and Balancing Platforms. Representatives of any TSO can join.
- A participant asks if old and new GUI will run simultaneously and if the whole functionality will be there.
  - ENTSO-E representative states that yes, that's why it is proposed to do it in several streams.
- A participant asks if there is an active user group for the TP.
  - ENTSO-E representative explains that there is an ENTSO-E Transparency User Group (ETUG), the last meeting was last week, and they are appreciating users coming to the meeting and raising questions and concerns, it is possible to add participants to the mailing list. Mail [sultan.aliyev@entsoe.eu](mailto:sultan.aliyev@entsoe.eu) to be added to the ETUG.

- A participant states that on the website it was not clear as it stated that the last meeting was 2019. She states as there were three streams presented, finally current TP will still be active until July 2023?
  - o ENTSO-E representative states that TP will be active even beyond this date, so users can get used to new platform. He states that the commissioning will be by end of next year.
- A participant asks if the new one is already running and why the tender selection is in progress.
  - o ENTSO-E representative states that the platform is run for graphical user interface, up to nine data items. He states that there are new data items to implement on top of the ones that already exist. He states that before it is closed, there will be three more data items and in the first half of 2023 another stream with another batch of data items will exist, so it is a gradual go live.

## 7. Implementation framework amendments

ACER representative presents slides on implementation framework amendments.

No questions are raised.

## 8. Discussion and Closing

- A participant states that she has a question following ACER decision balancing price limit. She states that she remembers that in the decision, there is a transition price limit that should be complemented by an assessment of TSOs and asks what is foreseen.
  - o ACER's representative states that the assessment is three years after legal deadline to join the platforms, one incident basis, 50 % of maximum of transitional price limit and quarterly report. She states that it can be added as note for ENTSO-E for more details.
- A participant asks if the balancing report is still foreseen for next month as the implementation of ISP of 15 minutes is extremely important and asks if there will be a detailed assessment of that.
  - o A participant states that she asked a similar question, the balancing report will be published by end of June, ISP will be included in balancing report, there is still the process of collecting and processing the data.
- ACER representative states that if until next EBSG end of October any question arise or topics that should be discussed, please let ACER or ENTSO-E know.

ENTSO-E representative and ACER representative thank participants and close the meeting.