Balancing Stakeholder Group

Standard Products

23 September 2015
A first proposal for standard products has been discussed with ACER and stakeholders.

A revised proposal is now being developed.

<table>
<thead>
<tr>
<th>DA</th>
<th>Sch</th>
<th>Full activation time (FAT)</th>
<th>Min delivery time</th>
<th>Bid size</th>
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<tbody>
<tr>
<td>DA-15-15</td>
<td>Sch-15-15</td>
<td>15</td>
<td>15</td>
<td>5 (or less) to 9999 MW</td>
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<tr>
<td>DA-20-10</td>
<td>Sch-15-0</td>
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<td>10</td>
<td></td>
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<td>DA-10-10</td>
<td>Sch-30-15</td>
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<tr>
<td>DA-5-5</td>
<td>Sch-x-y</td>
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<td>DA-3-3</td>
<td>Sch-30-15</td>
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<td>Sch-15-0</td>
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<tr>
<td>DA-5-5</td>
<td>Sch-x-y</td>
<td>5</td>
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</table>

DA – direct activated
Sch – scheduled activated
• This proposal will take into account:

  – Feedback from ACER, which expects that mainly the number of standard products should be reduced in order to develop liquid markets and promote competition between BSPs
  
  – Feedback from Stakeholders, and specially the development of a more detailed definition of products. This remarks concerns ramps, links, settlement, activation
  
  – Feedback from TSOs, regarding the physical and financial flows and the activation principles

• This proposal is still under discussion. It will lead to launch in September an ENTSOE consultation to validate adequacy with TSOs needs.
Task 1: Overview over current aFRR situation

- Overview of aFRR Full Activation Time and aFRR ramp rate requirements throughout Europe.
- Overview throughout Europe on settlement of aFRR balancing energy and compliance checking.
- Overview of the share of aFRR balancing in the total FRR/RR balancing energy.

Task 2: Technical capabilities aFRR providers

- Analysis of technical capability of large units to provide aFRR bids for different Full Activation Time throughout Europe. Estimation of available volumes by aggregation of units and DSM.
- Estimation of the price at which delivery becomes economically viable, impact on liquidity in aFRR capacity markets and aFRR energy markets.
Task 3: Qualitative impact aFRR activation method
- Overview of differences of aFRR regulation speed of pro-rata and merit order systems, for different implementations of pro-rata and merit order aFRR schemes; Impact on FRCE and frequency quality in case of change to a merit order scheme, without changing aFRR volumes and Full Activation times.
- Impact of change to merit order activation on FRCE quality for small and large deviations, not changing aFRR volumes and Full Activation Times.
- If there is an impact on the FRCE regulation quality and/or frequency quality: What are the preferred mitigating actions? Will there be an impact on the aFRR capacity procurement costs and local access tariffs? If any, what compensation mechanism could be defined?

Task 4: Qualitative elaboration change activation scheme
- Qualitatively elaboration on link between a change in aFRR Full Activation Time and/or aFRR activation Scheme (transition pro-rata to merit order) on FCRE regulation quality, frequency quality, aFRR capacity and energy market liquidity; and required volumes of aFRR volumes.
- Qualitative elaboration on disadvantages if all TSOs in Europe would have the same aFRR activation scheme and Full Activation Times from a control point of view only (instability...)?
The draft outcome of the aFRR study shall be presented and discussed with stakeholders in a BSG meeting end November.

The final report is foreseen to be ready mid February 2016.