First proposal for discussion on the list of ACTIVATION PURPOSES

BSG Meeting, Brussels

27 November 2015
1. Introduction

2. Need for differentiation

3. Proposal of list

4. Next steps
Introductory remarks

• Developing the list of activation purposes is required from the NC EB
• The use of Balancing Bids for other purposes is currently allowed in many countries
• Before preparing the proposed list, a survey was conducted among TSOs to better understand the current practice
• The results of the survey were used as the starting point
Reasons for differentiating

Distinguishing between Balancing and other needs is necessary for the following reasons

• Operational aspects by allowing or not the netting of bids
  • Netting of bids is allowed for Balancing purposes but this may not be the case for other cases

• Settlement process
  • Bids activated for Balancing should be allowed to determine the marginal price
  • All bids activated for Balancing should be settled against the respective marginal price

• Monitoring, reporting and Transparency
  • Usage of Balancing Energy Volumes should be reported following the provisions of the NC
  • Additional reporting obligations on national level
• The first proposal of the list of activation purposes defines two layers (Balancing and System constraints) as the minimum prerequisite

• The activation purpose can be further detailed by the individual TSO, provided that the relevant information is available

• The distinction between the two layers should relate to the actual need and not to the way the bids are activated
## Proposal of the activation purposes list (2/2)

### Activation Purpose: Balancing

Supplementary information to be provided (if needed and possible)
- Automatic Frequency Restoration Reserves (aFRR)
- Manual Frequency Restoration Reserves (mFRR)
- Replacement Reserves (RR)

### Activation Purpose: System constraints

Supplementary information to be provided (if needed and possible)
- Voltage Constraints
- Load Flow constraints (security limits [current and thermal], N-1)
- Activation to ensure system margin (Manual activation for ensuring enough reserves and avoid entering in alert state)
- Constraints due to stability violations
- Remedial Actions
Next steps

• Classification criteria for the activation purposes to be elaborated – link to new provisions of Art. 43

• Some features of this work that will have to be decided once the principles of this algorithm are defined