

First proposal for discussion on the list of  
**ACTIVATION PURPOSES**

**BSG Meeting,  
Brussels**

27 November 2015

**1**

Introduction

**2**

Need for differentiation

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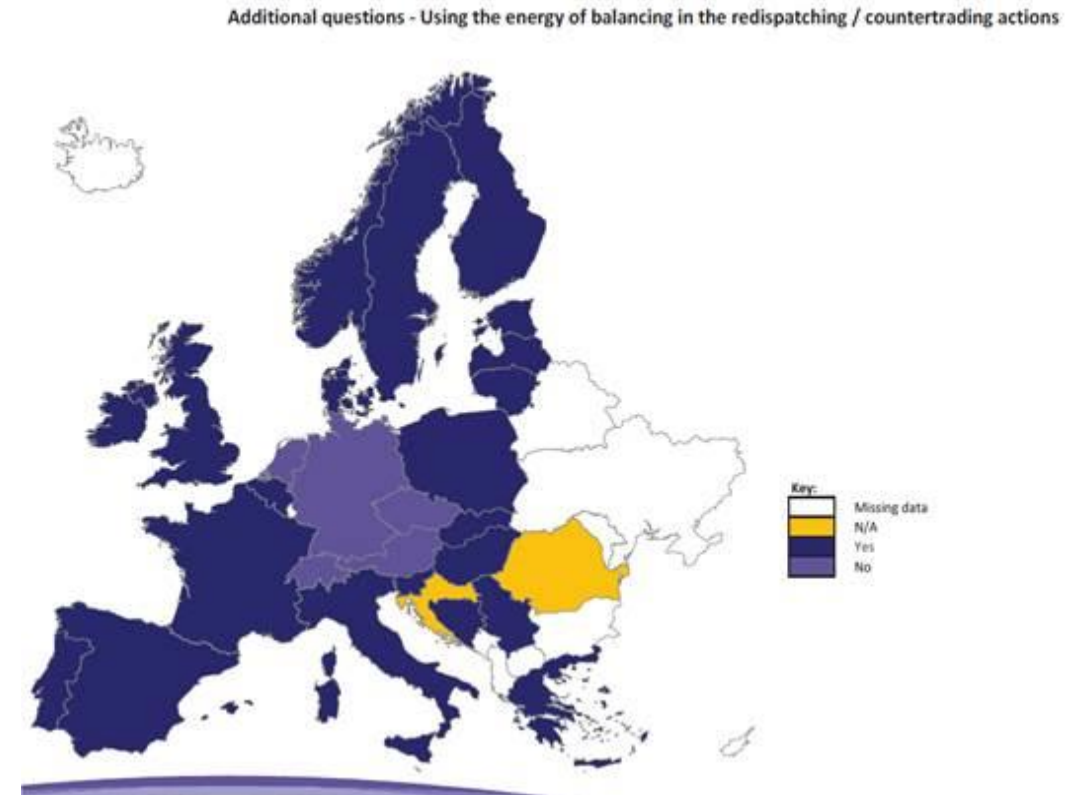
Proposal of list

**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

# Proposal of the activation purposes list (1/2)

- 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

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