The target is a single EU-wide balancing market for IN, aFRR, mFRR and RR (where needed).

Regional implementation is an unavoidable interim step.

To avoid getting stuck in incompatible regions prior harmonisation and standardisation is needed:

a) **Standard products** per process must be implemented in all CoBAs
b) **Principles for algorithms** that must be respected in all CoBAs
c) **Pricing method** for balancing energy that must be applied in all CoBAs (with possibility for an exemption during RIM-phase)
d) **Gate closure times** for the each process must be harmonized per CoBA
e) **Imbalance settlement period** must be the same in all CoBAs (subject to CBA)
f) **TSO-TSO settlement rules** for the intended exchanges of balancing energy must be the same in all CoBAs
Product definition is leading processes into COBA’s

- Imbalance Settlement Period -> assumption: to be set by CBA
- Pricing -> marginal pricing but XB & X-product? -> linked to product definition
- Algorithm -> 2 options: continuous or clearing? -> linked to product definition
- Gate closure time & timing activation? -> linked to product definition
- Conclusion: if we define products we can define COBAs
Time to restore frequency of 15 minutes is the core

- Every TSO needs to restore balance in 15 minutes
- Every TSO uses a combination
  - In the period for up to 15 minutes ahead of DA aFRR and DA mFRR
  - In the period for more than 15 minutes ahead of SCH mFRR and SCH RR
- TSOs use different (non exclusive) activation strategies for their DA products
  - Some TSOs use DA aFRR and mFRR in parallel – one on top of the other
  - Some TSOs use DA mFRR to replace DA aFRR within 15 minutes
  - Some TSOs rely on the market that used DA aFRR bids are available for the next 15 minutes period
- TSOs use different (non exclusive) activation strategies for their SCH products
  - Some TSOs use SCH mFRR to replace the DA aFRR and DA mFRR
  - Some TSOs use SCH RR to replace SCH mFRR
  - Some TSOs use SCH RR to replace forecasted imbalances > 30 min ahead

Conclusion: define a common set of products for
- DA aFRR and DA mFRR for the timeframe up to 15 minutes ahead
- SCH mFRR and SCH RR for the timeframe more than 15 minutes ahead
**COBA proposal & roadmap**

- ACER and NRAs like to engage in open interaction on the possibilities to define COBAs and a roadmap for regional integration.

- ACER & NRAs currently see two decision layers in defining options on COBAs:
  - CoBAs defined by process (aFRR, mFRR, RR)
  - CoBAs defined by activation (DA/SCH)

| Merger of CoBAs towards EIM implementation | Option 1: Current NCEB approach |
| CoBAs for RIM with additional exit & join option for EIM | Option 2: |
| | Option 3: |
| | Option 4: |

**Exit & join:** CoBA can decide to **exit** the obligation to implement its own RIM and **join** another CoBA and be given one additional year for RIM implementation.
Alternative “Exit and Join”-option

- Each CoBA can decide to exit the obligation to implement its own RIM and join another CoBA:
  ... 1 Y after the deadline, and
  ... subject to consent of the other CoBA
- Each TSO may be attributed to only one CoBA for each RIM (except DK)
- CoBAs for IN/aFRR/mFRR do not need to be equal, but consistent
- A maximum number of 5 CoBAs for aFRR/mFRR.
- After RIM implementation, remaining CoBAs should merge into EIM
- **Sub-option:** predefine the pilot CoBA, shorten its deadline and disallow it to take the 2\textsuperscript{nd} option