



General considerations

Overview of Eurelectric position

Eurelectric view on the stakeholders processes

- Dialogue generally positive and open in the BSG
 - We welcome the presence of the developer
- Timing of the stakeholder discussions appropriate
- Despite the open and timely discussions, some frustration on the onboarding of stakeholder's inputs, e.g.:
 - Price elasticity
 - BEPP
- Implementation of the EBGL sticks too much to the “letters” of the guideline, while never going further and sometimes stopping before the spirit, eg
 - Remuneration of in the money non activated bids
 - ISH
 - Activation purpose
- Eurelectric has suggested to have open source / public algorithms and tools to increase transparency, possibility for updates / improvements and prevent last minute issues.

Eurelectric favours market-based balancing

- Market arrangements should provide for a level playing field for BRPs and BSPs
- Congestion management during the operational window should not distort the level playing field of the Balancing and Energy Markets
- TSO actions should be transparent to market participants
- A market based balancing is the best way to provide incentives to market participants to solve their imbalance in the ID markets.

Pricing Proposal

Overview of Eurelectric position

Eurelectric sees shortcomings in the current pricing proposal

- PP misses a reference to the impact on the balancing energy price of bids activated for other purposes than balancing
- The PP should include a proposal for pricing of energy of the imbalance netting process
- The PP does not include how the AOF will solve price indeterminacies
- The PP does not address sufficiently the pricing of Specific Products, despite being in direct competition with Standard Products, certainly if converted and submitted to the CMOL. This point should be addressed given ongoing CEP discussions

Eurelectric does not agree with the proposed choice for optimization cycle BEPP for aFRR

- We regret the choice for OC BEPP despite stakeholder preference and understanding that mitigating measures would be investigated
- OC BEPP would entail significant increase in complexity towards market participants
- Eurelectric does not agree that artificially boosting price convergence improves 'effective' competition.
- Eurelectric agrees that there should not be unjustified price spikes
 - Eurelectric favours addressing it at the root by avoiding activation of bids that are not actually required
 - Or if this is not possible, excluding ex-post unnecessary-activated bids from setting the price.

Activation Purpose Proposal

Overview of Eurelectric position

Eurelectric considers the Activation Purpose Proposal incomplete

- Eurelectric considers it necessary to add a precise description of activations for system constraints
 - How do Specific Products fit in? Are they only for System Constraints?
 - Clarity of definitions are important as they form the basis for the segregation of costs
 - A full list of all possible activation purposes should be added
- For a fair and non-discriminatory treatment of all market participants, BSPs should be compensated for any withholding of bids
- If modifications to the APP are required/submitted, stakeholders should be consulted on the updated APP to provide feedback on the full list of activation purposes