DECISION BY RELEVANT REGULATORY AUTHORITIES

ON

THE PROPOSAL OF ALL TRANSMISSION SYSTEM OPERATORS PERFORMING THE RESERVE REPLACEMENT PROCESS FOR THE SECOND AMENDMENT OF THE IMPLEMENTATION FRAMEWORK FOR THE EXCHANGE OF BALANCING ENERGY FROM REPLACEMENT RESERVES IN ACCORDANCE WITH ARTICLE 19 OF COMMISSION REGULATION (EU) 2017/2195 OF 23 NOVEMBER 2017 ESTABLISHING A GUIDELINE ON ELECTRICITY BALANCING

10 MARCH 2023

1. INTRODUCTION AND LEGAL CONTEXT

This document elaborates an agreement between all the relevant regulatory authorities (hereafter "RR NRAs"), agreed via electronic vote on 10 March 2023, on the proposal of all transmission system operators (TSOs) performing the reserve replacement process (hereafter "RR TSOs") for the second amendment of the implementation framework for the exchange of balancing energy from replacement reserves (hereafter "RRIF") in accordance with Article 19 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter "EBGL") which entered in force on 18 December 2017.

This agreement of the RR NRAs shall provide evidence that, at this stage, a decision on the second amendment of the RRIF does not need to be adopted by ACER pursuant to Article 6(2) of the EBGL. This agreement is intended to constitute the basis on which the RR NRAs will each subsequently adopt national decisions on the proposal for a second amendment of the RRIF. The RR NRAs taking a decision are the Regulatory Authorities from Czech Republic, France, Italy, Poland, Portugal, Romania and Spain.

The legal provisions relevant to the submission of a proposal for a second amendment of the RRIF and the decision by competent Regulatory Authorities can be found in Articles 3, 5, 6, and 19 of the EBGL, as amended by Commission Implementing Regulation (EU) 2021/280 of 22 February 2021, and in Article 5 of the Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast) (hereafter: Regulation 2019/942):

EBGL

Article 3

1. *This Regulation aims at:*
    a. *fostering effective competition, non-discrimination and transparency in balancing markets;*
    b. *enhancing efficiency of balancing as well as efficiency of European and national balancing markets;*
    c. *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
    d. *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
    e. *ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue distortions within the internal market in electricity;*
    f. *facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
    g. *facilitating the participation of renewable energy sources and support the achievement of the European Union target for the penetration of renewable generation.*
2. *When applying this Regulation, Member States, relevant regulatory authorities, and system operators shall:*
    a. *apply the principles of proportionality and non-discrimination;*
    b. *ensure transparency;*

c. *apply the principle of optimisation between the highest overall efficiency and lowest total costs for all parties involved;*
d. *ensure that TSOs make use of market-based mechanisms, as far as possible, in order to ensure network security and stability;*
e. *ensure that the development of the forward, day-ahead and intraday markets is not compromised;*
f. *respect the responsibility assigned to the relevant TSO in order to ensure system security, including as required by national legislation;*
g. *consult with relevant DSOs and take account of potential impacts on their system;*
h. *take into consideration agreed European standards and technical specifications.*

Article 5

1. *Each regulatory authority or where applicable the Agency, as the case may be, shall approve the terms and conditions or methodologies developed by TSOs under paragraphs 2, 3 and 4. Before approving the terms and conditions or methodologies, the Agency or the relevant regulatory authorities shall revise the proposals where necessary, after consulting the respective TSOs, in order to ensure that they are in line with the purpose of this Regulation and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market.*
2. *[…]*
3. *The proposals for the following terms and conditions or methodologies and any amendments thereof shall be subject to approval by all regulatory authorities of the concerned region:*
    a. *the framework, for the geographical area concerning all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485, for the establishment of the European platform for replacement reserves pursuant to Article 19(1);*
4. *[…]*
5. *[…]*
6. *Where the approval of the terms and conditions or methodologies in accordance with paragraph 3 of this Article or the amendment in accordance with Article 6 requires a decision by more than one regulatory authority, the relevant regulatory authorities shall consult and closely cooperate and coordinate with each other in order to reach an agreement. Where the Agency issues an opinion, the relevant regulatory authorities shall take that opinion into account. Regulatory authorities or, where competent, the Agency shall decide on the terms and conditions or methodologies submitted in accordance with paragraphs 2, 3 and 4, within 6 months following the receipt of the terms and conditions or methodologies by the Agency or the relevant regulatory authority or, where applicable, by the last regulatory authority concerned. The period shall begin on the day following that on which the proposal was submitted to the Agency in accordance with paragraph 2, to the last regulatory authority concerned in accordance with paragraph 3 or, where applicable, to the relevant regulatory authority in accordance with paragraph 4.*

Article 6

1. *Where the Agency, all relevant regulatory authorities jointly or the relevant regulatory authority require an amendment in order to approve the terms and conditions or methodologies submitted in accordance with Article 5(2), (3) and (4) respectively, the relevant TSOs shall submit a proposal for amended terms and conditions or methodologies for approval within 2 months following the request from the Agency or the relevant regulatory authorities. The Agency or the relevant regulatory authorities shall decide on the amended terms and conditions or methodologies within 2 months following their submission.*

2. *Where the relevant regulatory authorities have not been able to reach an agreement on terms and conditions or methodologies within the 2-month deadline, or upon their joint request, or upon the Agency's request according to the third subparagraph of Article 5(3) of Regulation (EU) 2019/942, the Agency shall adopt a decision concerning the amended terms and conditions or methodologies within 6 months, in accordance with Article 5(3) and the second subparagraph of Article 6(10) of Regulation (EU) 2019/942. If the relevant TSOs fail to submit a proposal for amended terms and conditions or methodologies, the procedure provided for in Article 4 shall apply.*
3. *The Agency or the regulatory authorities where they are responsible for the adoption of terms and conditions or methodologies in accordance with Article 5(2), (3) and (4) may respectively request proposals for amendments of those terms and conditions or methodologies and determine a deadline for the submission of those proposals. TSOs responsible for developing a proposal for terms and conditions or methodologies may propose amendments to regulatory authorities and the Agency. The proposals for amendments to the terms and conditions or methodologies shall be submitted to consultation in accordance with the procedure set out in Article 10 and approved in accordance with the procedure set out in Articles 4 and 5.*

Article 19

1. *By six months after entry into force of this Regulation, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 shall develop a proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves.*
2. *The European platform for the exchange of balancing energy from replacement reserves, operated by TSOs or by means of an entity the TSOs would create themselves, shall be based on common governance principles and business processes and shall consist of at least the activation optimisation function and the TSO-TSO settlement function. That European platform shall apply a multilateral TSO-TSO model with common merit order lists to exchange all balancing energy bids from all standard products for replacement reserves, except for unavailable bids pursuant to Article 29(14).The proposal in paragraph 1 shall include at least:*
    a) *the high level design of the European platform;*
    b) *the roadmap and timelines for the implementation of the European platform;*
    c) *the definition of the functions required to operate the European platform;*
    d) *the proposed rules concerning the governance and operation of the European platform, based on the principle of non-discrimination and ensuring equitable treatment of all member TSOs and that no TSO benefits from unjustified economic advantages through the participation in the functions of the European platform;*
    e) *the proposed designation of the entity or entities that will perform the functions defined in the proposal. Where the TSOs propose to designate more than one entity, the proposal shall demonstrate and ensure:*
        i. *a coherent allocation of the functions to the entities operating the European platform. The proposal shall take full account of the need to coordinate the different functions allocated to the entities operating the European platform;*
        ii. *that the proposed setup of the European platform and allocation of functions ensures efficient and effective governance, operation and regulatory oversight of the European platform as well as, supports the objectives of this Regulation;*
        iii. *an effective coordination and decision making process to resolve any conflicting positions between entities operating the European platform;*
    f) *the framework for harmonisation of the terms and conditions related to balancing set up pursuant to Article 18;*

g) *the detailed principles for sharing the common costs, including the detailed categorisation of common costs, in accordance with Article 23;*
h) *the balancing energy gate closure time for all standard products for replacement reserves in accordance with Article 24;*
i) *the definition of standard products for balancing energy from replacement reserves in accordance with Article 25;*
j) *the TSO energy bid submission gate closure time in accordance with Article 29(13);*
k) *the common merit order lists to be organised by the common activation optimisation function pursuant to Article 31;*
l) *the description of the algorithm for the operation of the activation optimisation function for the balancing energy bids from all standard products for replacement reserves in accordance with Article 58.By six months after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 shall designate the proposed entity or entities entrusted with operating the European platform pursuant to paragraph 3(e).*

4. *[…]*
5. *By one year after the approval of the proposal for the implementation framework for a European platform for the exchange of balancing energy from replacement reserves, all TSOs performing the reserve replacement process pursuant to Part IV of Regulation (EU) 2017/1485 and that have at least one interconnected neighbouring TSO performing the replacement reserves process shall implement and make operational the European platform for the exchange of balancing energy from replacement reserves. They shall use the European platform to:*
   a) *submit all balancing energy bids from all standard products for replacement reserves;*
   b) *exchange all balancing energy bids from all standard products for replacement reserves, except for unavailable bids pursuant to Article 29(14);*
   c) *strive to fulfil all their needs for balancing energy from replacement reserves.*

Regulation 2019/942
Article 5

1. […]
2. […]
3. *Where one of the following legal acts provides for the development of proposals for terms and conditions or methodologies for the implementation of network codes and guidelines which require the approval of all the regulatory authorities of the region concerned, those regulatory authorities shall agree unanimously on the common terms and conditions or methodologies to be approved by each of those regulatory authorities:*
   a) *a legislative act of the Union adopted under the ordinary legislative procedure;*
   b) *network codes and guidelines that were adopted before 4 July 2019 and subsequent revisions of those network codes and guidelines; or*
   c) *network codes and guidelines adopted as implementing acts pursuant to Article 5 of Regulation (EU) No 182/2011.*

   The proposals referred to in the first subparagraph shall be notified to ACER within one week of their submission to those regulatory authorities. The regulatory authorities may refer the proposals to ACER for approval pursuant to point (b) of the second subparagraph of Article 6(10) and shall do so pursuant to point (a) of the second subparagraph of Article 6(10) where there is no unanimous agreement as referred to in the first subparagraph.

The Director or the Board of Regulators, acting on its own initiative or on a proposal from one or more of its members, may require the regulatory authorities of the region concerned to refer the proposal to ACER for approval. Such a request shall be limited to cases in which the regionally agreed proposal would have a tangible impact on the internal energy market or on security of supply beyond the region.

4. […]
5. […]
6. *Before approving the terms and conditions or methodologies referred to in paragraphs 2 and 3, the regulatory authorities, or, where competent, ACER, shall revise them where necessary, after consulting the ENTSO for Electricity, the ENTSO for Gas or the EU DSO entity, in order to ensure that they are in line with the purpose of the network code or guideline and contribute to market integration, non-discrimination, effective competition and the proper functioning of the market. ACER shall take a decision on the approval within the period specified in the relevant network codes and guidelines. That period shall begin on the day following that on which the proposal was referred to ACER.*

2. THE RRIF AND SUBSEQUENT AMENDMENTS

The first RRIF proposal was consulted by RR TSOs through ENTSO-E from 21 February 2018 to 4 April 2018 in line with Article 10 of the EBGL. Along with the proposal for the RRIF, all RR TSOs published an explanatory document. The RR TSOs' proposal for the RRIF was sent to RR NRAs on 18 June 2018 and the last RR NRA received it on 27 June 2018.

In November 2018, the Hungarian TSO MAVIR, in accordance with the national Hungarian regulator HEA, as well as the Bulgarian TSO ESO, decided not to perform the replacement process. In order to take account of this change and modify the RRIF proposal accordingly, the RR TSOs submitted a corrected version of the RRIF dated 18 June 2018 to the relevant NRAs on 4 December 2018. This corrected version of the RRIF also introduces two other minor modifications - the addition of Article 6(5), and in Article 10, a clarification that one entity is assigned to operate the three functions of the RR platform.

According to Article 5 of the EBGL, RR NRAs approved the RRIF through a joint agreement achieved on 14 December 2018; each NRA subsequently adopted a national decision to finalize the formal approval.

On 16 March 2021, RR TSOs sent to RR NRAs a proposal for amendment of the RRIF. The last RR NRA received it on 24 April 2021. The proposal for amendment was consulted by TSOs through ENTSO-E from 21 September 2020 to 21 October 2020, in line with Article 10 of the EB Regulation. Along with the proposal for amendment, TSOs published an explanatory document. The amendment proposed included the following changes:

- Art. 1 – List of TSOs: the list of TSOs has been removed.
- Art.10 – Designation entity: Amendment to enable all TSOs to be regarded as operators of the platform. The justification of the designation pursuant to art. 19(3) is included in the annex.
- Art. 3(b) & 11(3) – Interconnection controllability: The activation and settlement of bids for satisfying the controllability of the interconnection will be compliant with the latest versions of the pricing methodology and the TSO-TSO settlement methodology (pursuant to art. 30(1) and 50(1) of EBGL), as approved by ACER and published in January and July 2020. For a transitional period, until July 2022, the TSOs submitting a desired flow range will cover the costs of enforcing such a flow.

- Art. 11(5)(a) – Daily clearings: The wording of the article has been amended to consider possible derogations to the deadline provided by the EB Regulation for using the mFRR platform.
- Art.13(5) – Counter-activations: Postponement of the date set for the minimization of the counter-activations. The provision for such minimization is set twenty-four months after the go-live, instead of the original deadline of twelve months.

According to Article 5 of the EBGL, RR NRAs approved the amendment of the RRIF through a joint agreement achieved on 5 July 2021; each NRA subsequently adopted a national decision to finalize the formal approval.

3. THE PROPOSAL FOR A SECOND AMENDMENT OF THE RRIF

3.1 Content of the proposal

RR TSOs sent to RR NRAs a proposal for a second amendment of the RRIF which includes the proposal for amendment and an explanatory document. The amendment proposed envisages the following changes:

- Article 3(1)(b), 3(1)(c) and 11(3): Removal of references to Interconnection Controllability; RR TSOs propose to consider in articles 3(1)(b), 3(1)(c) and 11(3) the same pricing and settlement criteria for all the allocated balancing bids, also in case of application of Interconnection Controllability function;
- Article 4(2)(d): Precision on duration of public consultation of one month for RRIF amendments, according to Article 10(1) and (4) of the EB GL;
- Article 7: Removal of reference to the interim period prior to the change of the GCT from H-60 to H-55; since this provision is no longer applicable, the proposal from RR TSOs is to remove the second paragraph in article 7;
- Article 11(4): Adaptation of the paragraph to reflect that technical price limits will be in accordance with the Pricing Methodology; RR TSOs propose to adapt article 11(4) of RRIF to reflect the fact that the technical price limits will be determined in accordance with what is defined in the Pricing Methodology currently in force or in its future amendments;
- Article 12(4): Removal of obligation for observers to pay PMO costs;
- Article 13(5): Adaptation of the paragraph to reflect that counter activations will be accepted by the AOF in the RR-Platform and that their impact must be permanently monitored by RR TSOs;

The document package sent by the RR TSOs to the RR NRAs consisted of the proposal for the amendment of the RRIF and an Explanatory Document, which includes the summary of the proposed changes, the analysis with market data supporting of the RR TSOs proposal to continue the acceptance of counter activations in the RR-Platform (Annex 1) and the feedback from TSOs to the comments from stakeholders that were received during the Public Consultation phase (Annex 2).

The most relevant items raised by stakeholders during the consultation are about the acceptance of counter activations and transparency and reporting.

Regarding the first item, the RR TSOs report that stakeholders are not aligned in their opinion:

- EFET does not support counter activation in TERRE as it is not the purpose of a balancing platform and for the possible impact on the intraday market liquidity. In their view, the needs from TSOs should first be netted and subsequently matched with the upward or downward

merit order list. Finally, they also request the alignment of Spanish rules with Art. 17.3 EBGL to allow the BRP to adjust their schedules within it before reaching the balancing market.

- Enel Group supports the change proposed by RR TSOs due to the flexibilities that CAs bring to the system.
- Iberdrola S.A does not support the counter activation, however they acknowledge the IT challenges faced to adapt the RR algorithm (AOF) to all the requirements. In this sense, they propose the adjustment of some Spanish rules related to article 17.3 and 17.4 of EBGL to allow changes in the position of the BRPs and to the nomination of the final schedules to the TSO.
- Eurelectric opposes to the concept of counter-activations that do not contribute to the cost minimization of the procurement of balancing energy due to its possible impact, among other issues, on the cross-border marginal prices. Eurelectric also reminds that the regulation on the internal commercial schedule changes in the Spanish and Portuguese systems are not compliant with article 17.3 of EBGL and this leads to a large volume of CAs in the TERRE region. Finally, they ask RR TSOs to publish a dedicated report with additional data.

RR TSOs acknowledge that the purpose of balancing platform is to ensure efficient and transparent balancing of the system and not to correct results of previous market time frames. Nevertheless, TSOs are still convinced that the acceptance of counter activations is the best possible solution given the drawbacks that other solutions would have:

a) Avoiding counter activations would create large amounts of unforeseeably rejected bids (URBs). Basically, any MW of counter activations that is avoided directly gives one MW of additional URB. That would drastically reduce transparency and interpretability of the results.

b) Separation of counter activations that serve the balancing purpose (balancing counter activations) and counter activations that do not serve the balancing purpose (non-balancing counter activations) is not easily possible. One can say that at the moment by far the largest part is non-balancing counter activations. Reducing the balancing counter activations would also reduce the satisfaction of needs and therefore detreating the main purpose of the balancing platforms. Any further extension of the AOF to only minimize the non-balancing counter activations is computationally very demanding.

RR TSOs highlight that, according to the N-SIDE study (performed in the framework of the MARI project and summarized in the explanatory document), the acceptance of counter activations even if it is not ideal, is preferable to the ones that don't allow or partially allow counter activations in terms of elastic need satisfaction, efficient ATC use in the interconnections and no divisible URBs occurrence.

Regarding the second item, RR TSOs report that some stakeholders claim for more transparency, especially regarding the usage of elastic need by TSOs, aiming at least at an alignment of transparency requirements with the mFRR IF.

RR TSOs point out that, currently, publication of this information is under national regulation for the RR Platform and that many TSOs publish the information at national level. But at the same time there exist limitations because in some countries the information is considered to be confidential, according to national regulation in force.

3.2 Process for amending the RRIF

On 31 March 2022, the RR TSOs sent to RR NRAs a proposal for a second amendment of the RRIF. The last RR NRA received it on 15 November 2022.

The proposal for a second amendment was consulted by TSOs through ENTSO-E from 4 February 2022 to 4 March 2022, in line with Article 10 of the EBGL.

From March 2022 till February 2023, RR NRAs and RR TSOs discussed the proposal for amendment and the possible improvements to the RRIF in regular meetings.

Between 12 December 2022 and 27 January 2023, RR NRAs held also a hearing phase, to collect written feedback from the RR TSOs on the proposal developed by NRAs, according to article 5(6) of Regulation 2019/942, to revise the amendment submitted by TSOs.

On 10 March 2023, RR NRAs agreed to approve the amendment to the RRIF proposed by RR TSOs, subject to the necessary revision to reflect the NRAs decision.

4. RR NRAS ASSESSMENT

The RR NRAs consider that the RR TSOs submitted the proposal for a second amendment to the RR IF, in line with article 6(3) of EBGL and that they fulfilled their obligations to conduct a public consultation and to consider the stakeholders input in their proposal, according to article 10 of the EBGL.

4.1 On the removal of references to Interconnection Controllability

RR NRAs acknowledge that according to the methodologies for pricing balancing energy in accordance with article 30(1) of EBGL, for common settlement rules in accordance with article 50(1) of EBGL, and for classifying the activation purposes of balancing energy in accordance with article 29(3) of EBGL, approved by ACER with the ACER decisions 01-2020, 17-2020 and 16-2020 respectively, all the activations of balancing energy occurred on the platform, even in presence of a desired flow range constraint, shall be classified as balancing activations and thus settled accordingly. Therefore, RR NRAs agree with the amendment proposed by RR TSOs, to apply the same settlement criteria to all bids activated by the AOF.

4.2 On the duration of public consultation

Even though the requirement is already in place, as it stems directly from the EBGL, RR NRAs agree to further specify in the RRIF the obligation of article 10 of EBGL, providing a public consultation for a period of at least one month, for any further amendment of the RRIF.

4.3 On the removal of the interim period for the GCT

As of January 2021 the GCT was switched from H-60' to H-55' in compliance with article 7 of RRIF. As this provision is no longer applicable, RR NRAs agree to remove it from the RRIF.

4.4 On the technical price limits

RR NRAs acknowledge that the RRIF has been developed and submitted before the approval of the methodology for pricing the balancing energy, according to article 30(1) of EBGL, and that technical price limits were not defined in the RRIF. Therefore, RR NRAs agree to align the RRIF and to ensure compliance with such methodology, by making explicit reference to the technical price limits defined in that methodology.

4.5 On the removal of obligation for observers to pay PMO costs

RR NRAs agree with the proposal to remove the obligation for observers to pay the PMO costs, in line with the approach adopted also in the other balancing platforms.

4.6 On the acceptance of the counter activations

RR NRAs acknowledge that the RR TSOs are not able to implement algorithm solutions for minimizing the counter activations not serving the balancing purposes, as any attempt to pursue that

objective might have severe impact, increasing the unforeseeably rejected bids, reducing the social welfare and raising the computational burden.
RR NRAs take note of the technical assessment, carried out by the consultant N-side in the framework of the mFRR platform development, sent as an annex to the explanatory document by the RR TSOs to justify their proposed amendments. RR NRAs acknowledge that the conclusions of the assessment (performed for the mFRR platform) can be applied also to the RR platform, due to the similar design of the two platforms (scheduled activation through an AOF, usage of the same software) and that in the mFRR IF there are no provisions for preventing counter activations, but only monitoring obligation.
Therefore, RR NRAs agree with the proposed amendment to change the provision in article 13(5), by removing the requirement to minimize the counter activations and introducing an obligation to monitor and report the impact of such counter activations. In addition to that, RR NRAs agree to include in the RRIF a further specification of the assessment to be carried out and which indicators shall be monitored, to fulfil this obligation, as it is explained in the next paragraph.

4.7 On the Transparency and reporting

RR NRAs acknowledge that the current RRIF lacks a specific article with further requirements on transparency and reporting, beyond the legal obligation of article 12 of EBGL and articles 3 and 17 of Regulation (EC) 543/2013, in contrast to the implementation framework of the other platforms. For this reason, RR NRAs agree to directly revise the proposal submitted by TSOs, in order to further specify and clarify the transparency obligation, by proposing an additional article, with the aim to formalize the requirement to submit and possibly publish:

- an annual report with further analysis on the occurrence of counter-activations (to complete the provision of article 13(5), already proposed by TSOs);
- annual report with further analysis on the occurrence of URBs (in line with the decision already agreed between RR NRAs and RR TSOs to monitor the occurrence and impact of URBs);
- a monthly and annual report with KPIs to monitor the operation and results of the RR platform (in line with current practice already established by RR TSOs since the go live of the platform).

A first proposal of revision, discussed and consulted with the RR TSOs, included a detailed list of indicators to be calculated and assessed for each of the reports mentioned above. Regarding the report on the operation of the platform and with respect to the current practice, the RR NRAs added the requirement to calculate also annual indicators (not only monthly) and to publish the report on the ENTSO-E website, for sake of transparency.

In their reply to the hearing phase, the RR TSOs did not object the general aim of the article and the proposed list of indicators. They submitted specific comments which include:

- a suggestion to clearly distinguish the obligation stemming from article 12 of EBGL and Regulation (EC) 543/2013 from the additional requirements not directly related to these provisions;
- proposal to submit and publish the additional report with KPIs to monitor the operation and results of the RR platform three months afterwards of the end of the respective period at the latest;
- concerns regarding the publication of the report on the operation of the platform, because of the presence of sensible data that might affect the market functioning, such as the price of elastic needs. To overcome this issue, the TSOs propose to clearly specify that the price of elastic needs will be shared with RR NRAs only and not published on the ENTSO-E website;

- a proposal for an implementation timeline of 6 months at least, to take into account that not all the indicators required by NRAs are immediately available and that some IT developments are needed;
- a proposed re-wording to allow TSO to amend the content of the reports without necessarily preparing a formal amendment of the RR IF, considering that the right of NRAs to ask for more indicators derives from the law and there is no need to be stated in the RR IF.

RR NRAs have assessed the feedback provided by TSOs and its reasonings and agree to adapt the proposal of revision, in order to accommodate the input received. In particular:

- to clearly distinguish the obligation stemming from article 12 of EBGL and Regulation (EC) 543/2013 from the additional requirements not directly related to these provisions, by including a dedicated paragraph on top of the article for transparency and reporting;
- to precise the time interval by when the report shall be submitted to NRAs and published on ENTSO-E website, within three months;
- to specify that the price of elastic needs will be reported to NRAs;
- To include an implementation timeline of 6 months at the latest, to take into account that not all the indicators required by NRAs are immediately available and that some IT developments are needed.

5. CONCLUSION

RR NRAs have assessed, consulted and closely cooperated to reach an agreement on the proposal for a second amendment of the RRIF.

On 10 March RR NRAs agreed to approve the amendment to the RRIF proposed by RR TSOs, subject to the necessary revision to reflect the NRAs decision, as described in the present opinion paper. On the basis of this agreement each Regulatory Authorities will subsequently adopt a national decision to approve the amendment to the RRIF.

The attached document sets out the resulting RRIF, after the inclusion of the amendment. Following national decisions by all RR NRAs, RR TSOs will be required to publish the amended RRIF in line with Article 7 of Regulation 2017/2195, and must meet the implementation deadlines required by amendment. For sake of clarity and for information only, RR TSOs will be required to publish also the old versions of the RRIF together with a track changes version to highlight the subsequent amendments approved.

6. ANNEX

- ANNEX I – consolidated version of the Implementation Framework for the exchange of balancing energy from Replacement Reserves in accordance with Article 19 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing.
- ANNEX II - Implementation Framework for the exchange of balancing energy from Replacement Reserves in accordance with Article 19 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (with track changes to ANNEX I)