

ENTSO-E Network Code on Electricity Balancing

A EURELECTRIC comments paper

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EURELECTRIC. Electricity for Europe.

EURELECTRIC response to the ENTSO-E Network Code on Electricity Balancing

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KEY MESSAGES

- The network code should include a clear definition of balancing responsibility: Everyone connected to the grid is responsible for his individual balance. The balance responsibility can be outsourced to another party, a Balance Responsible Party (BRP).
- The network code should provide a clear description of TSOs activation philosophy and ensure that TSOs allow the market to determine the most economic dispatch until close to real time, and only perform the residual balancing of the system.
- Progress in balancing integration and harmonisation of various balancing market design aspects to achieve a fully integrated European balancing market should be strongly fostered in the code. NRAs should commonly approve the TSO proposals for e.g. standard/specific products and pricing, Imbalance settlement period and price etc. and case-by-case regulatory approvals should be limited.
- TSOs should not be granted a right to offer balancing services as this would imply owning and operating generation assets, which conflicts with the unbundling rules of the 3rd Energy Package. Balancing should be a fully market based solution and the code should not allow mandatory participation in balancing markets.
- Reservation of cross-zonal capacity for balancing should be avoided as it would reduce the integration of forward, Day-Ahead and intra-day markets, unless justified by a social welfare gain analysis.
- In view of enabling access of aggregation to the balancing markets, DSOs should be allowed to access relevant data and conduct constraints management. Recovery of constraints management costs by DSOs should be ensured.

General comments

EURELECTRIC welcomes the public consultation on the draft ENTSO-E Network Code on Electricity Balancing and wants to introduce its response with a number of positive comments on the consultation draft of the code.

EURELECTRIC appreciates that code aims to support:

- separation between Intraday and Balancing markets (Art.20)
- Level playing field for all market participants with regard to balancing requirements (Art.7 and Art.34)
- Marginal Pricing (Pay-as-cleared) as a preferred pricing method for balancing (Art.25)
- Cost-benefit analysis for successive integration
- Access of aggregated flexibility to the balancing market

At the same time, EURELECTRIC believes that the network code should elaborate in a clear way a number of key concepts that are critical for developing a consistent balancing market concept. These concepts include the following:

Clear definition of balancing responsibility; clarification on coordination between BRPs, Aggregators, TSOs/DSOs, and Information to BRPs

The network code should include a clear definition of balancing responsibility: **Everyone connected to the grid is balance responsible (responsible for his individual balance).**

After real-time, the TSO charges or pays market participants depending on if they are short (have a shortage of supply vis-à-vis their nomination) or long (have a surplus), respectively. This payment or charge also depends on whether the entire system as a whole is long or short. These payments or charges are known as imbalance settlement prices and are allocated after real-time during the settlement process. Finally, the payments and charges are based on underlying balancing market prices, which in turn provide market participants that bear balancing responsibility with the incentive to have their demand and supply in balance so that overall deviations of the system are minimized. For the TSO this process should be a 'zero-sum' game where he has no financial interest and bears no financial risk.

The balance responsibility can be outsourced to another party. A household and a small and medium size enterprise (SME) customer can choose a supplier and the supplier arranges a Balance Responsible Party (BRP) for them, i.e. a market participant or its representative is responsible for its imbalances.¹ One BRP is responsible for balancing demand/supply for a certain metering point. This BRP holds an open delivery contract to this metering point. With the change of supplier, behind the scenes for the customer, the supplier arranges a BRP for the customer. Relevant commercial arrangements will have to be set up between aggregators and BRPs. BRPs are incentivized to reduce their imbalance

¹ There could also be supplier obligations to take over balance responsibility of small consumers.

to a minimum. In order for this incentive to be as efficient as possible, appropriate metering information is required. This allows BRPs to have a precise estimation of their imbalance in real time and gives BRPs first figures of their real time imbalance closely afterwards, so that they can adjust their behavior in an efficient manner. ²

The code should ensure that this principle is clearly defined. Only when this principle is clearly defined in the network code, the market can take its responsibility and new and innovative concepts can be introduced, including aggregation. EURELECTRIC's first ideas on the topic are elaborated in its discussion paper (to be published by the end of August 2013).

Clear description of TSOs activation philosophy and ensuring that TSOs pursue only residual balancing

In the framework of the proposed concept of a Coordinated Balancing Area (CoBa), TSOs can be bound to several other TSOs with different products. But even with the same product they have the right to have different activation philosophies. The network code should ensure that it is no longer possible to have different approaches to activation of balancing bids in the market by TSOs. A TSO should let the market decide on the most economic dispatch until close to real time, and after that perform the residual balancing of the system. Provided that grid constraints are dealt with by separate procedures, regarding system balance a TSO has to minimize its interference in the market and only focus on residual balancing. All short-term flexibility should be made available to BRPs on the ID-market with GCT close to real time, and then to TSOs, for their task of maintaining system security. Executing of this task needs flexible balancing resources and makes the use of Replacement Reserves (RR) obsolete. An additional TSO incentive for efficient activation, i.e. avoiding counteracting activation, might be considered.

Product definition for the remaining products in the balancing market should be such that the most liquid and deepest possible market is ensured. Activation philosophy of these products should be harmonised in a CoBA.

Balancing Energy Gate Closure time (Art.20) should be clearly defined so that BRPs are given maximum opportunity to balance their own position.

² The balance between accuracy and speed of the information needs to be found. It takes some time to read all the meters and process the data. And sometimes re-reads are needed. If not all the measured values are available substitution is necessary, this lowers the accuracy. As regards LV grids it has to be specially emphasized that not all smart meters that are currently being deployed are capable of providing all the information real time.

Progress in balancing integration to achieve a fully integrated European balancing market should be strongly fostered by the network code

Balancing integration is the process to become a fully integrated European-wide balancing market. To achieve this goal, it is important, firstly, to ensure that CoBAs and all other elements in the NC on Electricity Balancing are defined consistently, so that further merging of CoBAs is possible; secondly to facilitate CoBA's merging and integration after successful cost-benefit analysis.

Harmonization should be fostered by common TSO proposals (in the beginning, at the level of CoBa) for various aspects of the balancing market design (e.g. Standard products and pricing; usage of specific products; Imbalance Settlement period and price; methodology for procurement of balancing reserves, etc.). **NRAs should also commonly approve the TSO proposals** (in the beginning, at the level of CoBa). **Case-by-case regulatory approvals (Art.7.4) should be limited.** Harmonization of existing national approaches to balancing is critical for avoiding distortions in market coupling outcomes as **prices in forward, day-ahead and intraday markets are a function of the balancing\imbalance regime.**

In order to **ensure consistency** in the network code, the following issues have to be addressed:

1. The **CoBA definition** should be made more strict and clear: "A Coordinated Balancing Area is an agreement between two or more TSOs, each one operating a Relevant Area, to exchange balancing services, ***including over time all standard products, and over time some specific products and imbalance netting.***" EURELECTRIC believes that if standard products have to be traded Europe-wide, it makes no sense to establish a CoBA without specifying that it should include all standard products.
2. **Relevant Area** is used with two different meanings: either the area under the control of a TSO where balancing services procurement is harmonized, or the area under the control of one (or several?) TSO where BRPs may consolidate imbalances. We suggest introducing the following definition: "*Relevant area is an area under the control of a TSO where all aspects of reserve and energy procurement are fully harmonized and which has no significant internal congestions.*" According to this definition, a TSO may operate several Relevant Areas in case of several price zones (Italy, Norway). Furthermore, consistency and continuity between bidding price zones for trading and "relevant areas" for balancing should be ensured. Finally, all Transmission System Operators shall report to the Agency as soon as incompatibilities between CoBAs are identified. The Agency decides on remedies to tackle those incompatibilities and ensure harmonization of the different CoBAs, where necessary.

3. Automatic **expiration of TSO-Balance Service Provider (BSP)** model after 6 years (Art.24) should be adapted. The phase-out of TSO-BSP model should be made conditional to the functioning TSO-TSO model with CMOLs. Furthermore, TSO-BSP model allows BSPs to bid into specific products used by neighboring TSOs when the connecting TSO does not offer those products. The code should also allow the transitional procurement of balancing energy in the form of TSO-BSP model. Generally, a detailed cost-benefit analysis accompanied by an implementation study should be done (independently from the pricing method) before existing arrangements are altered (Art 25).
4. Cross-border scheduling should use a **delivery period**, which is the minimum common multiple of the delivery periods used by the TSOs on both sides. It makes no sense having two Relevant Areas trading quarters while the border is scheduled in full hours. There is no need of harmonization, different borders may use different scheduling periods.
5. The code should guarantee that **harmonized cross-border settlement period is limited to maximum 30 minutes** (48) to be in line with the Framework Guidelines, while the long term target should be shorter settlement period that is consistent with the standard FC and FRR products. Market players should be allowed to cover their position until the TSO starts activating reserves. However we recognize that in the interim phase different settlement periods will co-exist. The code should also require a cost-benefit analysis of settlement period to be executed. This CBA needs to take into account all the changes resulting from changing the settlement period, including changes at the DSO, retailer and end-consumer level. If a change of imbalance settlement period is required upon the NRA's decision (art. 48.3), the relevant parties need to be granted **sufficient time to change their IT-systems and other necessary systems** (depending on national solutions e.g. smart meters or in-home displays).
6. **Introduction of specific products** (17) should be **justified by TSOs and approved by NRAs**. Exchange of specific products between TSOs/BRPs should be made possible. However, these should be consistent with market for other balancing products and settlement of imbalances.
7. **Not all products can be activated cross-border:**
 - Before fixing of cross-border scheduling, any product using a compatible delivery period can be activated cross-border, updating the cross-border schedule. For example, a border scheduled in half-hours can trade half-hourly or hourly products, but not quarterly products.
 - After the cross-border schedule is fixed, balancing products can be activated cross-border on borders using imbalance netting, between Relevant Areas with an agreement for the consolidation of BRP imbalances. Ex-post NEBs can be allowed under the same conditions.

8. Several Relevant Areas may decide to allow **consolidation of imbalances**, provided that the settlement method is harmonized (the preferred one imbalance price), to avoid regulatory arbitrage.
9. **Central Dispatch Systems** It is difficult to imagine a functioning balancing market integration of Central Dispatch systems in the European internal electricity market, ENTSO-E have not provided sufficient justification as to how the articles relating to central dispatch ensure a level playing field with regard to balancing between self and central dispatch systems. EURELECTRIC requests that such justification is provided and where possible included within the code; they should be regarded as derogations, not as an “alternative target model”.³ Moreover, it should be made clear that this definition doesn’t preclude BSPs from exchanging cross border balancing resources under a BSP-TSO scheme. And since CDS should not be able to spread to markets where self-dispatch has been proven possible, these systems should be limited to Countries which already operate as Central dispatch systems at the date of the entry into force of this Network Code.
10. TSOs act as facilitators, not traders. They should make no **“conversion” of products as the TSO-BSP concept is accepted as a regular way to access a neighboring market.**

In order to **enforce CoBA merging** the network code should provide certain guidelines. Changes in the national regulation or TSO procedures not complying with these guidelines should be rejected. For example, the guidelines should ensure that:

- **No more new products other than standard products** are being introduced. The code should foster gradual harmonization of standard products across CoBas (10.1)
- **In general, delivery periods should only be redefined if they are made shorter.** Delivery (settlement) period should be harmonized and not exceed 30 minutes to be in compliance with the FG. The proposal should be submitted two years after the network code is adopted in order to ensure that the final decision on harmonization is taken not later than 3 years, thus respecting the Framework Guidelines.
- **Imbalance price methodology should be harmonized and based on the cost of recovering the respective BRP imbalances (50.3) (TSO ‘zero sum’ game)**
- **Non-commercial agreements** like ramping or in-kind settlement of unintentional deviations **should be replaced by trading of balancing energy**

³ One dissenting member does not accord with the above view regarding treatment as derogations. In their opinion it would prejudice the right to establish national network codes as provided for in Article 8.7 of Regulation 714/2009. It would in effect require a change to a self-dispatch market and contravene the FG on Balancing which states: “... the European Network of Transmission System Operators for Electricity (ENTSO-E) shall take into account the parallel existence of central dispatch and self-dispatch arrangements of European electricity markets when drafting the Network Code on Electricity Balancing in line with these Framework Guidelines.”

TSOs should not be allowed to offer balancing services

In general, TSOs should not be granted a right in the code to offer themselves balancing services. This is in practice not possible without owning and operating generation assets, which in turn conflicts with the unbundling rules outlined in the 3rd Energy Package, specifying that TSOs can't own or operate liberalized assets. **The central role of the market in providing balancing services should remain intact.** Furthermore, the code should define in a stricter manner the case of insufficiency in balancing bids and conduct a Stakeholder consultation on the topic (2.11.3).

Participation in the balancing market should be voluntary

Balancing should be a fully market based solution and the **code should not allow mandatory participation in balancing markets.** For example, a TSO should not be granted a right to oblige BSP to offer unused capacity in the balancing market. A BSP should be able to price unused generation capacity. A price for the balancing energy is needed for the settlement (7.4k).

Indeed, the key point is that BSPs should be incentivized to offer their resources to the market. Therefore, special attention has to be paid to the standardization of the products, so that a maximum of available resources can be offered through standard products. Otherwise, it could lead to a loss of social welfare.

Market-based procurement of reserves should be ensured in the code

A call for tender is the only market based method for the procurement of Frequency Containment Reserves, Frequency Restoration Reserves and Replacement Reserves. Other methods, like a call for tender with price caps or an obligation for Balancing Service Providers to provide reserves, linked to a liquid secondary market for the Transfer of Obligations should not be implemented. In the latest draft of the code shortly presented by ENTSO-E at the stakeholder workshop on 17. July, the requirement to organise market-based procurement of reserves was preserved, but concrete methods were removed from the text. In view of the fact that there are different interpretations across markets of the term “market-based procurement”, and the need for consistency, the code should be more prescriptive and stipulate that a call for tender should be introduced.

Reservation of cross-zonal capacity should be avoided.

Reservation of cross-zonal capacity for balancing (29, 30, and 31.1c) should be avoided as it would reduce the more important integration of forward, Day-Ahead and intra-day markets, unless justified by a social welfare gain analysis. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses. In this case, consultation of relevant stakeholders and NRA approval, as well as transparency and regular assessment of the effect of the reservation, should be ensured.

Development of algorithms should be optional and cover only residual balancing energy

Current provisions of the code with regard to algorithms should be removed as the development of these algorithms does not allow BRPs to balance themselves until real time and therefore does not allow "reactive" TSOs systems. So the code should specify that the development of algorithms should be optional and that only residual balancing should be covered by activation of Balancing Energy. If TSOs develop algorithms, a possibility to develop several algorithms should be ensured: one per CMO per product to avoid the situation when a single algorithm is applied for all types of reserves (FCR, FRR, RR).

DSOs should be allowed to access relevant data and conduct constraints management

The network code enables access of aggregation to the balancing market. This could include participation of users connected to distribution networks. However, network constraints may arise when flexibility connected to distribution grids is activated. It is thus key that the code puts in place adequate procedures that will allow DSOs to maintain operational security in their networks. In addition, flexibility may be procured also for network constraint management purposes (both transmission and distribution). The code should thus allow for exploring synergies between the different uses of flexibility services.

The code already allows the DSO to inform TSO about constraints in its grid (art. 12.2.b). However, it should also ensure that the DSO has access to this information at sufficient granularity when needed:

- DSO need access to information from the bids, including operation schedules (as early as possible and at gate closure time at the latest) and activations of units in congested zones, in order to detect network constraints. The code should explicitly allow for this.
- Request for locational information within the standard product characteristics (art. 17.4.i) is insufficient. The code should specify that information on location of the connection of every unit within a bid, including the electrical node (in transmission or distribution network) is required.
- Efficiency should be ensured. The drafting could be improved in this respect so as to ensure the effective and efficient implementation of the network code, i.e. to avoid misinterpretation of art. 16.6 that could lead to inefficient duplication of communication channels. The network code should explicitly refer to relevant requirements in the network code on operational security (NC OS).

In addition to information exchange between DSO, TSO and BSP, the code should also explicitly allow DSOs to access constraint management procedures in order to tackle constraints in their networks. In absence of such a requirement, constraints in distribution networks may lead to disconnection of some BSP(s), which could negatively affect balancing of the system.

Recovery of constraints management costs should be ensured

The code (art. 12.4) determines how the costs resulting from curtailment of schedules and balancing reserves in distribution systems should be recovered. DSO can only bear these costs if they are recognized as a part of the DSO network tariff. Whether or not congestion management on the transmission and/or distribution level is part of the TSO network tariff and/or DSO network tariff depends on the member states, as network tariffs are a subsidiarity issue (art. 4). Therefore, art. 12.4 should be deleted. In that way, inappropriate risks for DSOs and market participants connected to distribution networks would be avoided.

A number of definitions should be added to the code

The list of new definitions should include the following:

- Balancing Energy Gate Closure Time
- Unused generation capacity
- Social welfare (cf NC CACM)

Stakeholder consultation

The consultation period on technical aspects of cross-border balancing market arrangements should be at least 8 weeks. (6.1)

When launching a reassessment of the balancing terms and conditions, TSOs should also conduct a public consultation. Stakeholders shall also be entitled to launch a request for the reassessment of the balancing terms and conditions. (2.16.8)

Network code should be written in a more prescriptive manner

Formulations like “making best endeavours”, “cooperate loyally” should be removed from the code.

Detailed comments



DSO Comments

Title	Art.	Para	Initial version	Proposed version	Justification text
Chapter 1 - General Provisions					
1	1	2	The requirements set forth by this Network Code shall apply in particular to Transmission System Operators, National Regulatory Authorities, the Agency, Distribution System Operators, Designated Entities, where applicable, and Market Participants.	The requirements set forth by this Network Code shall apply in particular to Transmission System Operators, National Regulatory Authorities, the Agency, Distribution System Operators, Designated Entities, where applicable, and Market Participants.	"in particular" makes the scope unclear
1	2	2	New definition	Balancing Gate Closure Time: : the time after which Balancing Service providers may no longer change their bids.	Balancing Gate Closure Time needs to be defined clearly and independently from the definitions of both Balancing Energy and Gate Closure Time.
1	2	2	Balancing means all actions and processes, on all timescales, through which Transmission System Operators ensure, in a continuous way, to maintain the system frequency within a predefined stability range as set forth in the Network Code on Load-Frequency Control and Reserves, and to comply with the amount of reserves needed per Frequency Containment Process, Frequency Restoration Process and Reserve Replacement Process with respect to the required quality, as set forth in the Network Code on Load-Frequency Control and Reserves.	Balancing means all actions and processes, on all timescales, from Balancing Gate Closure Time until real time , through which Transmission System Operators ensure, in a continuous way, to maintain the system frequency within a predefined stability range as set forth in the Network Code on Load-Frequency Control and Reserves- Balancing also includes the actions and processes before the Balancing Gate Closure Time that are necessary to comply with the amount of reserves needed per Frequency Containment Process, Frequency Restoration Process and Reserve Replacement	Balancing actions should only be performed after Balancing Gate Closure Time since TSOs should only take actions to balance residual imbalance. We do recognize that in order to perform the necessary Balancing actions, TSOs do need to perform certain actions prior to Balancing Gate Closure Time, but these should be limited to the necessary actions and processes to comply with the requirements (such as procurement).

				Process with respect to the required quality, as set forth in the Network Code on Load- Frequency Control and Reserves.	
1	2	2	New definition	Balancing energy standard product	Definition is needed to be consistent with the article 25, where it is mentioned
1	2	2	Balancing Reserve means obligation of a Balancing Service Provider to place Balancing Energy Bids according to contractual specifications.	Balancing Reserve means obligation of a Balancing Service Provider to place Balancing Energy Bids according to contractual specifications the amount of FCR, FRR or RR that needs to be available to the TSO.	Balancing Reserve shall not be defined by an obligation to offer energy bid, which is more a consequence, but by the need of TSOs according to NC LFCR.
1	2	2	Balancing Service Provider means a market participant providing Balancing Services to its Connection Transmission System Operator.	Balancing Service Provider means a market participant providing Balancing Services. to its Connection Transmission System Operator.	Until the target model of an EU wide CoBA is not in place, Balancing Service Providers must not be limited to provide Balancing Services only to their Connecting TSO.
1	2	2	Central Dispatch System means a dispatch arrangement in a Relevant Area where the Transmission System Operator determines the commitment and output of a majority of generation or demand and issues dispatch instructions directly to them.	Central Dispatch System means a dispatch arrangement in a Relevant Area where the Transmission System Operator determines the commitment and output of a majority of generation or demand and issues dispatch instructions directly to them before gate closure. These systems are limited to Countries which already operate as Central dispatch systems at the date of entry into force of this Network Code.	Central Dispatch Systems are not clearly defined and should be regarded as derogations, not as an “alternative target model”. <i>(One dissenting member does not accord with the above view regarding treatment as derogations. In their opinion it would prejudice the right to establish national network codes as provided for in Article 8.7 of Regulation 714/2009. It would in effect require a change to a self-dispatch market and contravene the FG on Balancing which states: “... the European Network of Transmission System Operators for Electricity (ENTSO-E) shall take into account the parallel existence of central dispatch and self-dispatch arrangements of European electricity markets when drafting</i>

					<i>the Network Code on Electricity Balancing in line with these Framework Guidelines.”)</i> It should be made clear that this definition doesn't preclude BSPs to exchange cross border balancing resources under a BSP-TSO scheme.
1	2	2	Exchange of Balancing Services means the Exchange of Balancing Energy and the Exchange of Balancing Reserves.	Exchange of Balancing Services means the Exchange of Balancing Energy OR the Exchange of Balancing Reserves, or both of them.	TSOs may exchange both Balancing Energy and Balancing Reserves or only one of them.
2	2		Imbalance Adjustment means the correction applied to the Position of a Balancing Service Provider or a Balance Responsible Party by Connection Transmission System Operator for the calculation of the Imbalance.	Imbalance Adjustment means the correction applied to the Position of a Balancing Service Provider or a Balance Responsible Party by Connection Transmission System Operator for the calculation of the Imbalance.	Imbalance adjustment can be applied only to a BRP
1	2	2	Intentional Deviations means for each energy exchange that has taken place in a given time interval, between a Relevant Area and its Synchronous Zone, or between a Relevant Area and another Relevant Area in a different Synchronous Zone, the non-scheduled energy considered to be exchanged as a consequence of an intended process, including at least Imbalance Netting Process, Ramping Process, Frequency Containment requirement, Cross Zonal Frequency Containment Process and Cross Zonal Frequency Restoration Process.	More clarification is required	What is the added-value of the provision? Should it include a reference to inter-TSO compensation mechanism? Reference to synchronous time correction?
1	2	2	Price of the Bid means the price of Balancing Energy in Euro per megawatt hour or of Balancing Reserves in Euro per megawatt per hour.	Price of the Bid means the price of a given Balancing Energy Product in Euro per megawatt hour or of Balancing Reserve Product in Euro per megawatt per hour, for a given Delivery Period. No cap can be imposed by Connection Transmission System	Energy bids, as well as Reserves bids, correspond to one product for a given delivery period.

				Operators.	
1	2	2	Relevant Area means the Area which is operated by a single Transmission System Operator in accordance with the Area Process Obligations pursuant to the Network Code on Load-Frequency Control and Reserves. In systems where Imbalance is determined on nodal level and/or energy prices are determined on nodal or zonal level, the Relevant Area for Imbalance pricing and Relevant Area for Imbalance calculation are the areas identified by the Connection Transmission System Operator. It implies that the Relevant Area for Imbalance Price may differ from the Relevant Area for Imbalance calculation.	Relevant area means an area under the control of a TSO where all aspects of reserve and energy procurement are fully harmonized and which has no significant internal congestions. Please delete the present definition and amend the code accordingly in all the relevant provisions.	Relevant Area is used in the code with two different meanings: either the area under the control of a TSO where balancing services procurement is harmonised, or the area under the control of one (or several?) TSO where BRPs may consolidate imbalances. So the new definition should provide more clarity. According to this definition, a TSO may operate several Relevant Areas in case of several price zones (Italy, Norway). Under certain conditions, BRPs may compute their imbalances aggregating more than one Relevant Area (as it is the case en Germany), what has to be specified in the settlement chapter, not in the definition of Relevant Area, to avoid confusion Furthermore, consistency and continuity between bidding price zones for trading and “relevant areas” for balancing should be ensured.
1	2	2	Specific Product means a product different from a Standard Product.	Specific Balancing Product means a product different from a Standard Balancing Product, defined by different characteristics than the minimum set of Standard Product ones.	A nonstandard product shall be understood as a product which is not in use in other relevant areas. It shall be provided by all BSP in a relevant area so that it becomes in the end a standard product in this relevant area. The availability shall not be restricted.

1	2	2	Standard Products means a set of harmonised Balancing products defined by all Transmission System Operators for the Exchange and Sharing of Balancing Services.	Standard Product means a set of harmonised Balancing products defined by all Transmission System Operators for the Exchange and Sharing of Balancing Services.	There should be a clear definition and a unique name for Reserve Products (Specific and Standard)
1	2	2	TSO-TSO Model means a model for the Exchange of Balancing Services with Transmission System Operators being the only entities involved in the Exchange of Balancing Services between areas. The TSO-TSO Model is the standard model for the Exchange of Balancing Services.	TSO-TSO Model means a model for the Exchange of Balancing Services with the use of a CMO with Transmission System Operators being the only entities involved in the Exchange of Balancing Services between areas. The TSO-TSO Model is the standard model for the Exchange of Balancing Services once a Common Merit Order List is made functional for each product.	A TSO-TSO model can only be regarded as the standard model if and when its core tool (CMO) is in place. Moreover, the TSO-TSO model could be the standard model only in the targeted EU wide CoBA : until then, TSO-BSP model shall be allowed for exchanges of Balancing Energy and Reserve.
1	2	2	New definition	Social Welfare	A definition of Social Welfare has to be included.
1	2	2	Ramping Period means the time period for ramping, from the first delivery or withdrawal of power until the full change of power in-feed.		Ensure no variable ramping rate can be implemented.
1	2	2	Unshared Bids means an energy bid of a Standard Product or a Specific Product sent by a Balancing Service Provider to its Transmission System Operator which is not available for activation by other Transmission System Operators.	Unshared Bid means an energy bid of a Standard Product or a Specific Product for Balancing Services sent by a Balancing Service Provider to its Connection Transmission System Operator which is not available for activation by other Transmission System Operators.	definition should be singular.
1	3	1	The requirements established in this Network Code and their applications are based on the principle of non-discrimination and transparency as well as the principle of optimisation between the overall efficiency and total cost for all involved parties.	delete	Superfluous

1	3	2	Notwithstanding the above, the application of the non-discrimination principle and the principle of optimisation between the overall efficiency and total costs for all involved parties shall be balanced with the aim of achieving transparency in issues of interest for the market and the assignment to the real originator of the costs.	delete	Superfluous and unhelpful
1	4	2	Costs assessed as reasonable and proportionate shall be recovered in a timely manner via network tariffs or appropriate mechanisms as determined by National Regulatory Authorities.		Reasonable and proportionate costs have to be objectively defined
1	4	3	If requested to do so by National Regulatory Authorities, regulated Network Operators and Designated Entities shall, within three months of such a request, use best endeavours to provide such additional information as reasonably requested by National Regulatory Authorities to facilitate the assessment of the costs incurred.	If requested to do so by National Regulatory Authorities, regulated Network Operators and Designated Entities shall, within three months of such a request, use best endeavours to provide such additional information as reasonably requested by National Regulatory Authorities to facilitate the assessment of the costs incurred.	Information about costs shall be provided
1	6	1	The following shall be publically consulted on for a period of at least four weeks by the party or parties responsible for developing the following proposals:	The following shall be publically consulted on for a period of at least four eight weeks by the party or parties responsible for developing the following proposals:	Market parties should be provided with sufficient time to study proposals and supply an answer.
1	7	2a	the proposals for Standard Products pursuant to Article 17;	the common proposals for Standard Products pursuant to Article 17;	All NRA's should approve common proposals to ensure harmonization
1	7	2c	the methodologies for the creation of a common function for the Activation of Balancing Energy pursuant to Article 26;	the common methodologies for the creation of a common function for the Activation of Balancing Energy pursuant to Article 26;	All NRA's should approve common methodologies to ensure harmonization
1	7	2e	the proposal for amendments to the annual report pursuant to Article 57(9);	the common proposal for amendments to the annual report pursuant to Article 57(9);	All NRA's should approve common proposal to ensure harmonization
1	7	2f	the proposal of the target model for the exchanges of Balancing Energy from automatically activated Frequency Restoration Reserves as well as the	the common proposal of the target model for the exchanges of Balancing Energy from automatically activated Frequency Restoration Reserves as well as	All NRA's should approve common proposal to ensure harmonization

			proposal for modification of this target model, pursuant to Article 58;	the proposal for modification of this target model, pursuant to Article 58;	
1	7	2g	the proposal for modification of the features of the target model for the exchanges of Balancing Energy from manually activated Frequency Restoration Reserves and Replacement Reserves, pursuant to Article 58; and	the common proposal for modification of the features of the target model for the exchanges of Balancing Energy from manually activated Frequency Restoration Reserves and Replacement Reserves, pursuant to Article 58; and	All NRA's should approve common proposal to ensure harmonization
1	7	2h	the criteria and methodology for the Cost-Benefit Analysis pursuant to Article 59.	the common criteria and common methodology for the Cost-Benefit Analysis pursuant to Article 59.	All NRA's should approve common criteria and a common methodology to ensure harmonization
1	7	2	New sub-article	the existence and use of Specific Products pursuant to Article 17 and Article 18;	Move from Art.7(4) to Art.7(2)
1	7	2	New sub-article	the common methodology and associated parameters for the procurement of Balancing Reserves pursuant to Article 22;	Move from Art.7(4) to Art.7(2)
1	7	2	New sub-article	Common Imbalance Settlement mechanisms, in particular: - the Imbalance Settlement Period pursuant to Article 48; - the procedure to define Imbalance pursuant to Article 49; and - the procedure to define Imbalance Prices pursuant to Article 50;	Move from Art.7(4) to Art.7(2)
	7	2	New sub-article	a common proposal to oblige Balance Responsible Parties to provide balanced programs in the Day-Ahead timeframe pursuant to Article 16	Move from Art.7(4) to Art.7(2)

1	7	3c	The application for a contract on Balancing Reserves longer than twelve consecutive months and earlier than twelve months before the first time unit of the contract period in a Coordinated Balancing Area pursuant to Article 23(2);	The common application for a contract on Balancing Reserves longer than twelve consecutive months and earlier than twelve months before the first time unit of the contract period in a Coordinated Balancing Area pursuant to Article 23(2);	Move the sub-article to 7.4. Approval by the NRA of the MS in question should be enough for long reserve contracts.
1	7	4a	the permission for Transmission System Operators to offer Balancing Services themselves pursuant to Article 11;	Delete	TSOs shall not be allowed to offer Balancing Services, in line with Directive 2009/72 and the unbundling principle, the Framework Guidelines and Article 11 of this Network Code. TSOs are central buyers and therefore can not be sellers at the same time, and should not under any circumstances be allowed to produce electricity. This is clearly against the Third Energy Package, which stipulates that TSOs can neither own, nor operate liberalized assets, i.e. generation assets. Member states can not legislate against the European legislation regarding the Third Energy Package, which includes the unbundling principle. This exception of national law is also not foreseen in the Framework Guidelines.

1	7	4b	the application by a Transmission System Operator to offer the Balancing Services if system security is threatened due to insufficient bids from Balancing Service Providers pursuant to Article 11;	Delete	TSOs shall not be allowed to offer Balancing Services, in line with Directive 2009/72 and the unbundling principle, the Framework Guidelines and Article 11 of this Network Code. Moreover, the problem of 'insufficient bids' is in practice rather a problem of the price of the received bids. If the bids are perceived to be too high, there are other means to check this. Additionally, there are no reasons to assume that if prices are perceived to be too high, TSOs would be able to offer Balancing Services more cheaply.
1	7	4e	the proposal to oblige Balance Responsible Parties to provide balanced programs in the Day-Ahead timeframe pursuant to Article 16;	move to Art. 7(2)	This should be harmonized on a EU-level basis. Creates market distortions Imbalances could help the system
1	7	4f	the existence and use of Specific Products pursuant to Article 17 and Article 18;	Move to Art.7(2)	
1	7	4h	the methodology and associated parameters for the procurement of Balancing Reserves pursuant to Article 22;	Move to Art.7(2)	

1	7	4j	the application by a Transmission System Operator for a contract on Balancing Reserves longer than twelve consecutive months and earlier than twelve months before the first time unit of the contract period pursuant to Article 22(4);	Delete	TSOs shall not be allowed to offer Balancing Services, in line with Directive 2009/72 and the unbundling principle, the Framework Guidelines and Article 11 of this Network Code. TSOs are central buyers and therefore can not be sellers at the same time, and should not under any circumstances be allowed to produce electricity. This is clearly against the Third Energy Package, which stipulates that TSOs can neither own, nor operate liberalized assets, i.e. generation assets. Member states can not legislate against the European legislation regarding the Third Energy Package, which includes the unbundling principle. This exception of national law is also not foreseen in the Framework Guidelines.
1	7	4k	the application by a Transmission System Operator to require a Balancing Service Provider to offer unused generation capacity in the Balancing Markets pursuant to Article 25;	Please delete	Offering balancing servicest should not be mandatory. A BSP should be able to price unused generation capacity .
1	7	4m	Imbalance Settlement mechanisms, in particular: - the Imbalance Settlement Period pursuant to Article 48; - the procedure to define Imbalance pursuant to Article 49; and - the procedure to define Imbalance Prices pursuant to Article 50;	Move to Art.7(2)	

1	7	8	The relevant National Regulatory Authorities shall inform the Agency of the outcome of any approval of fixing procedures.	The relevant National Regulatory Authorities shall inform the Agency of the outcome of any approval of fixing procedures in view of ACER's role in promoting harmonisation of balancing markets at European level. The Agency should make this information publicly available in English on the ACER website.	ACER should promote the harmonization process of balancing markets across Europe. NRA decisions should not only be informed to ACER but made publicly available to ensure transparency.
1	8			Transmission System Operators shall publish following information to enable BRP's to help to balance the system and/or restore its balance: -[...]	Required in FG Balancing (p25prgr4): The Network Code on Electricity Balancing shall describe the necessary information to be published by the TSOs that is needed for BRPs to be able to help to balance the system and/or to restore its balance.
1	8	4	Each Transmission System Operator shall publish the following information on Specific Products: a) the volumes of Specific Products procured in their Relevant Area; b) the volumes of Specific Products activated in their Relevant Area; and c) the amount of Unshared Bids pursuant to Article 26.	Each Transmission System Operator shall publish at least in English the following information on Specific Products:	English language should be required
1	8	5	ENTSO-E shall publish the information referred to in this Article on the central information transparency platform...	ENTSO-E shall publish at least in English the information referred to in this Article on the central information transparency platform...	English language should be required
Chapter 2 - The Electricity Balancing System					
2	9	1	All entities referred to in Article 1(2) shall cooperate in fulfilling the obligations specified within this Network Code, in order to safeguard operational security, promote the completion and efficient functioning of the internal market in electricity and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission system.	Please delete	The text is too general and should not be part of a binding code.

2	9	<p>2 This Network Code shall facilitate the achievement of the following objectives, in particular:</p> <ul style="list-style-type: none"> (a) safeguard operational security; (b) foster effective competition, non-discrimination and transparency in Balancing Markets; (c) promote the Exchange of Balancing Services; (d) ensure that the procurement of Balancing Services is fair, objective, transparent and market-based, fosters the liquidity of Balancing Markets, avoids undue entry barriers for new entrants and prevents undue distortions from within the internal market in electricity and especially between adjacent Coordinated Balancing Areas; (e) facilitate the efficient functioning of other electricity markets, in time frames different from the Balancing Markets; (f) facilitate wide participation of Demand Side Response and supporting the achievement of the European Union target for the penetration of renewable generation; (g) increase efficiency of the operation and functioning of Balancing Markets, avoiding undue market fragmentation whilst promoting the Exchange of Balancing Services and Sharing of Balancing Services; (h) provide benefits for consumers; (i) contribute to the efficient long-term operation and development of the European electricity Transmission System and electricity sector; and (j) facilitate the integration of renewable energy sources in the Balancing Markets in order to enhance pan-European Social Welfare. 	<p>This Network Code shall facilitate the achievement of the following objectives, in particular:</p> <ul style="list-style-type: none"> (a) safeguard operational security; (b) foster effective competition, non-discrimination and transparency in Balancing Markets; (c) promote the Exchange of Balancing Services; (d) ensure that the procurement of Balancing Services is sufficient to ensure a safe operation of the system, is fair, objective, transparent and market-based, fosters the liquidity of Balancing Markets, avoids undue entry barriers for new entrants and prevents undue distortions from within the internal market in electricity and especially between adjacent Coordinated Balancing Areas; (e) facilitate the efficient functioning of other electricity markets, in time frames different from the Balancing Markets; (f) facilitate wide participation of Demand Side Response and supporting the achievement of the European Union target for the penetration of renewable generation; (g) increase efficiency of the operation and functioning of Balancing Markets, avoiding undue market fragmentation whilst promoting the Exchange of Balancing Services and Sharing of Balancing Services; (h) provide benefits for consumers; (i) contribute to the efficient long term operation and development of the European electricity Transmission System and electricity sector; and (j) facilitate the integration of renewable energy sources in the Balancing Markets in order to enhance pan-European Social Welfare. 	<p>The objectives need to be focused. The provisions should be made consistent with Regulation 714/2009].</p>
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2	9	3	In fulfilling the requirements of this Network Code, Transmission System Operators and National Regulatory Authorities shall use reasonable endeavours to exploit synergies drawing on experience gained through existing Balancing cooperation projects, commenced, concluded or on-going at the date of the entry into force of this Network Code.	In fulfilling the requirements of this Network Code, Transmission System Operators and National Regulatory Authorities shall exploit synergies drawing on experience gained through existing Balancing cooperation projects, commenced, concluded or on-going at the date of the entry into force of this Network Code.	Synergies shall be exploited.
2	10	1	Each Transmission System Operator shall cooperate with at least one other Transmission System Operator operating in two different Member States in the form of a Coordinated Balancing Area. Such cooperation shall comprise the Exchange of Balancing Energy from at least Standard Product, or Imbalance Netting.	Each Transmission System Operator shall cooperate with at least one other Transmission System Operator operating in two different Member States in the form of a Coordinated Balancing Area. Such cooperation shall comprise the Exchange of Balancing Energy from at least all Standard Products and some Specific products or on top of Imbalance Netting, if agreed between more than one TSO. Coordinated Balancing Areas should correspond exactly to the area covered by one or more Bidding Zones. Transmission System Operators of a Coordinated Balancing Area for the Exchange of Balancing Energy should be incited to form also a Coordinated Balancing Area for the Exchange of Balancing Reserves.	Delete "two" to avoid misunderstanding (a TSO operating in two Member States). Replace "or" by "and": CoBA is about exchange of reserves - Imbalance Netting does not exchanges reserves. Specific products shall be also put at disposal of other TSO/BSP within a COBA. We should not have overlapping CoBAs and bidding zones. In order to reach the objective of CoBA integration TSOs should be incited to exchange and share Balancing Reserves and not only Balancing Energy. Even if the Framework Guidelines are not prescriptive on this point, the NC could develop appropriate incitations.
2	10	4	All Transmission System Operators shall cooperate loyally in promoting the creation, enlargement, and merging of Coordinated Balancing Areas in order to facilitate the achievement of the targets established in Article 58. Where two or more Coordinated Balancing Areas for a Standard Product merge, the result shall have the form of a single Coordinated Balancing Area replacing the previous ones.	All Transmission System Operators shall cooperate loyally in promoting the creation, enlargement, and merging of Coordinated Balancing Areas in order to facilitate the achievement of the targets established in Article 58. Where two or more Coordinated Balancing Areas for a Standard Product merge, the result shall have the form of a single Coordinated Balancing Area replacing the previous ones.	Loyally should be replaced by a measurable term

2	10	6	Transmission System Operators of a Coordinated Balancing Area shall perform and share, amongst themselves, close-to-real-time short-term predictive forecasts of system conditions including at least information on generation, load, reserve requirements and the transmission network, in a harmonised way, in order to coordinate and optimise the Balancing actions taken.	Transmission System Operators of a Coordinated Balancing Area shall perform and publish and share, amongst themselves , close-to-real-time short-term predictive forecasts of system conditions according to NC OPS including at least information on generation, load, reserve requirements and the transmission network, in a harmonised way, in order to coordinate and optimise the Balancing actions taken.	This information shall be published. NC OPS establishes the frames and content of interchange of forecasted information for operational planning.
2	10	7	All Transmission System Operators shall report to the Agency as soon as incompatibilities are identified.	All Transmission System Operators shall report to the Agency as soon as incompatibilities are identified. The Agency decides on remedies to tackle those incompatibilities and ensure harmonization of the different Coordinated Balancing Areas, when necessary.	ACER should not only be notified of incompatibilities but also take action.
2	11	3	Transmission System Operators shall not offer the Balancing Services themselves except, if there are insufficient bids with respect to dimensioning requirements contained in the Network Code on Load-Frequency Control and Reserves from Balancing Service Providers or if foreseen under national law. If a Transmission System Operator is submitting a proposal for regulatory approval regarding the provision of Balancing Services following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	Transmission System Operators shall not offer the Balancing Services themselves except, if there are insufficient bids with respect to dimensioning requirements contained in the Network Code on Load-Frequency Control and Reserves from Balancing Service Providers, or if foreseen under national law. If a Transmission System Operator is submitting a proposal for regulatory approval regarding the provision of Balancing Services following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	TSOs are central buyers and therefore can not be sellers at the same time, and should not under any circumstances be allowed to produce electricity. Furthermore, this is against the Third Energy Package, which stipulates that TSOs can not neither own, nor operate liberalized assets, e.g. generation assets. The code does not include any provision that would address the issue of how to prove insufficiency in balancing bids and does not propose a Stakeholder Consultation on the topic. Finally, Member states should not be able to legislate against market based balancing. This would hinder the development of the internal market.

2	11	3bis	new provision	Each Transmission System Operator shall provide each of its connected Balancing Responsible Party with the appropriate informations on their own imbalances as well as System Imbalance.	Since there is an important financial incitation for BRP to be balanced, appropriate information from TSOs should support BRPs best vision of their imbalances.
2	11	5	Transmission System Operators shall use best endeavours to facilitate the Exchange of Balancing Energy within a Coordinated Balancing Area and ensure its applicability.	Transmission System Operators shall use best endeavours to facilitate ensure the Exchange of Balancing Energy within a Coordinated Balancing Area and ensure its applicability.	Exchange of balancing energy shall be ensured. This is the purpose of this code.
2	11	6	All decisions by Transmission System Operators within a Coordinated Balancing Area, or any other cooperation between two or more Transmission System Operators dealing with the Exchange and Sharing of Balancing Services or an Imbalance Netting Process as stipulated in this Network Code, shall be unanimous.	All decisions by Transmission System Operators within a Coordinated Balancing Area, or any other cooperation between two or more Transmission System Operators dealing with the Exchange and Sharing of Balancing Services or an Imbalance Netting Process as stipulated in this Network Code, shall be unanimous made by a qualified majority or referred to ACER for a decision under Art 7(9).	Development in a Coordinated Balancing Area should not be obstructed by a minority. Disagreements have to be referred to ACER under 7(9).
2	11	7	Where Transmission System Operators are required to adopt a decision in accordance with this Network Code, all Transmission System Operators shall cooperate loyally to adopt the decision.	Where Transmission System Operators are required to adopt a decision in accordance with this Network Code, all Transmission System Operators shall cooperate loyally to adopt the decision.	Loyally should be replaced by a measurable term
2	11	8	Where all Transmission System Operators are required to adopt a decision in accordance with this Network Code, ENTSO-E shall facilitate the adoption of decisions.		A process should be specified how ENTSO-E will facilitate the adoption of decisions.

2	12	1	Distribution System Operators shall cooperate with Transmission System Operators and Balancing Service Providers to ensure efficient and effective Balancing.		There is no way to enforce this if cooperation is lacking
2	12	2		Add at the end: Once constraints are detected and informed, DSO may perform constraints management procedures	Just informing TSO and BSP is not sufficient, as, if the constraint causes a problem, some BSP(s) may be disconnected which could have a negative effect on balancing of the system
2	12	3		Add at the end: The Transmission System Operator shall provide the DSO with all necessary information to perform constraint detection according to article 12 (2), including operation schedules and activations for the relevant distribution areas.	DSO is unable to detect the constraints if it is not provided with the relevant information
2	12	4	The Distribution System Operator shall bear all costs resulting from curtailment of schedules and Balancing Reserves limited by their own system as defined in Article 16, if no agreement on the cost recovery between the Distribution System Operator and the Connection Transmission System Operator or national legislation covering this matter is in place.	Delete the whole sub-article	DSO can only bear these costs if it is part of the DSO network tariff. Whether or not congestion management on the transmission and/or distribution level is part of the TSO network tariff and/or DSO network tariff depends on the tariff structures in the member states. Tariffs are a responsibility of the member states. Also, costs issues are dealt with in article 4. To include it here may be viewed as an exception to article 4.

2	13	3	Balancing Service Provider with a contract on a Balancing Reserve shall be obliged to submit at least the procured volume of Balancing Energy Bids respecting terms and conditions related to Balancing to its Connection Transmission System Operator.	Balancing Service Provider with a contract on a Balancing Reserve shall be obliged to submit at least the procured volume of Balancing Energy Bids, for the corresponding Product and time period , respecting terms and conditions related to Balancing to its Connection Transmission System Operator.	The obligation to offer the procured shall be valid only for the corresponding product and time period, and not in general.
2	13	4	All Balancing Service Providers shall be entitled to submit and update their Balancing Energy Bids until the Balancing Energy Gate Closure Time. Balancing Energy Standard Products cannot be activated prior to the Balancing Energy Gate Closure Time.	All Balancing Service Providers shall be entitled to submit and update their Balancing Energy Bids until the Balancing Reserves Gate Closure Time . Balancing Energy Standard Products cannot be activated prior to the Balancing Gate Closure Time .	A separate balancing energy market should be avoided, in favor of establishing efficient and preserving existent ID markets (GCT: T-15min) and a single procurement of balancing services. * Liquidity is removed from the ID market, while actually BRPs should be given all possible means to balance their own positions (short GCT, PTU products, maximum liquidity). -> All short-term flexibility should become available in the ID market * CMO calculation will be simplified with static merit orders and late ID-GCT becomes possible. * With additional bids in the balancing energy market, balancing reserves will remain unused and potentially twice the power is blocked -> particularly relevant in critical situations! * Strong price signals from balancing energy prices, and in turn imbalance prices, are essential for appropriate BRP incentives.

2	13	5	Balancing Service Providers are allowed to provide Standard Products or Specific Products for the Exchange of Balancing Energy and Balancing Reserves, only to the Connection Transmission System Operator.	Balancing Service Providers are allowed to provide Standard Products or Specific Products for the Exchange of Balancing Energy and Balancing Reserves, only to the Connection Transmission System Operator once an EU-wide TSO-TSO model including a Common Merit Order List is in place, for the corresponding Product , and with regard to Article 35.	A reference to the TSO-BSP model. TSO-BSP model shall be maintain until the implementation of the target model of exchanges
2	15	3b	Reserve Procurement Optimisation Function, in case Balancing Reserves are exchanged;	Reserve Procurement Optimisation Function, in case Balancing Reserves are exchanged;	Exchange of reserves should be the base case in all CoBA
2	15	3c	Transfer of Reserve Optimisation Function, in case a secondary market with the possibility to transfer obligations of Balancing Service Providers for providing Balancing Reserves from one Relevant Area to another is established;	Delete	There should be no obligations for BSP's to offer Balancing Services and thus no secondary market and a Transfer of Reserve Optimisation Function
2	15	3	The cooperation processes in all Coordinated Balancing Areas shall involve the following functions:	The cooperation processes in all Coordinated Balancing Areas shall involve the following common functions:	Clarification that these functions are common across the CoBA

2	16	1	Within the proposal for a Coordinated Balancing Area following Article 10, all Transmission System Operators of a Coordinated Balancing Area shall develop a framework for the establishment of the terms and conditions related to Balancing, taking into account specificities of Central Dispatch, where applicable.	<p>Within the proposal for a Coordinated Balancing Area following Article 10, all Transmission System Operators of a Coordinated Balancing Area shall develop a framework for the establishment of the terms and conditions related to Balancing, taking into account specificities of Central Dispatch, where applicable.</p> <p>TSOs shall coordinate with relevant Distribution System Operators when developing this framework.</p>	The Framework Guidelines indicate that TSOs shall coordinate with other system operators (including neighbouring TSOs, distribution system operators or gas system operators where applicable) when elaborating the terms and conditions. If DSOs are not involved already in elaboration of the framework for terms and conditions that will include contractual relations between TSOs, BRPs and or BSPs, fundamental aspects of participation of aggregation in the balancing market may not be properly considered.
2	16	2.a	New provision	(a) allow for the aggregation of demand and generation units within a Relevant Area to offer Balancing Services. No exemptions or special treatments are allowed to any technologies or participants in terms of settlement, access to the market, procurement and dispatching	In order to establish a level playing field
2	16	5	Each Transmission System Operator shall ensure that the frameworks for the development of terms and conditions related to Balancing are consistent, in case the Transmission System Operator is part of more than one Coordinated Balancing Areas for different Standard Products.	Each Transmission System Operator shall ensure that the frameworks for the development of terms and conditions related to Balancing are consistent.	It is not clear how TSOs can be a member of two different CBAs for different products. Also valid if part of more than one CoBA for the same Standard Products
2	16	5	Each Transmission System Operator shall ensure that the frameworks for the development of terms and conditions related to Balancing are consistent, in case the Transmission System Operator is part of more than one Coordinated Balancing Areas for different Standard Products.	Each Transmission System Operator shall ensure that the frameworks for the development of terms and conditions related to Balancing are consistent.	It is not clear how TSOs can be a member of two different CBAs for different products.

2	16	8	Each Transmission System Operator shall be entitled to launch a reassessment of the terms and conditions on the basis of their own judgment or following a request from its National Regulatory Authority.	Each Transmission System Operator shall be entitled to launch a reassessment of the terms and conditions on the basis of their own judgment or following a request from its National Regulatory Authority, and start a public consultation. All stakeholders shall be entitled to launch a request for the reassessment of the terms and conditions.	public consultation on terms and conditions is crucial and shall be noticed here (even if listed in article 6). Moreover, stakeholders should be entitled to ask for a reassessment of these terms and conditions.
2	16	9	Each Connection Transmission System Operator shall be entitled to oblige Balance Responsible Parties to provide a balanced Position in the Day-Ahead timeframe.	Need for clarification	It should be further clarified what is meant by obliging to provide a Balanced Position. What is exactly obliged? Can market participants still rely on intraday market?
Chapter 3 - Procurement of Balancing services					
3	17	1	No later than twelve months after entry into force of this Network Code, all Transmission System Operators shall prepare a common initial proposal for standard Balancing Reserve and Energy products.	No later than twelve three months after entry into force of this Network Code, all Transmission System Operators shall prepare a common initial proposal for standard Balancing Reserve and Energy products.	We believe TSOs shall be already working on that proposal so no need to allow such a long time
3	17	4	The standard Balancing Reserve and Energy products shall consist of at least the following standard characteristics: (a) Preparation Period (b) Ramping Period (c) Full Activation Time; (d) minimum and maximum quantity; (e) Deactivation Period; (f) Price of the Bid; (g) Divisibility; (h) Delivery Period, including minimum and maximum duration of activation; (i) location; (j) Validity Period; and (k) Mode of Activation.		The characteristics should be applied by all TSOs. If one region wants to use preparation period (for exemple) and one regions does not want to use it, it is better if the products in both zones have a "preparation period", the value will simply be 0 in the region that does not want to use it. If the products have the same format, it might be easier to couple them in the future.

3	17	4i	location	location of the connection of every unit within a bid, including the electrical node (either in transmission or distribution networks)	"location" is too general. It should also be specified if the unit is located in the DSO network and where.
3	17	4j		Add new characteristic: j) in case of aggregation, forecasted individual contribution	Any restriction of the individual contribution of each aggregated unit has to be visible to the DSO
3	17	5a	satisfy the needs of all Transmission System Operators of a Coordinated Balancing Area in order to safeguard operational security;	satisfy the needs of all Transmission System Operators of a Coordinated Balancing Area in order to safeguard operational security; include at least a set of harmonised characteristics defined and approved by all TSOs for the Exchange and Sharing of Balancing Services according to article 7 §2 a)	Clearly define what Standard Product should cover and be approved by all NRA's
3	17	6	Each Transmission System Operator shall be entitled to define and use Specific Products. The following requirements shall be respected when defining Specific Products and evaluated for approval by the relevant National Regulatory Authority: ... (c) Specific Products shall be visible for other Transmission System Operators of the Coordinated Balancing Area; and	If standard products could not satisfy the needs of TSO in order to safeguard operational security, each Transmission System Operator shall be entitled to define and use Specific Products. The following requirements shall be respected when defining Specific Products and evaluated for approval by the relevant National Regulatory Authority: ... (c) Specific Products shall be available for cross-borders exchanges and visible for other Transmission System Operators of the Coordinated Balancing Area; and	Introduction of specific products should be justified by TSOs and approved by NRAs Specific products shall be available for cross- border exchanges according to the Framework Guidelines. To this end, Specific products shall be defined in a transparent way and put at common disposal within a COBA so other Balance Service Providers/TSOs can provide/purchase such products. Otherwise if every TSO can define its own products and are allowed to not share them, the integration of the Balancing market will never be a reality.

3	17	6b	the Specific Products defined shall not create significant inefficiencies and distortions in national market or in the Coordinated Balancing Area;	the Specific Products defined shall not create significant inefficiencies and distortions in national and neighboring markets or in the Coordinated Balancing Area;	Specific products can create inefficiencies and distortions in neighboring markets that are not in the CoBA
3	17	6c	Specific Products shall be visible for other Transmission System Operators of the Coordinated Balancing Area; and	Specific Products shall be visible for other Transmission System Operators of the Coordinated Balancing Area and the requirements will be publicly available to market participants on ENTSO-E in English ; and	Specific products should be visible to all market participants.
3	17	6	Each Transmission System Operator shall be entitled to define and use Specific Products. The following requirements shall be respected when defining Specific Products and evaluated for approval by the relevant National Regulatory Authority:	Each Transmission System Operator shall be entitled to define and use Specific Products subject to providing all National Regulatory Authorities with a detailed analysis demonstrating that the use of a specific product is more efficient for EU-wide implementation in pursuing the general objectives defined in Article 9. The following requirements shall be respected when defining Specific Products and evaluated for approval by the relevant National Regulatory Authority:	Specific products should be minimized to allow for maximum harmonization and sufficient liquidity in the balancing market.
3	19	1	Where Transmission System Operators use Specific Products for the Balancing of the system, they shall be entitled to submit these Specific Products into the common procurement of Balancing Services, provided these are converted into a Standard Product exchanged in the relevant Coordinated Balancing Area.	Where Transmission System Operators use Specific Products for the Balancing of the system, they shall be listed entitled to submit these Specific Products into in the common procurement of Balancing Services, so that other TSOs/BSPs can procure/sell them. provided these are converted into a Standard Product exchanged in the relevant Coordinated Balancing Area.	Specific products shall be available for cross- border exchanges according to the Framework Guidelines. To this end, Specific products shall be defined in a transparent way and put at common disposal within a COBA so other Balance Service Providers/TSOs can provide/purchase such products. Otherwise if every TSO can define its own products and are allowed to not share them, the integration of the Balancing market will never be a reality.

					- TSOs should act as market facilitators not as intermediates so no product conversion is acceptable.
3	19	2	Transmission System Operators operating in Central Dispatch Systems shall select and, if necessary, convert the bids into Standard Products submitted by Balancing Service Providers taking into account their technical availability for the Exchange of Balancing Services.	Please delete <i>(One dissenting member does not believe it should be deleted)</i>	It is difficult to imagine a functioning balancing market integration of Central Dispatch systems in the European internal electricity market, ENTSO-E have not provided sufficient justification as to how the articles relating to central dispatch ensure a level playing field with regard to balancing between self and central dispatch systems. EURELECTRIC requests that such justification is provided and where possible included within the code. Central dispatch systems could only be considered as derogations, not as an "alternative target model". <i>(One dissenting member does not accord with the above view regarding treatment as derogations. In their opinion it would prejudice the right to establish national network codes as provided for in Article 8.7 of Regulation 714/2009. It would in effect require a change to a self-dispatch market and contravene the FG on Balancing which states: "... the European</i>

					<i>Network of Transmission System Operators for Electricity (ENTSO-E) shall take into account the parallel existence of central dispatch and self-dispatch arrangements of European electricity markets when drafting the Network Code on Electricity Balancing in line with these Framework Guidelines.”) A closed list of the TSOs applying for that derogation should be published along with the Network Code, even in the drafting stage.</i>
3	19	4	New provision	Convesion of products by a TSO should not be allowed.	
3	20	1	Unexpected unavailable volumes of Balancing Energy Bids of a Balancing Service Provider after the Balancing Gate Closure Time shall be reported to the Connection Transmission System Operator without delay.	Unexpected unavailable volumes of Balancing Energy Bids of a Balancing Service Provider after the Balancing Gate Closure Time shall be reported to the Connection Transmission System Operator and if applicable to the Connection Distribution System Operator by the Connection Transmission System Operator without delay.	Unexpected unavailable generation units can have a big impact on the constraints of the distribution grids.
3	20	2	The Balancing Gate Closure Time shall be applicable for each Exchange of Balancing Energy of Standard Products.	The Balancing Gate Closure Time shall be applicable for each Exchange of Balancing Energy of Standard Products. Each product shall define among its specifications the Balancing Gate Closure Time.	Clarification
3	20	4	The Balancing Gate Closure Time shall be after Intraday Cross Zonal Gate Closure Time and must ensure sufficient time for Transmission System Operators to perform balancing actions, including cross border optimisation and local planning.	More clear definition is needed	The “Sufficient time” must not be too long, othervice there’s a risk that Intaday Gate Closure moves further away from the operation hour.

3	20	5	New provision	The Balancing Gate Closure Time shall be as close as possible to real time, and, in any case, no further than one hour prior to real time, and coordinated within a COBA.	Clarification of Balancing Gate Closure Time
3	21	2	In case the procurement of Balancing Services fails prior to the activation period, all Transmission System Operators of a Coordinated Balancing Area shall use their best endeavours to perform repetition of the procurement process while respecting the objectives of this Network Code. Transmission System Operators shall use their best endeavours to inform market participants that fall-back procedures are used as soon as reasonably practicable. In case the coordinated Activation of Balancing Energy fails, Transmission System Operators may bypass the Common Merit Order List activation.	In case the procurement of Balancing Services fails prior to the activation period, all Transmission System Operators of a Coordinated Balancing Area shall use their best endeavours to perform repetition of the procurement process while respecting the objectives of this Network Code. Transmission System Operators shall use their best endeavours to inform market participants that fall-back procedures are used as soon as reasonably practicable. In case the coordinated Activation of Balancing Energy fails, Transmission System Operators may bypass the Common Merit Order List activation.	The fall back solution shall be performed and market participants shall be informed. TSO's can adopt extraordinary solutions taking into account the failure
3	21		In case the procurement of Balancing Services fails prior to the activation period, all Transmission System Operators of a Coordinated Balancing Area shall use their best endeavours to perform repetition of the procurement process while respecting the objectives of this Network Code. Transmission System Operators shall use their best endeavours to inform market participants that fall-back procedures are used as soon as reasonably practicable. In case the coordinated Activation of Balancing Energy fails, Transmission System Operators may bypass the Common Merit Order List activation.		best endeavours should be replaced by a measurable term

3	22	1	<p>Each Transmission System Operator shall use at least one of the following market based methods for the procurement of Frequency Containment Reserves, Frequency Restoration Reserves and Replacement Reserves:</p> <p>(a) a call for tender; (b) a call for tender with price caps; or (c) an obligation for Balancing Service Providers to provide reserves, linked to a liquid secondary market for the Transfer of Obligations.</p>	<p>Each Transmission System Operator shall use at least one of the following market based methods for the procurement of Frequency Containment Reserves, Frequency Restoration Reserves and Replacement Reserves:</p> <p>(a) a call for tender; (b) a call for tender with price caps; or (c) an obligation for Balancing Service Providers to provide reserves, linked to a liquid secondary market for the Transfer of Obligations.</p> <p>Each Transmission System Operator shall use the market based method of a call for tender for the procurement of Frequency Containment Reserves, Frequency Restoration Reserves and Replacement Reserves.</p>	<p>Call for tender with price caps and an obligation with secondary market are not in line with the Framework Guidelines since these methods are not market based, create distortions between markets and create distortion in competition. To the contrary, the Framework Guidelines state that procurement principles will be "non-discriminatory, fair, objective, transparent, market-based and economically efficient, and that there are limited distortions between adjacent markets".</p>
3	22	2	<p>Transmission System Operators operating Central Dispatch Systems may apply integrated procedures containing the procurement of Balancing Reserves according to the terms and conditions related to Balancing pursuant to Article 15.</p>	<p>Please delete (<i>One dissenting member does not believe it should be deleted.</i>)</p>	<p>It is difficult to imagine a functioning balancing market integration of Central Dispatch systems in the European internal electricity market, ENTSO-E have not provided sufficient justification as to how the articles relating to central dispatch ensure a level playing field with regard to balancing between self and central dispatch systems. EURELECTRIC requests that such justification is provided and where possible included within the code.</p>
3	22	4	<p>Each Transmission System Operators shall be entitled to procure Balancing Reserves for a contract period longer than twelve months and earlier than twelve months before the first relevant unit of the contract period for products not exchanged within a Coordinated Balancing Area.</p>	<p>Each Transmission System Operators shall be entitled to procure Balancing Reserves for a contract period longer than twelve months and earlier than twelve months before the first relevant unit of the contract period for products not exchanged within a Coordinated Balancing Area but in accordance to Article 7(3).</p>	<p>Rules on Specific Products have to be agreed by all NRA's of the CoBA . If such products are needed, the request shall be based on call for tender. The TSO has to give a arguemnts for such long periods</p>

3	22	5	it can be demonstrated that a combination of upwards and downwards Balancing Reserve Bids does not decrease Social Welfare and combined procurement does not hinder participation of Demand Side Response in the procurement of Balancing Reserves.		Definition of Social Welfare should be included.
3	22	5	The terms and conditions related to Balancing for the procurement of Balancing Reserves shall establish that the procurement of upwards and downwards Balancing Reserves is done through separated processes. Notwithstanding that, each Transmission System Operator shall be entitled to combine procurement and accept additional bids linking upwards and downwards Balancing Reserve products if: (a) in case of procurement of Frequency Containment Reserves; or (b) it can be demonstrated that a combination of upwards and downwards Balancing Reserve Bids does not decrease Social Welfare and combined procurement does not hinder participation of Demand Side Response in the procurement of Balancing Reserves.	The terms and conditions related to Balancing for the procurement of Balancing Reserves shall establish that the procurement of upwards and downwards Balancing Reserves is done through separated processes. Notwithstanding that, each Transmission System Operator shall be entitled to combine procurement and accept additional bids linking upwards and downwards Balancing Reserve products if: (a) in case of procurement of Frequency Containment Reserves; or (b) if it can be demonstrated that a combination of upwards and downwards Balancing Reserve Bids does not decrease improve Social Welfare and combined procurement does not hinder participation of Demand Side Response, from renewables and intermittent sources in the procurement of Balancing Reserves.	
3	22	9	In case a secondary market for the Transfer of Obligations in a Coordinated Balancing Area is implemented, the following principles shall be respected:	In case a call for tender with a secondary market for the Transfer of Obligations is implemented in a Coordinated Balancing Area, the following principles shall be respected:	An obligation with secondary market should not be included as a procurement method. A secondary market may help due to insufficient bids in case of an unplanned outage ... In case a call for tender with a secondary market for the Transfer of Obligations is implemented in a Coordinated Balancing Area, the following principles shall be respected. Please also see my comment to obligation above.

3	23	1	In accordance with the general objectives of this Network Code set forth in Article 9, each Transmission System Operator shall have the right to decide for the Exchange or Sharing of Balancing Reserves, respecting the Network Code on Load-Frequency Control and Reserves and CHAPTER 4 of this Network Code. Each Transmission System Operator is entitled to combine the Exchange and Sharing of Balancing Reserves.	In accordance with the general objectives of this Network Code set forth in Article 9, each Transmission System Operator shall have the right to decide for the exchange or share Balancing Reserves, respecting the Network Code on Load-Frequency Control and Reserves and CHAPTER 4 of this Network Code. Each Transmission System Operator is entitled to combine the Exchange and Sharing of Balancing Reserves.	TSO's should not have the right to decide for the Exchange and Sharing of Balancing Reserves. It distorts the market and competition, prevents harmonization and integration of balancing markets, is against the 3th energy package and against free movement of goods.
3	23	2	All Transmission System Operators of a Coordinated Balancing Area shall be entitled to procure Balancing Reserves for a contract period longer than twelve months and earlier than twelve months before the first relevant unit of the contract period for products exchanged within a Coordinated Balancing Area.	All Transmission System Operators of a Coordinated Balancing Area shall be entitled to procure Balancing Reserves for a contract period longer than twelve months and earlier than twelve months, subject to approval according to Article 7(2) c) , before the first relevant unit of the contract period for products exchanged within a Coordinated Balancing Area.	Such long contracts should be subject to approval by all NRA's of the relevant CoBA since it can have a distortive impact in the balancing markets.
3	23	3	New provision	All Transmission System Operators of a Coordinated Balancing Area shall coordinate and procure at the same time a volume of Balancing Reserves at least equal to the maximum volume for Exchange of Reserves set in the code LFCR.	Exchanges of Reserves can only be efficient if the procurements in the different zones of a CoBA are performed at the same time. All players would bid in a single market for the procurement of reserves and the Reserve Procurement Optimisation Function could then select the bids optimally. (BSP wishing to take part in cross-border exchange of reserves could procure themselves the interconnection capacity and bid with 2 prices: one for local Reserve and one for cross-border reserve)

3	23	<p>All Transmission System Operators within a Coordinated Balancing Area Exchanging or Sharing Balancing Reserves shall develop a pricing method for each exchanged Balancing Reserves product to be included in the proposal for a Coordinated Balancing Area pursuant to Article 10, which shall:</p> <p>(a) strive for an economically efficient use of all Balancing resources, including Demand Side Response and renewable energy sources subject to operational security limits;</p> <p>(b) give correct price signals and right incentives to market participants;</p> <p>(c) ensure that there are no significant distortions between adjacent Coordinated Balancing Areas; and</p> <p>(d) enable Balancing Service Providers to participate in market based procurement of Balancing Reserves.</p>	<p>DELETE AND CHANGE FOR: The initial pricing method shall be based on marginal pricing (pay-as-cleared), unless Transmission System Operators provide all National Regulatory Authorities with a detailed analysis demonstrating that a different pricing method is more efficient for EU-wide implementation in pursuing the general objectives defined in Article 9.</p>	<p>The basic pricing methodology should be marginal pricing. Unless duly justified (in line with the FG)</p>
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3	24	<p>1 For a period not exceeding six years after the entry into force of this Network Code, each Transmission System Operator and each Balancing Service Provider may, upon request, be exempted, from the application of the following provisions: Article 13(5), Article 22(11) and (11), Article 36(1), Article 37(1) and (2), Article 38(1) and (2), Article 49(3) and (5). In case the exemption is granted, they shall establish contractual arrangements in the form of a TSO-BSP Model, under the following conditions:</p> <p>(a) settlement between Transmission System Operators in accordance to SECTION 3 of CHAPTER 5 shall be applicable, ensuring a fair distribution of costs and benefits resulting from Exchange of Balancing Reserves;</p> <p>(b) a Cost-Benefit Analysis shall be performed by the contracting Transmission System Operator indicating Social Welfare implications of the application of a TSO-BSP Model for the procurement of Balancing Reserves for at least the Relevant Areas of the contracting and Connection Transmission System Operator;</p> <p>(c) an agreement between the contracting Transmission System Operator and the Connection Transmission System Operator about technical and contractual requirements and the settlement of Balancing Services shall be established;</p> <p>(d) the request for transitional exemptions is approved by both National Regulatory Authorities of the Relevant Areas of the contracting Transmission System Operator and the Connection Transmission System Operator; and</p> <p>(e) a compensation mechanism for the use of Cross</p>	<p>DELETE and change for: NEW: The transitional procurement of balancing reserves in the form of a TSO-BSP model for balancing energy and balancing reserves shall be maintained until Specific products are available in the market. TSOs shall do their best endeavors to eliminate Specific products the achievemet of the target model of European-wide TSO - TSO Model with Common Merit Order, pursuant to Article 58.1.d. Until such time as the Common Merit Order is in place for Balancing Services, as set out in Article 58(1) , each Transmission System Operator and each Balancing Service Provider may be exempted, from the application of the following provisions: Article 13(5), Article 22(11), Article 36(1), Article 37(1) and (2), Article 38(1) and (2), Article 49(3) and (5). In this event they may establish contractual arrangements in the form of a TSO-BSP Model, under the following conditions.</p> <p>(a) settlement between Transmission System Operators in accordance to SECTION 3 of CHAPTER 5 shall be applicable, ensuring a fair distribution of costs and benefits resulting from Exchange of Balancing Reserves;</p> <p>(b) an agreement between the contracting Transmission System Operator and the Connection Transmission System Operator about technical and contractual requirements and the settlement of Balancing Services shall be established.</p>	<p>The transitional procurement in the form of a TSO-BSP model should remain in place untill all elements of the TSO-TSO model (including the Common Merit Order List) are in place. This should not be limited by a theoretical deadline, but by the actual achievement of the key elements of the TSO-TSO model. Otherwise, there is a serious risk that cross-zonal exchange of Balancing Services becomes impossible after six years, in case the TSO-TSO model faces delays or other obstacles. The TSO-BSP model should not be subject to a Cost-Benefit Analysis but should instead be allowed as the transitional arrangement for cross-zonal exchange of Balancing Services untill a TSO-TSO model is in place. Likewise it should also not be subject to a request, but should be (automatically) available to BSPs untill the TSO-TSO model is in place.</p>
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			Zonal Capacity for the Exchange of Balancing Reserves under this Article shall be developed.		
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3	24	1b	a Cost-Benefit Analysis shall be performed by the contracting Transmission System Operator indicating Social Welfare implications of the application of a TSO-BSP Model for the procurement of Balancing Reserves for at least the Relevant Areas of the contracting and Connection Transmission System Operator;		Definition of Social Welfare.
3	24	1	For a period not exceeding six years after the entry into force of this Network Code, each Transmission System Operator and each Balancing Service Provider may, upon request, be exempted, from the application of the following provisions: Article 13(5), Article 22(11) and (11), Article 36(1), Article 37(1) and (2), Article 38(1) and (2), Article 49(3) and (5). In case the exemption is granted, they shall establish contractual arrangements in the form of a TSO-BSP Model, under the following conditions:	For a period not exceeding six years after the entry into force of this Network Code, Until the completion of a single European balancing market based on a TSO-TSO model with CMO, each Transmission System Operator and each Balancing Service Provider may, upon request, be exempted, from the application of the following provisions: Article 13(5), Article 22(11) and (11), Article 36(1), Article 37(1) and (2), Article 38(1) and (2), Article 49(3) and (5). In case the exemption is granted, they shall establish contractual arrangements in the form of a TSO-BSP Model, under the following conditions:	Scrapping the TSO-BSP model should be conditional on the full realisation of the TSO-TSO model
3	24	2	Every request for exemption shall contain: (a) the detailed reasons on the basis of which the exemption was granted or refused, including the financial information justifying the need for the exemption; and (b) the Cost-Benefit Analysis undertaken pursuant to Article 58.	DELETE	In line with the amendments 3. 19.2, 3.22.2
3	25	3	Notwithstanding paragraph 2, each Transmission System Operator shall be entitled to apply a different pricing method for any Balancing Energy Standard Product provided that the Transmission System Operator does not participate in a Coordinated Balancing Area for this Balancing Energy Standard Product.	Please delete	The NC shall create a European internal market. The pricing method shall be the same for all the products. The price will be different depending on each product.

3	25	4	After entry into force of the pricing method of Balancing Energy Standard Products as foreseen in paragraph 2, all Transmission System Operators shall be entitled to propose a change to the pricing method of Balancing Energy Standard Products.	Please delete	Harmonization of marginal pricing method necessary in order to keep level playing field and prevent market distortions
3	25	4	After entry into force of the pricing method of Balancing Energy Standard Products as foreseen in paragraph 2, all Transmission System Operators shall be entitled to propose a change to the pricing method of Balancing Energy Standard Products.	After entry into force of the pricing method of Balancing Energy Standard Products as foreseen in paragraph 2, all Transmission System Operators shall be entitled to propose a change to the pricing method of Balancing Energy Standard Products if TSOs provide all NRAs with detailed analysis demonstrating that a different pricing method is more efficient for EU-wide implementation in pursuing the general objectives defined in Article 9.	- The pricing method shall be the same for all the products. The price will be different depending on each product. -To be able to change the pricing method a reasonable analysis have to be realized in agreement with the Framework Guidelines and Art. 25.2.
3	25	5	Subject to its National Regulatory Authority's approval, each Transmission System Operator shall be authorised to require information on unused generation capacity and other Balancing resources from Balancing Service Providers after Day-Ahead and Intraday Gate Closure Time.	Please delete	It shall be attractive to be a Balancing Service Provider and this requirement would be burdensome, especially for aggregators with many small generation, demand response and storage applications.
3	25	5	Subject to its National Regulatory Authority's approval, each Transmission System Operator shall be authorised to require Balancing Service Providers to offer their unused generation capacity or other Balancing resources through bids in the Balancing Markets after Day-ahead and Intraday Gate Closure Time.	Please delete	Balancing is a market based activity and Balancing Service and a TSO should not be granted a right to oblige BSP to offer unused capacity in the balancing market. Providers could be expected to offer their capacities if they see benefits in it. A BSP should be able to price unused generation capacity and the price for the balancing energy is needed for the settlement. TSOs have no need to require information on Unused Generation Capacity after Day Ahead, since the positions can still be

					changed during Intraday.
3	25	6	Subject to its National Regulatory Authority's approval, each Transmission System Operator shall be authorised to require Balancing Service Providers to offer their unused generation capacity or other Balancing resources through bids in the Balancing Markets after Day-ahead and Intraday Gate Closure Time.	Please delete	TSOs have no need to require information on Unused Generation Capacity after Day Ahead, since the positions can still be changed during Intraday.
3	25	7	Each Transmission System Operator of a Central Dispatch System shall be entitled to propose amendments to the rules for submission, activation and updating Balancing Energy Bids pursuant to Article 13(4)	Please delete (<i>One dissenting member does not believe it should be deleted</i>).	It is difficult to imagine a functioning balancing market integration of Central Dispatch systems in the European internal electricity market where generators, storage operators and demand response operators should be allowed to compete on an equal basis.
3	26	4	The Exchange of Balancing Energy shall be based on a TSO-TSO Model.	The target model for the Exchange of Balancing Energy shall be based on a TSO-TSO Model with a common merit order.	TSO-TSO model is target model, conditional on realisation of necessary components such as CMOL

3	26	11	The limitation as defined in paragraph 10 shall not be applicable in case the Requesting Transmission System Operator has declared an Alert State, or in case all Transmission System Operators of the relevant Coordinated Balancing Area agree on cases where this limitation is not to be applied. In any case, each Transmission System Operator requesting Balancing Energy beyond this limitation, all other Transmission System Operators of the relevant Coordinated Balancing Area shall be informed in a timely manner.	Please delete	Alert State should be described in NC on Emergency
3	26	12	New provision	Balancing Energy Bids cannot be activated before Intraday Gate Closure Time.	Balancing market should not interfere with markets in other timeframes (c.q. ID).
3	27	2	Common Merit Order Lists shall consist of Balancing Energy Bids from a Balancing Energy Standard Product as defined in Article 17. All Transmission System Operators of a Coordinated Balancing Area shall define the necessary Common Merit Order Lists based on the Standard Products defined in Article 17. Upward and downward Balancing Energy Bids shall be separated in different Common Merit Order Lists.	Common Merit Order Lists shall consist of Balancing Energy Bids from exchanged Balancing Energy Standard Products as defined in Article 17- within a CoBA . All Transmission System Operators of a Coordinated Balancing Area shall define the necessary Common Merit Order Lists for each product based on the Standard Products defined in Article 17 . Upward and downward Balancing Energy Bids shall be separated in different Common Merit Order Lists.	Specific products shall be available for cross- border exchanges according to the Framework Guidelines. To this end, Specific products shall be defined in a transparent way and put at common disposal within a COBA so other Balance Service Providers/TSOs can provide/purchase such products. Otherwise if every TSO can define its own products and are allowed to not share them, the integration of the Balancing market will never be a reality.
3	27	4	Depending on the needed Balancing Energy Standard Products, Transmission System Operators shall be entitled to create more Common Merit Order Lists.	Depending on the needed Balancing Energy Standard Products exchanged within a COBA , Transmission System Operators shall be entitled to create more Common Merit Order Lists.	In consistency with Atr. 27.2

3	27	5	Each Transmission System Operator of a Coordinated Balancing Area shall submit all Balancing Energy Bids compliant with the terms and conditions related to Balancing as specified in accordance with Article 16 to the Activation Optimisation Function until the Gate Closure Time of Transmission System Operator Energy Bid Submission. Transmission System Operators shall not modify or withhold bids from Balancing Service Providers, notwithstanding the exemptions set forth in Article 19.		Gate Closure Time of TSO Energy Bid Submission not defined. Has to be harmonized; included in Article 7(2)
3	27	6	Each Transmission System Operator shall submit activation requests for Balancing Energy Standard Products to the Activation Optimisation Function.	Each Transmission System Operator shall submit activation requests for Balancing Energy Standard Products to the Activation Optimisation Function.	In consistency with Atr. 27.2 and Art. 27.4
3	28	1	All Transmission System Operators of a Coordinated Balancing Area shall establish an Activation Optimisation Function in accordance with Article 17 and Article 26 for the optimisation of the activation from different Common Merit Order Lists. The function shall define an assessment for the activation compatibility from Balancing Energy Standard Products of different Common Merit Order Lists. ...	All Transmission System Operators of a Coordinated Balancing Area shall establish an Activation Optimisation Function in accordance with Article 17 and Article 26 for the optimisation of the activation from different Common Merit Order Lists. The function shall define an assessment for the activation compatibility from Balancing Energy Standard Products of different Common Merit Order Lists. ...	In consistency with Atr. 27.2, Art. 27.4 and Art. 27.6
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4	29	5	Allocated or reserved Cross Zonal Capacity for the Exchange and Sharing of Balancing Reserves shall be used exclusively for Balancing purposes.	Allocated or reserved (if the social welfare gain is proven) Cross Zonal Capacity for the Exchange and Sharing of Balancing Reserves shall be used exclusively for Balancing purposes.	There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except in those cases where a social welfare gain can be proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses. In addition, TSOs should be allowed to release cross-border capacity by countertrading after the

					intra-day market gate closure, but not to allocate or reserve capacity before the intra-day market gate closure.
4	30	1	Cross Zonal Capacities allocated or reserved for the Exchange and Sharing of Balancing Reserves shall be priced in consistency with pricing methods for other purposes for similar timeframes.	Delete	In order to be consistent with the above and allow BSP to provide themselves the capacity. In this was no special pricing method is required, the BSP himself prices it
4	30	3	For the Exchange of Balancing Energy additional charges for losses can be charged if the charge is consistent with other timeframes and approved by relevant National Regulatory Authorities...	For the Exchange of Balancing Energy additional charges for losses can be charged, only in DC cables , if the charge is consistent with other timeframes and approved by relevant National Regulatory Authorities...	Losses associated to balancing transactions are very difficult to calculate and in any case they are of an order of magnitude less than losses in the DA and ID
4	30	3	For the Exchange of Balancing Energy additional charges for losses can be charged if the charge is consistent with other timeframes and approved by relevant National Regulatory Authorities. Any additional charges for the use of Cross Zonal Capacity for Exchanges of Balancing Energy are forbidden for Transmission System Operators. If a Transmission System Operator is submitting a proposal for regulatory approval regarding charges for such losses following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	For the Exchange of Balancing Energy additional charges for losses can be charged if the charge is consistent with other timeframes and approved by all National Regulatory Authorities pursuant to article 7§2. Any additional charges for the use of Cross Zonal Capacity for Exchanges of Balancing Energy are forbidden for Transmission System Operators. If a Transmission System Operator is submitting a proposal for regulatory approval regarding charges for such losses following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	Charges for losses should be harmonized across EU to avoid market and competition distortions.

4	30	4	<p>The pricing mechanism for Cross Zonal Capacity allocated or reserved pursuant to Article 31(1)(b) and (c) shall provide an adequate compensation for Cross Zonal Capacity.</p>	<p>The pricing mechanism for Cross Zonal Capacity allocated or reserved pursuant to Article 31(1)(b) and (c) shall provide an adequate compensation for Cross Zonal Capacity, which (a) reflects Market Congestion in the market closest to the operational hour i.e. day ahead or if available intraday or countertrading or is (b) based on actual bids for Balancing Reserves in the relevant timeframe.</p>	<p>There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except in those cases where a social welfare gain can be proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses.</p>
4	31	1	<p>Each Transmission System Operator shall apply one or more of the following approaches for providing Cross Zonal Capacity for the Exchange and Sharing of Balancing Reserves, safeguarding operational security, avoiding undue discrimination between Transmission System Operators and market participants, and taking into account:</p> <p>(b) Allocation of Cross Zonal Capacity through a market-based Co-optimisation Process, taking into account cost and benefits of Cross Zonal Capacity provided for the Exchange and Sharing of Balancing Reserves; or ..</p> <p>(c) Reservation of Cross Zonal Capacity, means the provision of Cross Zonal Capacity outside timeframes open for other market participants than Transmission System Operators, under methodologies agreed by all Transmission System Operators of a Coordinated Balancing Area. Cross Zonal Capacity shall be rereleased to the market at later timeframes if not used.</p>	<p>Each Transmission System Operator shall apply one or more of the following approaches for providing Cross Zonal Capacity for the Exchange and Sharing of Balancing Reserves, safeguarding operational security, avoiding undue discrimination between Transmission System Operators and market participants, and taking into account:</p> <p>... (b) Allocation of Cross Zonal Capacity through a market based Co-optimisation Process, taking into account cost and benefits of Cross Zonal Capacity provided for the Exchange and Sharing of Balancing Reserves; Releasing of Cross Zonal Capacity through market based countertrading after the intra-day market gate closure; or ..</p>	<p>Reservation of cross-border capacity for balancing should be avoided, unless justified by a social welfare gain analysis. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses. If the method of reservation is chosen, it needs to meet certain minimum criteria such as the assessment of social welfare, transparency with regards to methodology and cost, NRA approval and stakeholder consultation. Besides the use of reserved capacity should be regularly assessed.</p>

4	32	1c	the criteria for required Social Welfare improvements.		Definition of Social Welfare.
4	32	2	For reservations of Cross Zonal Capacity for a specific Delivery Period for timeframes shorter than a month ahead, relevant Transmission System Operators providing capacity for Exchange of Balancing Reserves shall develop a modification to the capacity provision methodology developed pursuant to paragraph 1 in order to allow an accelerated application of the methodology close to real time, including the criteria for its application.	Please delete	There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except the case when the social welfare gain is proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses.
4	32	3	If a Transmission System Operator is submitting a proposal for regulatory approval regarding the reservation of cross border capacity following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	If a Transmission System Operator is submitting a proposal for market consultation and regulatory approval regarding the reservation (only when increase of social welfare is demonstrated) or release of cross border capacity following Article 7, it shall at the same time submit all relevant information and documents related to the opening of this approval to the Agency.	According to the Framework Guidelines: 'The Network Code on Electricity Balancing shall forbid TSOs to reserve cross-border capacity for the purpose of balancing, except for cases where TSOs can demonstrate that such reservation would result in increased overall social welfare and provide a robust evaluation of costs and benefits...., and market consultation , in a transparent, non-discriminatory, fair and objective manner.'

4	33	2	A Common Grid Model for calculations of Cross Zonal Capacity for Balancing shall be used, based on the grid model of the latest available Delivery Period.	A Common Grid Model, as defined in the Network Code Capacity Allocation and Congestion Management , for calculations of Cross Zonal Capacity for Balancing shall be used, based on the grid model of the latest available Delivery Period.	Consistency with other NC's
Chapter 5 - Settlement					
5	34	1	All Balancing Energy procured by the Connection Transmission System Operator in its Relevant Area shall be subject to TSO-BSP settlements.	All Balancing Energy procured by the Connection Transmission System Operator in its Relevant Area shall be subject to either TSO-TSO or TSO-BSP settlements.	Clarification
5	34	1e	increase of the Social Welfare;	Definition of the Social Welfare	Definition of Social Welfare.
5	34	5	All Balancing Energy procured by the Connection Transmission System Operator in its Relevant Area shall be subject to TSO-BSP settlements.	All Balancing Energy procured by the Connection Transmission System Operator in its Relevant Area shall be subject to either TSO-TSO or TSO-BSP settlements.	Clarification

5	35	1c	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall establish a procedure for the calculation of Balancing Energy by the Transmission System Operator, the challenging by the Balancing Service Provider of the calculated Balancing Energy and the reconciliation of the Balancing Energy calculation by the Transmission System Operator, the Balancing Energy settlement from at least the Frequency Restoration Processes and Reserve Replacement Processes.	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall establish a procedure for the calculation of Balancing Energy by the Transmission System Operator, the challenging by the Balancing Service Provider of the calculated Balancing Energy and the reconciliation the settlement of the Balancing Energy calculation by the Transmission System Operator, the Balancing Energy settlement from at least the Frequency Restoration Processes and Reserve Replacement Processes.	Replace the term reconciliation with settlement. The term reconciliation is not defined and can have a different meaning in different member states.
5	37	2	The Balancing Energy from Frequency Restoration Reserve to be settled by the Connection Transmission System Operator with each Balancing Service Provider shall be based on the requested activation of Frequency Restoration Balancing Bids from the Balancing Service Provider for Frequency Restoration Process for each direction.	The Balancing Energy from Frequency Restoration Reserve to be settled by the Connection Transmission System Operator with each Balancing Service Provider shall be based on the requested metered activation of Frequency Restoration Balancing Bids from the Balancing Service Provider for Frequency Restoration Process for each direction.	Should be the actual activated balancing energy, not the requested. Otherwise, in the settlement process, a BRP may have an Imbalance Adjustment for energy that in practice was not activated (and thus creates an artificial imbalance for the BRP). Not in line with Balancing Energy definition: "energy activated by [...]"
5	38	2	The Balancing Energy from Replacement Reserve to be settled by the reserve Connection Transmission System Operator with each Balancing Service Provider shall be based on the requested activation of Reserve Replacement Balancing Bids from the Balancing Service Provider for Reserve Replacement Process for each direction.	The Balancing Energy from Replacement Reserve to be settled by the reserve Connection Transmission System Operator with each Balancing Service Provider shall be based on the requested metered activation of Reserve Replacement Balancing Bids from the Balancing Service Provider for Reserve Replacement Process for each direction.	Should be the actual activated balancing energy, not the requested. Otherwise, in the settlement process, a BRP may have an Imbalance Adjustment for energy that in practice was not activated (and thus creates an artificial imbalance for the BRP). Not in line with Balancing Energy definition: "energy activated by [...]"
5	40	3	No later than two years after the entry into force of this Network Code all Transmission System Operators shall develop common rules for TSO-TSO Settlement of all energy exchanged between Relevant Areas resulting from Unintentional Deviations .		Unintentional deviations: definition needs to be clarified

5	40	4	No later than two years after the entry into force of this Network Code Transmission System Operators exchanging energy through agreed Ramping Period or agreed Ramp Rate Process shall develop common rules for TSO-TSO Settlement of all energy exchanged between Relevant Areas resulting from intended exchange of energy through agreed Ramping Period or agreed Ramp Rate Process.		Ensure no variable ramping rate can be implemented
5	40	4	No later than two years after the entry into force of this Network Code Transmission System Operators exchanging energy through agreed Ramping Period or agreed Ramp Rate Process shall develop common rules for TSO-TSO Settlement of all energy exchanged between Relevant Areas resulting from intended exchange of energy through agreed Ramping Period or agreed Ramp Rate Process.	Please delete	If ramp rates are needed they should be defined in a product
5	40	5	fair and equal distribution of costs and benefits resulting from Exchange of Balancing Energy and Unintentional Deviation ; and		Unintentional deviations: definition needs to be clarified
5	41	1	Transmission System Operators in a Coordinated Balancing Area applying an Imbalance Netting Process as defined in Article 58 shall settle among themselves the intentionally exchanged energy due to this process.	Transmission System Operators in a Coordinated Balancing Area applying an Imbalance Netting Process as defined in Article 58 shall settle among themselves the intentionally exchanged energy due to this process.	Reference to Article 58 is wrong; Imbalance Netting Process not defined in Article 58, nor in Article 2(2) where all other definitions are.

5	45	1	No later than two years after entry into force of this Network Code all Transmission System Operators shall define the pricing method of Unintentional Deviation Energy.		Unintentional deviations: definition needs to be clarified
5	48	1	No later than three years after entry into force of this Network Code, all Transmission System Operators shall submit to all National Regulatory Authorities and the Agency a Cost-Benefit Analysis on harmonisation of the Imbalance Settlement Period within and between Synchronous Areas. This Cost-Benefit Analysis shall at least take into consideration: (a) the need of consistency between the Delivery Period and the Imbalance Settlement Period; and (b) the need of consistency between the Imbalance Settlement Period and the resolution of the metering devices available in each system.	No later than three two years after entry into force of this Network Code, all Transmission System Operators shall submit to all National Regulatory Authorities and the Agency a Cost-Benefit Analysis on harmonisation of the Imbalance Settlement Period within and between Synchronous Areas. This Cost-Benefit Analysis shall at least take into consideration: (a) the need of consistency between the Delivery Period and the Imbalance Settlement Period; and (b) the need of consistency between the Imbalance Settlement Period and the resolution of the metering devices available in each system (c) the impact of imbalance settlement period on DSOs' metering and the functioning of retail market	1. According to the Framework Guidelines: The Network Code on Electricity Balancing shall impose that the main features of the imbalance settlement are harmonised no later than three years after the entry into force of the Network Code on Electricity Balancing. ¹ If we have to wait for the proposal of the TSOs three years, then the deadline of three years is not met. 2. Impact on DSO's metering and retail market (IT systems, and overall functioning) should be analysed in the context of a CBA to be done by all TSOs, as well as in case the CBAs are done by TSOs, who wish to apply for exemption from a common imbalance settlement period. It is also necessary to clarify whether this Article addresses harmonisation of imbalance settlement period within Synchronous Areas or at European level.

5	48	2	No later than six months after receiving the Cost-Benefit Analysis, all National Regulatory Authorities shall submit their decision on the harmonisation of the Imbalance Settlement Period to all Transmission System Operators and, if applicable, a date for the implementation of this decision. In any case, this implementation date shall not be prior to the implementation date of the terms and conditions related to Balancing according to Article 16.	No later than six months after receiving the Cost-Benefit Analysis, considering a harmonization of the Cross-Border Imbalance Settlement Period of maximum 30 minutes or less , all National Regulatory Authorities shall submit their decision on the harmonisation of the Imbalance Settlement Period to all Transmission System Operators and, if applicable, a date for the implementation of this decision. In any case, this implementation date shall not be prior to the implementation date of the terms and conditions related to Balancing according to Article 16.	The CBA should, in line with FG Balancing, only take into account a settlement period of 30 minutes or less. The long term target should be shorter settlement period that is consistent with the standard FC and FRR products. Market players should be allowed to cover their position until the TSO starts activating reserves. However we recognize that in the interim phase different settlement periods will c-exist. Imbalance settlement periods exceeding 30 minutes only as exceptions for individual TSO's, as mentioned in FG Balancing (p.25§1)
5	49	1c	reconciliation of the Imbalance.	settlement of the Imbalance.	Replace the term reconciliation with settlement. The term reconciliation is not defined and can have a different meaning in different member states.
5	49	3	This procedure shall include specifications related to the determination of the finalised notified Position for each Imbalance Settlement Period by the Connection Transmission System Operators, for each Balance Responsible Party, for each Relevant Area. Specifications may include the determination of several finalised notified Positions for a single Balance Responsible Party.	This procedure shall include specifications related to the determination of the finalised notified Position for each Imbalance Settlement Period by the Connection Transmission System Operators, for each Balance Responsible Party, for each Relevant Area . Specifications may include the determination of several finalised notified Positions for a single Balance Responsible Party.	Under certain conditions, several areas can agree on a joint calculation of the imbalances.

5	49	8b	any curtailment or redispatch.		Need for a common methodology for remuneration of any curtailment or redispatching energy and principles to take curtailment/redispatch actions
5	50	1	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall define a procedure to calculate Imbalance Prices, to be paid or received by the Balance Responsible Party to the Connection Transmission System Operator, including a definition of the value of avoided Activation of Balancing Energy from Frequency Restoration Reserves or Replacement Reserves in its Relevant Area.	Within its terms and conditions for Balancing following Article 16 each all Transmission System Operator shall define a common procedure to calculate Imbalance Prices, which should be commonly approved by NRAs in line with Article 7(2) , to be paid or received by the Balance Responsible Party to the Connection Transmission System Operator, including a definition of the value of avoided Activation of Balancing Energy from Frequency Restoration Reserves or Replacement Reserves in its Relevant Area.	All TSO's should define the common procedure, instead of each TSO; Reference to Article 7(2) since all NRAs should decide on it together; Calculation of Imbalance prices should follow a common procedure to ensure harmonization and no market distortion.
5	50	3	The Imbalance Price for shortage for each Relevant Area shall not be less than the weighted average price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	The Imbalance Price for shortage for each Relevant Area shall not be less than the weighted average price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area marginal price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area or at least the Day-Ahead market price. and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	Using marginal pricing as a basis for defining imbalance price will give right incentives to market participants to stay in balance and reflects the actual cost of the balancing energy. Reference to Article 25 to ensure consistency across pricing methods

5	50	4	The Imbalance Price for surplus for each Relevant Area shall not be greater than the weighted average price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	The Imbalance Price for surplus for each Relevant Area shall not be greater than the weighted average price marginal price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area, or at least the Day-Ahead market price. and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	Using marginal pricing as a basis for defining imbalance price will give right incentives to market participants to stay in balance.
5	50	4	The Imbalance Price for surplus for each Relevant Area shall not be greater than the weighted average price for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	The Imbalance Price for surplus for each Relevant Area shall not be greater than the weighted average marginal price, in accordance with Article 25, for activated Balancing Energy for Frequency Restoration Reserves and Replacement Reserves for this Relevant Area and the value of the avoided Activation of Balancing Energy for Frequency Restoration Reserves or Replacement Reserves for this Relevant Area during the Imbalance Settlement Period.	Marginal pricing should be used to reflect the actual cost of the balancing energy Reference to Article 25 to ensure consistency across pricing methods
5	50	6	New provision	Imbalance price shall not include additional costs linked to possible deviations from the merit order list to alleviate congestions internal to a bidding zone.	In agreement with the Framework Guidelines. It is true that the FG talks about control area, but it should be bidding zone:
5	51	1	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall define rules for the settlement of Balancing Reserves in accordance with the principles set forth in Article 34. These rules shall be included in the terms and conditions related to Balancing according to Article 16	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall define rules for the settlement of Balancing Reserves in accordance with the principles set forth in Article 34. These rules shall be defined included in the specifications terms and conditions related to Balancing according to Article 16 of each balancing product.	Clarification

5	51	1	Within its terms and conditions for Balancing following Article 16 each Transmission System Operator shall define rules for the settlement of Balancing Reserves in accordance with the principles set forth in Article 34. These rules shall be included in the terms and conditions related to Balancing according to Article 16	Within its terms and conditions for Balancing following Article 16 each all Transmission System Operators shall define rules for the settlement of Balancing Reserves in accordance with the principles set forth in Article 34. These rules shall be included in the terms and conditions related to Balancing according to Article 16	All TSO's should define settlement rules to ensure harmonization and prevent market distortion. Reference to "rules for the settlement of Balancing Reserves" is too vague.
5	51	2	Each Transmission System Operators shall perform settlement of Balancing Reserves in a manner which promotes the achievement of the objectives of this Network Code in a timely manner.	Each All Transmission System Operators shall perform settlement of Balancing Reserves in a manner which promotes the achievement of the objectives of this Network Code in a timely manner.	All TSO's should perform settlement in the same way to ensure harmonization and prevent market distortion.
5	52	1	Each Transmission System Operator shall ensure the settlement of all Standard Balancing Reserve products and all Specific Products procured using methods defined in Article 22(1) from all Balancing Service Providers inside its Relevant Area.	Each All Transmission System Operator shall ensure the settlement of all Standard Balancing Reserve products and all Specific Products procured using methods defined in Article 22(1) from all Balancing Service Providers inside its Relevant Area.	All TSO's should ensure settlement of Standard Products based on a common method(s) to ensure harmonization and prevent market distortion.
5	52	2	Each Transmission System Operator shall define the rules for the settlement of the Balancing Reserve Products procured using methods defined in Article 22(1) provided by all Balancing Service Providers inside its Relevant Area.	Each All Transmission System Operator shall define the rules for the settlement of the Balancing Reserve Products procured using methods defined in Article 22(1) provided by all Balancing Service Providers inside its Relevant Area.	All TSO's should define rules for the settlement of Balancing Reserve Produits based on a common method(s) to ensure harmonization and prevent market distortion.
Chapter 6					

6	55		New Paragraph	The Development of algorithms should be optional; only residual balancing should be covered by activation of Balancing Energy	Development of algorithms don't allow BRP to balance themselves until real time and therefore don't allow "reactive" TSOs system. If TSOs develop algorithms, we should keep the possibility to develop several algorithms: one per CMO per product; otherwise we have the risk that TSOs will develop a single algorithm for all types of reserves (FCR, FRR, RR).
6	55	1	All Transmission System Operators shall develop principles for the development of algorithms, applied for the minimisation of counteracting activation, optimised operation of common procurements of Balancing Reserves and Activation of Balancing Energy, compliant with the requirements specified in this Network Code.	All Transmission System Operators may develop principles for the development of algorithms, applied for the minimisation of counteracting activation, optimised operation of common procurements of Balancing Reserves and Activation of Balancing Energy, compliant with the requirements specified in this Network Code.	The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing

6	55	2	<p>No later than twelve months after the entry into force of this Network Code, all Transmission System Operators shall submit the principles for the development of algorithms, to all National Regulatory Authorities and the Agency.</p>	<p>If Transmission System Operators choose to develop an algorithm, they shall, no later than twelve months after the entry into force of this Network Code, submit the principles for the development of algorithms, to all National Regulatory Authorities and the Agency.</p>	<p>The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing</p>
6	55	3	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Energy shall develop an algorithm to be applied for the minimisation of counteracting Activation of Balancing Energy, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Energy may develop an algorithm to be applied for the minimisation of counteracting Activation of Balancing Energy, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing</p>

6	55	4	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Energy shall develop an algorithm to be applied for the optimised operation of the relevant Activation of Balancing Energy through the generation of Common Merit Order Lists, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Energy may develop an algorithm to be applied for the optimised operation of the relevant Activation of Balancing Energy through the generation of Common Merit Order Lists, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing</p>
6	55	5	<p>In case a secondary market with the possibility to transfer obligations of Balancing Service Providers for providing Balancing Reserves from one Relevant Area to another is established, all Transmission System Operators of a Coordinated Balancing Area for Balancing Reserves shall develop an algorithm to be applied for the optimised Transfer of Obligations, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>Delete</p>	<p>Since there should be no obligations for BSP's to offer Balancing Services, there is no need for a secondary market and a Transfer of Reserve Optimisation Function</p>

6	55	6	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Reserves shall develop an algorithm to be applied for the optimised operation of the relevant common procurement of Balancing Reserves through the generation of Common Merit Order Lists, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>All Transmission System Operators of a Coordinated Balancing Area for Balancing Reserves may develop an algorithm to be applied for the optimised operation of the relevant common procurement of Balancing Reserves through the generation of Common Merit Order Lists, in accordance with the principles for the development of algorithms, developed in accordance with paragraph 1.</p>	<p>The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing</p>
6	56	1	<p>All Transmission System Operators of a Coordinated Balancing Area shall be entitled to amend the algorithms applied in the Coordinated Balancing Area.</p>	<p>All Transmission System Operators of a Coordinated Balancing Area shall be entitled to amend algorithms in case they are applied in the Coordinated Balancing Area.</p>	<p>The development of the algorithm, as an optimization process, should be optional, as described in the Framework Guidelines on Balancing by ACER (page 17, §8): "An optimisation process may be used to allow for a concrete and efficient implementation, [...]". If the Standard Products on the different Common Merit Order Lists are sufficiently standardized, a (complicated) algorithm for the selection of bids can (and should) be avoided. This would allow maximum time for BRPs to balance themselves on the Intra-day market and the TSOs to do the residual balancing</p>
Chapter 7					

7	57	2	Every second year the annual report can be published in a simpler version to review the progress made and update indicators but without performing detailed analysis.	Please delete	Since implementation period is short (6 years), an annual detailed analysis is warranted.
7	57	2	No later than six months after the entry into force of this Network Code, ENTSO-E shall define and send to the Agency its proposal concerning the years where a complete annual report and the years where simple updates of the annual report will be performed.	Please delete	Since implementation period is short (6 years) an annual detailed analysis is warranted.
7	57	4h	include the costs and benefits from all capacity reservation for Balancing Services purposes;	include the costs and benefits from all capacity reservation (if social welfare gain is proven) for Balancing Services purposes;	There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except in those cases where a social welfare gain can be proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses.
7	57	5	The annual report shall be published on the ENTSO-E website and submitted to the Agency no later than nine months after the end of the year it refers to.	The first annual report shall be made publicly available on the ENTSO-E website six months after entry into force this network code and all subsequent annual reports shall be made publicly available on the ENTSO-E website no later than nine three months after the end of the year it refers to.	Clearly define when what report will be available where; Reports need to be available with as little delay as possible.
7	57	6	The ENTSO-E shall define and submit to the Agency the indicators which will be followed and updated in the annual report process no later than six months before the publication of the first report.	The ENTSO-E shall define and submit to the Agency the indicators which will be followed and updated in the annual report process no later than six two months before the publication of the first report.	In light of deadline for first annual report, a closer deadline is necessary.

Chapter 8					
8	58	1a	<p>no later than two years after the entry into force of this Network Code, all Transmission System Operators shall ensure that in their Coordinated Balancing Area:</p> <ul style="list-style-type: none"> - the multilateral TSO-TSO Model with Common Merit Order Lists is implemented for the Exchange of Balancing Energy from resources that are used as Replacement Reserves; and - they cooperate to minimise, when economically efficient, counteracting Activation of Balancing Energy between Relevant Areas, taking into account Cross Zonal Capacities, respecting the conditions of the Network Code on Load-Frequency Control and Reserves. 	<p>no later than two years after the entry into force of this Network Code, all Transmission System Operators shall ensure that in their Coordinated Balancing Area:</p> <ul style="list-style-type: none"> - the multilateral TSO-TSO Model with Common Merit Order Lists is implemented for the Exchange of Balancing Energy from resources that are used as Replacement Reserves; and - they cooperate to minimise, when economically efficient, counteracting Activation of Balancing Energy between Relevant Areas, taking into account Cross Zonal Capacities, respecting the conditions of the Network Code on Load-Frequency Control and Reserves. <p>all TSO have to join a Coordinated Balancing Area as defined in Article 10;</p>	<p>No additional provision imposing an obligation/target for joining a CoBA is needed, as it is already set in the article 10, and it will enter into force with the code.</p>

8	58	1d	<p>no later than six years after the entry into force of this Network Code, all Transmission System Operators shall:</p> <ul style="list-style-type: none"> - share in a European-wide TSO-TSO Model with Common Merit Order Lists, all Balancing Energy Bids from resources that are used as Replacement Reserves and manually activated Frequency Restoration Reserves, taking into account features of the target model that have been changed pursuant to paragraph 1(b); and - develop a proposal for modification of features of the target model for the exchanges of Balancing Energy from automatically activated Frequency Restoration Reserves, if all Transmission System Operators have identified that certain features are not feasible or do not ensure a positive Cost-Benefit Analysis result. 	<p>no later than six years after the entry into force of this Network Code, all Transmission System Operators shall:</p> <ul style="list-style-type: none"> - share in a European-wide TSO-TSO Model with Common Merit Order Lists, all Balancing Energy Bids from resources that are used as Replacement Reserves and manually activated Frequency Restoration Reserves, taking into account features of the target model that have been changed pursuant to paragraph 1(b); and - develop a proposal for modification of features of the target model for the exchanges of Balancing Energy from automatically activated Frequency Restoration Reserves, if all Transmission System Operators have identified that certain features do not ensure a positive Cost-Benefit Analysis result. 	<p>The term 'feasible' is too vague for such an important decision, which can open the door to scrap any part of this Network Code if it is deemed 'not feasible'. Such a possibility should only be possible after a Cost-Benefit Analysis proves the inefficiency of the feature.</p>
8	59	1	<p>All Transmission System Operators shall apply a Cost-Benefit Analysis, before the implementation or use of mechanisms of the European wide TSO-TSO Model for Balancing and for the harmonisation of the Imbalance Settlement Period according to Article 48.</p>	<p>All Transmission System Operators shall apply a Cost-Benefit Analysis and market consultation, before if they identify that features of the implementation or use of mechanisms of the European wide TSO-TSO Model for Balancing and for the harmonisation of the Imbalance Settlement Period according to Article 48. do not translate in a a positive net benefit.</p>	<ul style="list-style-type: none"> - Appart from realizing the CBA, TSOs shall consult market participants. - In agreement with the Framework Guidelines, this analysis and consultation is not a pre-requisite to implement the target model, it would be only in the case that TSO identify issues or features of the target model which do not ensure a positive net benefit.
8	59	2	<p>All Transmission System Operators of a Coordinated Balancing Area shall apply a Cost-Benefit Analysis, for any decision on the reservation of Cross Zonal Capacity as a part of the methodology for the provision of Cross Zonal Capacity, pursuant to Article 32.</p>	<p>All Transmission System Operators of a Coordinated Balancing Area shall apply a Cost-Benefit Analysis and consult to the market, for any decision on the reservation (if social welfare gain is proven) of Cross Zonal Capacity as a part of the methodology for the provision of Cross Zonal Capacity, pursuant to Article 32.</p>	<p>There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except in those cases where a social welfare gain can be proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of</p>

					the possible welfare losses.
8	59	5e	the impact on market parties in terms of additional technical or IT requirements.	the impact on market parties –in terms of additional technical or IT requirements..	Impact on market parties are broader than only costs of technical or IT requirements.
8	59	5	a Social Welfare quantification in accordance with the Network Code on Capacity Allocation and Congestion Management;		Definition of Social Welfare is to be added
8	59	6	All Transmission System Operators of a Coordinated Balancing Area shall provide the result of the Cost-Benefit Analysis to the Relevant Regulatory Authorities, together with justified proposals on how to tackle possible issues with any of the targets identified by the Cost-Benefit Analysis. On that basis, the Relevant Regulatory Authorities shall decide on the way forward after public consultation.	All Transmission System Operators of a Coordinated Balancing Area shall provide the result of the Cost-Benefit Analysis to the relevant Regulatory Authorities ACER , together with justified proposals on how to tackle possible issues with any of the targets identified by the Cost-Benefit Analysis. On that basis, the Relevant Regulatory Authorities ACER shall decide on the way forward after public consultation.	ACER should guard actively the harmonization process, of which the cost-benefit analyses are a key component.

8	59	2	All Transmission System Operators of a Coordinated Balancing Area shall apply a Cost-Benefit Analysis, for any decision on the reservation of Cross Zonal Capacity as a part of the methodology for the provision of Cross Zonal Capacity, pursuant to Article 32.	All Transmission System Operators of a Coordinated Balancing Area shall apply a Cost-Benefit Analysis, for any decision on the reservation (if social welfare gain is proven) of Cross Zonal Capacity as a part of the methodology for the provision of Cross Zonal Capacity, pursuant to Article 32.	There shall be no reservation of cross-border capacity for balancing that withdraws capacity from the markets, except in those cases where a social welfare gain can be proven. In case a party buys the capacity for balancing market purposes this party shall bear the risks of the possible welfare losses.
8	59	5	The Cost-Benefit Analysis shall at least consider the objectives of this Network Code set forth in Article 9, and: (a) a Social Welfare quantification in accordance with the Network Code on Capacity Allocation and Congestion Management; (b) the cost and benefits of implementation of a new Balancing mechanism or platform; (c) the impact on European, regional and national Balancing costs; (d) the potential impact on regional energy market prices; and (e) the impact on market parties in terms of additional technical or IT requirements.	The Cost-Benefit Analysis shall at least consider the objectives of this Network Code set forth in Article 9, and: (a) a Social Welfare quantification in accordance with the Network Code on Capacity Allocation and Congestion Management; (b) the cost and benefits of implementation of a new Balancing mechanism or platform; (c) the impact on European, regional and national Balancing costs; (d) the potential impact on regional energy market prices; and (e) the impact on market parties in terms of additional administrative , technical or IT requirements. (f) the impact of imbalance settlement period on the retail market	Administrative costs should be considered as well. CBA should explicitly include the impact on retail market, where imbalances settlement period can have significant effect (retail market practices, demand side participation in the electricity market on the whole and retailers' IT systems).
8	60	2	The transition period shall apply for Article 18, Article 22, Article 34 to Article 44, Article 47 to Article 52, Article 54 and Article 57 (1) to (8).	The transition period shall apply for Article 18, Article 22, Article 34 to Article 44, Article 47 to Article 52 and Article 54 and Article 57 (1) to (8) .	ENTSO-E annual reporting should not be subject to a transition period and be published as soon as this code enters into force in order to monitor and follow the different pilot projects. It is also not consistent with article 57 §9

8	61	1	Each Transmission System Operator may apply for derogation in respect of one or more provisions of this Network Code by submitting a written request to the National Regulatory Authority.	Each Transmission System Operator may apply for derogation in respect of one or more provisions of this Network Code by submitting a written request to the European Commission. The European Commission shall notify and submit all relevant information and documents of the application for derogation to the National Regulatory Authorities within the Coordinated Balancing Area and to the Agency. All parties shall closely cooperate during the derogation in order to guarantee that the derogation does not create distortions on the balancing markets of the Coordinated Balancing Area.	<ul style="list-style-type: none"> - EU Commission should control the derogation from EU-legislation, as in all other EU legislation. - A derogation should be communicated clearly to ACER and the NRAs of the balancing zones which may be impacted (i.e. Within the CoBA). Furthermore, the derogation should also be monitored on any possible distortions of the balancing markets.
8	61	3b	The implementation of the provisions for which derogation is requested would result in significant problems in Balancing the Relevant Area of the requesting Transmission System Operator.	The implementation of the provisions for which derogation is requested would result in significant problems, proved in a cost-benefit analysis , in Balancing the Relevant Area of the requesting Transmission System Operator.	Criteria need to be defined for significant problems! CBA should be performed and assessed by the Agency to define when significant problems are rising.
8	61	4	The application requesting derogation shall be submitted six months prior to the day of application of the provisions from which derogation is requested. During the derogation process, the Transmission System Operator requesting derogation shall be deemed compliant with the provision from which derogation is requested.	The application requesting derogation shall be submitted six months prior to the day of application of the provisions from which derogation is requested. During the derogation process, the Transmission System Operator requesting derogation shall be deemed compliant with the provision from which derogation is requested.	Since derogation can only be requested up to six months prior to the day of application of the provisions from which derogation is requested, and the derogation process can take maximum six months, there is no need for a TSO to be 'deemed compliant' during the derogation process.
8	61	5	Derogation may be granted for a maximum period of two years.	Derogation may be granted once and for a maximum period of two years.	Clarification is needed that derogation can not be granted several times.

8	61	7d	impacts on overall Social Welfare; and		Definition of Social Welfare is to be added
8	61	8	The National Regulatory Authority shall notify the Agency of the reception of applications for derogation.	Please delete	Not necessary if ACER decides on derogation
8	61	10	Each National Regulatory Authority shall maintain a register in which derogations are recorded, together with the reasons for their granting and the consequences of the derogations.	Each National Regulatory Authority The Agency and the European Commission shall maintain a register in which derogations are recorded, together with the reasons for their granting and the consequences of the derogations.	Information should be kept centrally for transparency

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Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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