Second amendment to the implementation framework for the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation

in accordance with Article 21 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

5 July 2024

Article 1
Definitions

Article 2 – Definitions and interpretation – of aFRR IF is amended as follows:

a) Literal (c) in Paragraph 1 shall be amended and shall be read accordingly:

« 'aFRR demand' means an individual TSO demand representing the activation request for standard aFRR balancing energy product bids from the common merit order list. The volume of the aFRR demand is equal to the combined effect of the already activated aFRR and the area control error (ACE) excluding the intended exchange of balancing energy resulting from the cross border aFRP or INP. The aFRR demand can either be an elastic aFRR demand or an inelastic aFRR demand.»

b) A new literal (i) shall be added to Paragraph 1 and be read accordingly:

«'elastic aFRR demand' means an aFRR demand for activation of standard aFRR balancing energy product bids, which satisfaction partially depends on the price of activation of standard aFRR balancing energy product bids. The elastic aFRR demand is composed of an inelastic part below the power threshold and an elastic part above the power threshold; »

c) A new literal (j) shall be added to Paragraph 1 and be read accordingly:

«'power threshold of the elastic aFRR demand' is the volume of the elastic aFRR demand corresponding to the inelastic part of the aFRR elastic demand; »

d) A new literal (k) shall be added to Paragraph 1 and be read accordingly:

«'price of the elastic aFRR demand' is the price a TSO is willing to pay or receive for the activation of standard aFRR balancing energy product bids for the part of the elastic aFRR demand exceeding the power threshold; »

e) A new literal (o) shall be added to Paragraph 1 and be read accordingly:

«'inelastic aFRR demand' means an aFRR demand for activation of standard aFRR balancing energy product bids, which needs to be satisfied irrespective of the price of the activation of standard aFRR balancing energy product bids. Therefore, the price of inelastic demand is set at the value of the lower (resp. higher) of the two technical price limits in the positive (resp. negative) direction defined in the methodology pursuant to Article 30(1) of the EB Regulation;»

f) A new literal (t) shall be added to Paragraph 1 and be read accordingly:

«'setpoint for automatic FRR activation' means the output of the frequency restoration controller within a LFC area as described in Article 145(4) of the SO Regulation; »

g) Remaining literals of Paragraph 1 shall be renumbered accordingly.

Article 2
High-level design of the aFRR-Platform

Article 3 – High-level design of the aFRR-Platform – of aFRR IF shall be amended as follows:

    a) A new paragraph 4 shall be added and be read accordingly:

> « 4.   A participating TSO may submit an elastic aFRR demand for positive or negative balancing energy within one MTU. In such case, a participating TSO shall respect the following high-level principles:
>
>   a) the power threshold of the elastic aFRR demand shall be equal to or higher than the aFRR capacity requirement, resulting from the application of the ratio between aFRR and mFRR of the FRR capacity requirement determined for the relevant LFC block pursuant to the FRR dimensioning rules as defined in Article 157 of the SO Regulation.
>
>   b) the elastic aFRR demand shall not be used in such a way that it imposes a cap on balancing energy prices for all LFC areas or bidding zones.
>
>   c) The formula to compute the price and the power threshold of the elastic aFRR demand shall remain the same during all MTUs of an imbalance settlement period. However, a TSO may deviate from the power threshold computed by its formula at any MTU in case it declares a change of system state according to the SO Regulation.
>
>   d) the elastic aFRR demand shall not be used before the publication in English of the following rules:
>
>   i. FRR dimensioning rules as defined in Article 157(1) of the SO Regulation, including the split between aFRR and mFRR; and
>
>   ii. rules applied by the TSO to compute the power threshold and price of the elastic aFRR demand based on a formula that could be dependent on parameters relevant for the safe operation of the system.
>
> To ensure transparency of using the elastic aFRR demand, each TSO using elastic aFRR demand shall publish, as soon as possible after the use of the elastic demand, the power threshold of its elastic aFRR demand, the price of its elastic aFRR demand and, if applicable, information on the deviation from the power threshold based on the change of system state pursuant to point (c).»

    b) Paragraph 6 shall be renumbered to 5. A new literal (b) shall be added to this Paragraph and be read accordingly:

> « the setpoint for automatic FRR activation of every LFC area of each participating TSO being continuously reported to the aFRR-

Platform by each participating TSO. The sign convention for the setpoint for automatic FRR activation is: negative value where negative aFRR balancing energy needs to be activated in the LFC area; and positive value where positive aFRR balancing energy needs to be activated in the LFC area; »

c) Paragraphs 7 to 13 shall be renumbered 6 to 12.

d) Paragraph 14 shall be renumbered 13 and shall be amended and be read accordingly:

« The inputs to the TSO-TSO settlement function shall be:

(a)   the automatic frequency restoration power interchange on the aFRR balancing borders in accordance with Article 3(9)(a);

(b)   the prices required by the methodology for common settlement rules in accordance with Article 50(1) of the EB Regulation and provided by the AOF in accordance with Article 3(9)(e) and 3(8)(f);

(c)   other inputs of the TSO-TSO settlement function include, but are not limited to information that ensures robust and correct settlement process and financial data for invoicing.»

e) Paragraphs 15 to 19 shall be renumbered 14 to 18.

Article 3
Description of the optimisation algorithm

Article 11 – Description of the optimisation algorithm – of aFRR IF is amended as follows:

a) Literal (b) in Paragraph 1 shall be amended and be read accordingly:

«the aFRR demands in accordance with Article 3(5);»

Article 4
Transparency and reporting

Article 13 – Transparency and reporting – of aFRR IF is amended as follows:

b) A new literal (b) shall be added to Paragraph 1 and be read accordingly:

« the usage of elastic aFRR demand pursuant to Article 3(4), including the part of the elastic demand that has been satisfied; the

part of the elastic demand that has not been satisfied; and the influence of satisfying the elastic demand on the balancing energy price determined pursuant to Article 30(1) of the EB Regulation;»

Article 5
Implementation Timeline

1. All TSOs shall implement this amendment to the aFRR Implementation Framework no later than one month after the publication of the decision by the Agency for the Cooperation of Energy Regulators.

2. Notwithstanding paragraph (1), all TSOs shall develop and implement the formula and the requirement referred to in Article 3(4)(c) of the aFRR Implementation Framework (as amended) no later than twelve months after the publication of the decision by the Agency for the Cooperation of Energy Regulators.

Article 6
Publication of the Amendment

All TSOs shall publish this amendment to the aFRR Implementation Framework without undue delay pursuant to Article 7 of EB Regulation after a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Articles 5(1) and 5(2)(a) in joint reading with Article 6(3) of the EB Regulation as well as Article 5(2)(b) of Regulation (EU) 2019/942 establishing a European Union Agency for the Cooperation of Energy Regulators.

Article 7
Language

1. The reference language for this amendment to the aFRR Implementation Framework shall be English.
2. For the avoidance of doubt, where TSOs need to translate this amendment to the aFRR Implementation Framework into their national language(s), in the event of inconsistencies between the English version published by the TSOs in accordance with Article 7 of the EB Regulation and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of this amendment to the Implementation Framework to their relevant national regulatory authorities.