

Objectives of the BSG

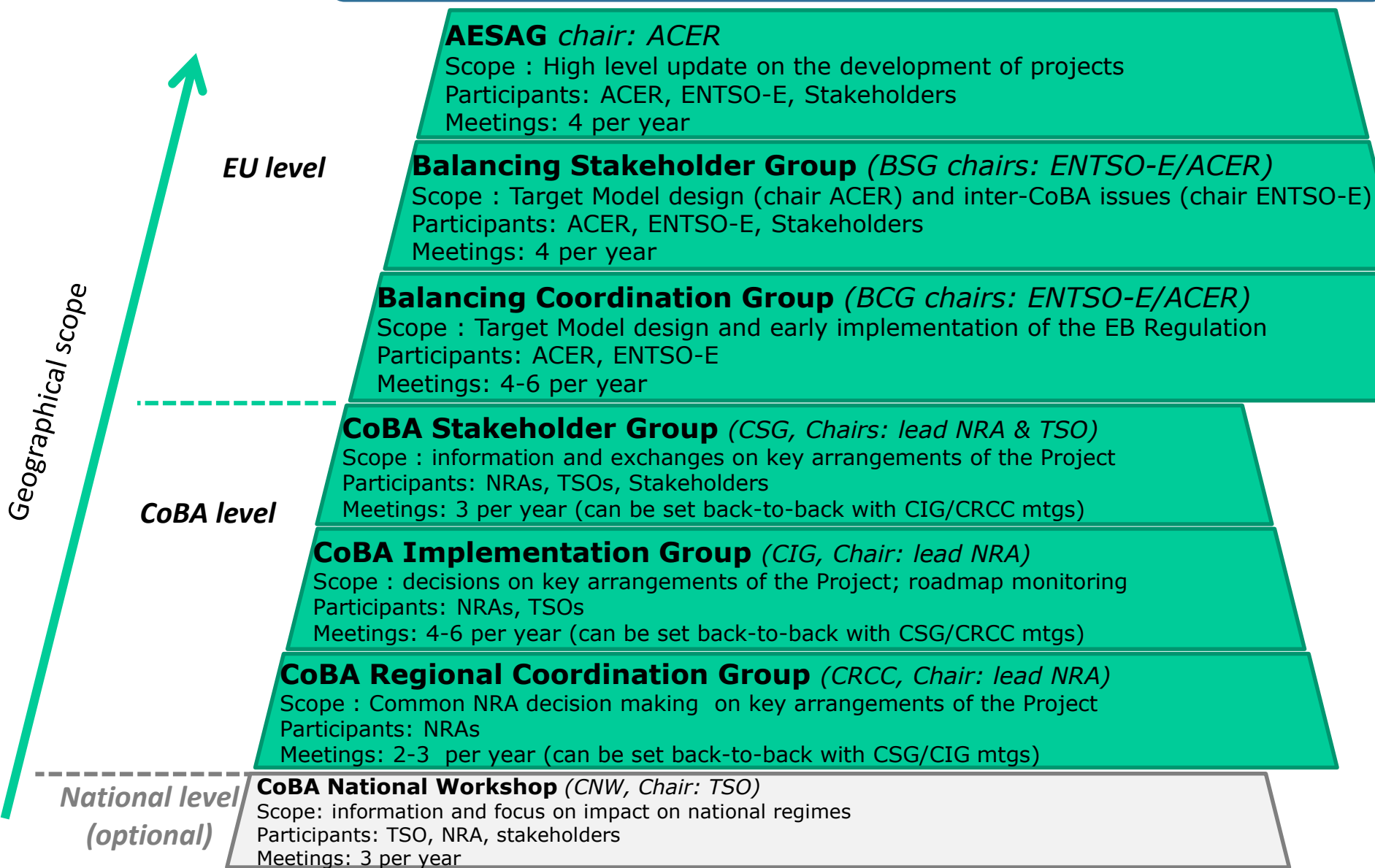
- For ACER & ENTSO-E to Provide a **forum** for stakeholders through which the different **implementation activities** for the **integration of balancing market** are discussed and consulted.
- Allow stakeholders to receive **early information and provide feedback** and comments on the development of **implementation projects** and **draft terms and conditions or methodologies**;
- Allow ENTSO-E to **report on the implementation projects**, in particular the **lessons learned and problems encountered** as well as to **report on early drafts** for the terms and conditions or methodologies to be developed **pursuant to EB Regulation**;
- Allow **ACER** together with respective **NRAs** where applicable to **report on regulatory progress** of adaptation and preparation for the early implementation of the EB Regulation and potential issues with existing (national) legislation.
- Allow **ACER, ENTSO-E and stakeholders to learn** from the implementation activities and **gain important lessons** needed for future development and detailing of the electricity balancing target model.

Deliverables for the period of Early Implementation

Deliverables	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EU roadmap for Early Implementation of Electricity Balancing Regulation			✓					
Cost Benefit Analysis on Imbalance Settlement Period (criteria and methodology, & CBA ISP)		✓			✓			
Proposal for Standard mFRR & RR products (energy & capacity)		✓		✓				
Proposal for Standard aFRR products (outcomes of the study & proposal)				✓		✓		
Proposals for pricing methodology						✓		
List of Activation Purposes of Balancing Energy bids				✓				
High level principles for Balancing algorithms					✓			

Deliverable 1	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EU roadmap for Early Implementation of Electricity Balancing Regulation			✓					

- Set the high level plan **how current national markets shall** – through the stepping stone of regional balancing markets – **develop towards a European Balancing Market;**
- by providing **the draft definition and configuration of the CoBAs for all processes** for the regional implementation models, endorsed by the participating TSOs and building from the work done in the Pilot Projects;
- Describe **the main milestones & main deliverables** for the implementation of these models;
- including **a European and regional Governance structure** for the development of the RIM's for TSOs, NRA's and stakeholder engagement; and
- complemented by a draft skeleton describing **the main elements of the implementation frameworks for the Regional implementation models.**



Deliverable 2	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cost Benefit Analysis on Imbalance Settlement Period		✓			✓			

- In accordance with article 21 of the draft EB Regulation all TSOs will perform a **cost benefit analysis to guide the decision on harmonisation of Imbalance Settlement Period**. First **the criteria and methodology** for elaboration of CBA will be developed **by Q2 2015**. In second step, ENTSO-E will use the criteria and methodology **to perform CBA and report its findings to BSG by Q1 2016**.
- The current ACER draft Qualified Recommendation will propose – subject to confirmation by this CBA – **that the ISP will be set to 15 minutes**
- **This CBA is expected to be delivered before the EB Guidelines will enter into Comitology**

Deliverables 3 & 4	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Proposal for Standard mFRR & RR products		√ E		√ C				
Proposal for Standard aFRR products				√ S		√ C+E		

- In accordance with article 29 of the draft EB Regulation all TSOs shall develop a proposal for a list of Standard Products for Balancing Capacity and Standard Products for Balancing Energy for Frequency Restoration Reserves and Replacement Reserves.
- The list of mFRR & RR Energy products has already will be presented today and is currently out for consultation. mFRR & RR capacity products is scheduled Q1-16
- For aFRR products a Study was recently put out for tender by ENTSO-E, aFRR products will be consulted upon Q2 2016

Deliverables 5-7	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Proposals for pricing methodology Balancing Energy						✓		
List of Activation Purposes of Balancing Energy bids				✓				
High level principles for Balancing algorithms					✓			

- According to article 39, 40 and 70 ENTSO-E has to propose pricing methodology for Balancing Energy, a list of activation purposes and high level principles for multiple balancing algorithms

ACER and ENTSO-E will co-chair the meetings

- **ENTSO-E will chair those parts of the meetings related to the implementation aspects:**
 - Presentation of implementation projects and activities and discussion on experience from implementation projects and activities;
 - Planning activities for future implementation projects and activities;
 - Discussion on identified problems/barriers and their solutions.
- **ACER will chair those parts of the meetings related to market design aspects:**
 - discussion on the draft terms and conditions or methodologies developed by ENTSO-E (all TSOs);
 - discussions on conclusions and lessons for the purpose of guiding any future improvements or refinements of the target model for the European electricity balancing market.
- **Frequency of around 6 meetings a year**

Membership

- **The stakeholder group comprises of representatives from key European stakeholder organisations.**
- **Through AESAG all European Stakeholder Organisations will be asked provide two(2) representatives per organisation for the BSG**
- **The European Commission may choose to attend as observers.**
- **Both ENTSO-E and ACER will be represented by maximum 6 members from both**