Explanatory document to all TSOs' proposal for the harmonisation of terms and conditions for BSPs in accordance with Article 20(3)(f) and Article 21(3)(f) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing

18 December 2025

DISCLAIMER

This document is released on behalf of all transmission system operators ("All TSOs")] only for the purposes of the public consultation on the proposal for Common Harmonisation Proposal (hereafter referred to as "CHP") in accordance with Article 20(3)(f), and Article 21(3)(f) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter referred to as "EB Regulation"). This version of the CHP does not, in any case, represent a firm, binding or definitive TSOs' position on the content.

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Abbreviations

The list of abbreviations used in this document:

aFRR	Frequency restoration reserves with automatic activation
BP	Balancing Energy platform
BSP	Balancing Service Provider
CHP	Common Harmonisation Proposal
EB Regulation	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing
ENTSO-E	European Network of Transmission System Operators for Electricity
LFC	Load-frequefncy control
mFRR	Frequency restoration reserves with manual activation
MW	Megawatt
RPG	Reserve Providing Group
RPU	Reserve Providing Unit
SO Regulation	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity transmission system operation
TSO	Transmission system operator

1. Introduction

The Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (hereinafter referred to as the "EB Regulation") provides that the Terms and Conditions (T&Cs) for balancing service providers remain the responsibility of each Transmission System Operator (TSO). However, TSOs are required to comply with the Implementation Frameworks (hereinafter referred to as "IFs") established for the European platforms for the exchange of balancing energy, pursuant to Articles 20 and 21 of the EB Regulation.

Article 20 of the EB Regulation establishes the platform for the exchange of balancing energy from frequency restoration reserves with manual activation (MARI), while Article 21 establishes the platform for the exchange of balancing energy from frequency restoration reserves with automatic activation (PICASSO). Article 16 of the MARI Implementation Framework (mFRRIF) and Article 20 of the PICASSO Implementation Framework (aFRRIF) set out a process for the identification, consultation, adoption, and implementation of the necessary harmonisation measures.

Pursuant to this process, the first implementation framework survey was conducted in 2023, followed by a second survey in 2024. Based on the outcomes of these surveys, all TSOs jointly identified a shortlist of six [6] prioritised harmonisation needs and submitted them to stakeholder consultation between December 2024 and January 2025. Taking into account the feedback received during the public consultation, all TSOs have jointly developed the Common Harmonisation Proposal (hereinafter referred to as the "CHP").

This document gives background information and rationale for the development of the CHP in accordance with Article 16 of the mFRRIF and Article 20 of aFRRIF. For higher legibility, this document is structured as follows:

- **Chapter 2** is dedicated to general provisions for harmonisation, including the publication of T&Cs in English and the use of English as a working language between TSOs and BSPs;
- **Chapter 3** is dedicated to the harmonisation of FRR Prequalification; and
- **Chapter 4** is dedicated to data exchange standards and communication protocols.

2. General provisions

The following general provisions are described in the CHP set out for public consultation:

- Article 2: TSOs have set out six (6) new definitions:
  - 'Activation test': TSOs have added a definition to clarify the meaning of an activation test.
  - 'Ex-post verification': TSOs have added a definition of ex-post verification specifying how the evaluation of an RPU/RPG to provide the relevant service would take place. This is only the alternative process to an activation test, in case of the allowance of a simplified verification.
  - 'Re-prequalification': TSOs have further added a definition of re-prequalification to clarify that a simplified process of re-prequalification shall take place due to specific changes on RPU/RPGs.
  - 'Baseline': TSOs have further added a definition on baseline to clarify that it means a counterfactual reference representing the electrical quantities that would have been withdrawn or injected in the absence of any activation of balancing or local services, or any activation of demand response in other wholesale market.
  - 'Baselining Method': TSOs have further added a definition on baselining method to clarify that it means the formula used to calculate the baseline or the set of data of a specific baseline.
  - 'Controllable Unit': TSOs have further added a definition on controllable unit to specify that it means a single power-generating module and/or demand unit pursuant to the upcoming Network Codes on Requirements for Generators as well as Demand Response.
- Article 3 describes the publication of T&Cs in English:
  - TSOs will be publishing a non-binding version of their T&Cs in English in addition to the version (s) approved by the NRA. This version shall be a full version. Such version will be published in the ENTSO-E Transparency Platform as well as on each TSOs' website.
- Article 4 describes the permission of English communication between TSOs and BSPs:
  - TSOs shall allow written and verbal English communication between TSOs and BPS at working-level. This would not include any legally binding documents, in specific, forms to become a BSPs or any similar documents.
  - Communication with TSOs control rooms will continue to take place in the national language if not specified otherwise in T&Cs or any binding legal documents.

3. Provisions referring to the harmonisation of FRR Prequalification

This chapter provides background information of the harmonisation of FRR Prequalification process established under the CHP, including a newly defined ex-post verification process.

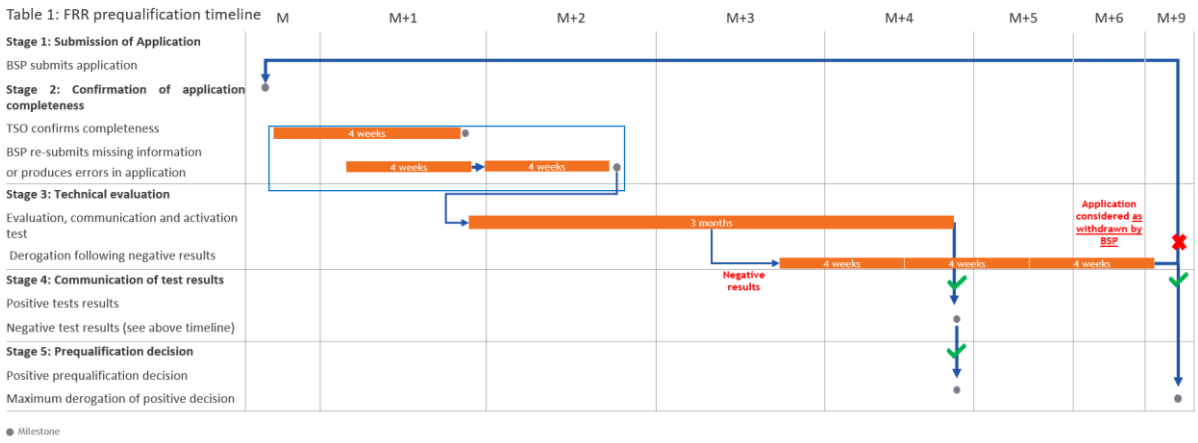
In Article 5 and Article 7, the CHP describes the harmonised process of FRR prequalification. All TSOs have outlined several steps which shows the process of evaluation of Reserve Providing Units' (RPUs) and Reserve Providing Groups' (RPGs) prequalification. This process aims to ensure a consistent approach among all reserve connecting TSOs and Balancing Service Providers (BSPs).

FRR Prequalification process

- Article 5(2) sets out a sequential process consisting of five main steps (see figure 1):

1. **Submission of the application:** The process begins with the BSP submitting a prequalification application to the reserve connecting TSO. This application must include all information relevant to the provision of balancing services by the RPUs or RPGs. The required content is further specified in Article 7. The content of the application will be harmonised across all TSOs as specified in Article 7(1), though some TSOs may further require additional information as noted in Article 7(2).
2. **Confirmation of application completeness**: The reserve connecting TSO confirms within four weeks whether the submitted application is complete.
3. **Technical evaluation:** The reserve connecting TSO, in coordination with the BSP, assesses compliance with FRR requirements from Article 158 of the SO Regulation, including a mandatory communication test and, where applicable, an activation test. National T&Cs may allow ex-post verification in some cases.
4. **Communication of test results:** Following the tests, the reserve connecting TSO shall notify the BSP of the results without undue delay.
5. **Prequalification decision:** Upon successful completion of the evaluation and testing, the reserve connecting TSO shall approve the prequalification of the RPU or RPG, respecting the overall timeline defined in Article 5(4).

Table 1: FRR prequalification processes and timelines



- Article 5(3) clarifies the procedure in case of missing, incorrect, or inadequate information. If the application fails to meet the requirements at any step, the BSP shall be required to submit corrected or additional information within four weeks. Failure to comply with this deadline may result in the rejection of the application by the reserve connecting TSO. The reserve connecting TSO shall have the timeline established under Article 5 (2)(b) to assess the newly submitted application.
- Article 5(4) defines a maximum evaluation period of three months, starting from the date the reserve connecting TSO confirms the completeness of the application. Within this period, the reserve connecting TSO must complete the technical evaluation and decide whether the RPU or RPGs meet the prequalification criteria. If the evaluation results are negative, the BSP is granted the possibility to conduct a new activation test within the conditions described.
- Article 5(4) further allows for an extension period of up to nine months from the original application submission date, within which the BSP may provide supplementary activation tests or additional information following a negative evaluation. If the BSP fails to meet the requirements within this timeframe, the reserve connecting TSO may terminate the prequalification process pursuant to Article 10(1)(c).
- Article 5(5) notes that with sufficient controls and penalties are in place to incentivise the BSP to ensure the reliability of the submitted bids, a reserve connecting TSO may foresee in the national T&C for BSP to approve the prequalification of the RPU or RPG without any activation test or ex post verification, as defined in Article 5(2)(c). All TSOs aim to harmonise the controls requires in the next round of harmonisation, as noted in the IF Survey backlog prioritisation.
- Article 5(6) allows NRAs to grant derogation on the defined timelines in order to account for the operational specificities of a TSO.

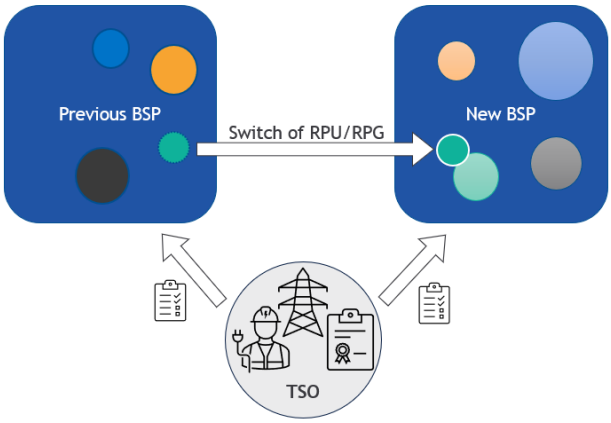
Switching of Reserve Providing Units between Balancing Service Providers

- Article 8 describes a simplified process when it comes to switching of RPUs between BSPs connected to the same TSO. The extent of simplification increases as the following conditions are met:
  1. The communication infrastructure used by both the previous and the new BSP must be compatible with the RPU in question;
  2. The new BSP must hold a valid qualification under Article 16 of the EB Regulation;
  3. The new BSP must demonstrate experience in controlling a RPU of the same technology for the same FRR service, as defined in the reserve connecting TSO's T&Cs;
  4. The RPU must have a prequalified capacity below the threshold specified in the national T&Cs.

Should all of the above conditions be met, the TSO may apply ex-post verification of the new BSP's control of the RPU, with the full switching process taking place in six [6] weeks. This duration has been defined to ensure that all TSOs are able to complete the switching process in due time, considering the administrative work related and the possibility of many simultaneous switching requests by BSPs, while ensuring that the switching process is reasonably shorter than the prequalification process.

If any condition is not met, the TSO shall determine whether a new prequalification with activation test or an ex-post verification is required. As the goal of the FRR prequalification process is for the

BSP to demonstrate to the TSO the ability of the RPU to deliver the FRR Service in compliance with the requirements stated in SOGL Art.158, allowing the switching of RPU with a simplified process as described above, must be allowed under clear conditions that ensures the new BSP will also be able to deliver the Service with the concerned RPU in compliance with these requirements. Delivering the FRR Service depends not only on the technical characteristics of the RPU, but also on the ability of the BSP to control it, confirmed by the technical concept(s) which have been submitted in the course of previous prequalification processes. Therefore, a condition on the BSP having demonstrated experience in controlling a similar RPU is introduced. Additionally, TSOs may introduce in the national T&Cs absolute or relative thresholds on the capacity of the concerned RPU, to avoid cases where the new BSP, by the switching process, increases the size of its portfolio by a large factor without demonstrating to the TSO its ability to deliver the Service with a portfolio of this scale. Since the switching of RPU(s) may also have an impact on the previous BSP, the TSO must verify whether the minimum requirements are still met by the previous BSP.



Re-prequalification notification and process

- Article 9 outlines when and how a BSP must notify the reserve connecting TSO of changes that could affect prequalification status, and how the reassessment process is conducted. The BSP must inform the reserve connecting TSO **at least 6 weeks** in advance of any planned changes listed in Article 10(1). **Within 4 weeks** of receiving the BSP's notification, the reserve connecting TSO assesses whether the changes require re-prequalification. If so, the BSP will be formally notified, including the scope of the reassessment, in line with Article 5.
- **Continuation of services during assessment:** the BSP will be permitted to continue providing the relevant balancing service with the affected RPU or RPG with the already prequalified or verified capacity of the RPU or RPG.
- The TSO may limit the process of re-prequalification of an RPG when identical RPUs are added to the existing RPG to the steps in Article 5(2)(a) and Article 5(2)(b).
- The TSOs may define limits to the volume of the RPUs being added to the existing RPG in the national T&Cs.

Termination process

- Article 11 outlines the conditions under which a prequalification or re-prequalification status or process can be terminated. The prequalification status of an RPU/RPG may be terminated if the conditions outlined in Article 11 (1) take place, in particular, lack of compliance by the RPU/RPG with the service requirements of Article 158 of the SO Regulation. The prequalification or re-prequalification procedure may also be terminated as noted in Article 11 (2) if the BSP fails to complete the required prequalification process as per Article 5 or Article 9, or the process exceeds the deadline allowed for repeating activation tests (according to Article 5(5)), as well if any condition listed in Article 11(1) is met.

4. Provisions referring to data exchange standards and communication protocols

- Article 12 outlines the harmonisation of data exchange standards and communication protocols for reserve connecting TSOs. By 18 months of the approval of the CHP, ENTSO-E will be required to define and publish a list of European data exchange standards and communication protocols based on ETSI-CEN-CENELEC set of standards. Such standards and protocols shall focus on procurement, non-real-time activation, and settlement. Each reserve connecting TSO will then need to implement the use of the European data exchange standards and communication protocols 24 months after the publication of the list, though data exchange standards and communication protocols already implemented at the national level may continue to be applied.