

# CONCLUSION DOCUMENT ON AMENDMENT PROPOSAL TO NC DR, SO GL AND EB REGULATION RELATED TO PREQUALIFICATION

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From: ENTSO-E

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## EXECUTIVE SUMMARY

This document describes the proposals including justifications for the amendment to the Regulation 2017/1485 establishing a guideline on electricity transmission system operation (hereafter SO GL) and to the Regulation 2017/2195 establishing a guideline on electricity balancing (hereafter EB Regulation).

The new Network Code on Demand Response (NC DR) has been drafted in accordance with ACER Framework Guidelines on Demand Response by the Drafting Team of ENTSO-E and the EU DSO Entity together with the Drafting Committee. The NC DR, as drafted today, includes prequalification requirements for units and groups providing balancing services. Those provisions should be included as provisions in EB Regulation and SO GL to ensure the consistency of the overall legal framework.

ENTSO-E proposes to take Articles such as art. 31.4 and art. 35 out of NC DR and place them in SO GL and EB Regulation. This would lead to amending NC DR, SO GL and EB Regulation, consistently with the approach described below:

- NC DR – Article 31 Pre-Conditions and Applicability of the product prequalification and product verification processes  
This article should be reworded to local products and the relevant provisions translated to EB Regulation for balancing products.
- NC DR - Article 32 Criteria for reassessment of product prequalification and product verification  
This article should be reworded to local products and the relevant provisions translated to SO GL for reserves services.
- NC DR - Article 33B Standardised data exchange  
This article should be reworded to local products and the relevant provisions translated to EB Regulation for specific balancing products.
- NC DR - Article 34 Requirements for product prequalification  
This article should be reworded to local products.
- NC DR - Article 35 Provisions for prequalification for standard and specific balancing products  
This article should be removed.
- NC DR - Article 37 Product Verification Requirements  
This article should be reworded to local products and the relevant provisions translated to EB Regulation for balancing products.
- NC DR - Article 38 Product verification process  
This article should be reworded to local products and the relevant provisions translated to EB Regulation for balancing products.

- NC DR - Article 45 Principles for national implementation  
This article should be reworded to local products and EB Regulation amended consistently.

## Introduction

A joint ENTSO-E – EU DSO Entity assessment has been performed in April 2024 on whether the Prequalification requirements for units and groups providing balancing services should stay in NC DR or be moved or complemented in Regulation (EU) 2017/1485 (SO GL) or Regulation (EU) 2017/2195 (EB Regulation). EU DSO Entity and ENTSO-E had diverging views. ENTSO-E is of the opinion that SO GL and EB Regulation amendments shall incorporate the concepts specific to balancing that are currently included in the NC DR draft.

The provisions related to prequalification of units providing balancing services should be included as provisions in EB Regulation and SO GL the following reasons:

1) There are RPU (Reserve Providing Unit) and/or RPG (Reserve Providing Group) that do not fall under the scope of the NC DR (e.g. generation units which are connected to the transmission grid). A technology neutral and full applicability of the requirements associated to the registration of units and groups by SPs (Service Providers), as well as a non-discriminatory application of the simplification criteria should be ensured.

2) BSPs (Balancing Service Providers) are bound to the European legal framework which consists of different relevant codes (mainly SO GL, EB Regulation and NC DR) to provide balancing services, while details may further be stipulated in national rules.

ENTSO-E proposes to take Articles such as art. 31.4 and art. 35 out of NC DR and place them in SO GL and EB Regulation to ensure the consistency of the overall legal framework. Even if the requirements are spread in several EU legal acts, this would ensure an EU framework consistent in scope. The national implementation of the requirements to balancing service providers is already based on obligations in different European Network Codes (EB Regulation and SO GL).

NC DR requirements on prequalification should focus on local services while requirements to prequalify units and groups for balancing services, should consistently be addressed in EB Regulation and SO GL, and follow the governance applied to them, since it is ultimately TSOs' responsibility to balance the system in real time. This does not affect the implementation of the commonly established requirements for the registration of units and for grid prequalification.

The following overview table describes the approach proposed by ENTSO-E on prequalification.

NC DR articles	ENTSO-E's proposal
Article 31 Pre-Conditions and Applicability of the product prequalification and product verification processes	31.4 Remove from NC DR 31.5-6 Re-word to local product + translate to EB Regulation for specific balancing products
Article 32 Criteria for reassessment of product prequalification and product verification	Re-word to local services + translate in SO GL for reserves
Article 33B Standardised data exchange	33.1 and 33.2 Remove from NC DR + translate in EB Regulation for balancing

	Re-word to local markets
Article 34 Requirements for product prequalification	Re-word to local products only
Article 35 Provisions for prequalification for standard and specific balancing products	Remove from NC DR
Article 37 Product Verification Requirements	Reword to local services + add in EB Regulation for balancing products
Article 38 Product verification process	Reword to local services + add in EB Regulation for balancing products
Article 45 Principles for national implementation	Re-word to local services + EB Regulation amended for content alignment

The next chapters will present the related amendment proposals to NC DR, SO GL and EB Regulation; in alignment with the overview table.

## Prequalification provisions in NC DR

This chapter presents how the articles on prequalification in the NC DR should be modified in alignment with ENTSO-E's approach to prequalification.

### Amendment proposal to NC DR art.31 - Pre-Conditions and applicability of the product prequalification and product verification processes

NC DR text	ENTSO-E proposal
<p>1. Before a service provider applies for product prequalification or product verification, the service provider shall;</p> <p>(a) have a valid SP qualification for the respective product; and</p> <p>(b) register the data of the potential SPU or SPG in the SP module pursuant to Article 42(2)(a) (SP module procedures) of this Regulation and shall ensure that the relevant CU data is registered in the CU module.</p> <p>2. The national terms and conditions for the flexibility register shall assign the responsibility to an entitled party or entitled parties for the registration and updating of data for controllable units. The national terms and conditions for the flexibility register may assign the responsibility to the relevant systems operators to complement CU data in the flexibility register CU module.</p> <p>3. After submission of the product application by the service provider the operator(s) of the flexibility register platform(s) with a SP module shall inform without undue delay and no later than 1 business day after the submission of the product application the affected system operators to start</p>	<p>1. Before a service provider applies for product prequalification or product verification, the service provider shall;</p> <p>(a) have a valid SP qualification for the respective product; and</p> <p>(b) register the data of the potential SPU or SPG in the SP module pursuant to Article 42(2)(a) (SP module procedures) of this Regulation and shall ensure that the relevant CU data is registered in the CU module.</p> <p>2. The national terms and conditions for the flexibility register shall assign the responsibility to an entitled party or entitled parties for the registration and updating of data for controllable units. The national terms and conditions for the flexibility register may assign the responsibility to the relevant systems operators to complement CU data in the flexibility register CU module.</p> <p>3. After submission of the product application by the service provider the operator(s) of the flexibility register platform(s) with a SP module shall inform without undue delay and no later than 1 business day after the submission of the product application the affected system operators to start</p>

<p>the grid prequalification process pursuant to Article 75 (Grid Prequalification).</p> <p>4. The service provider applying to provide standard balancing products or balancing products that are activated automatically based on system frequency shall be subject to product prequalification process at SPU or SPG level, in accordance with Chapter 6 (Product Prequalification).</p> <p>5. The service provider applying to provide specific balancing products, congestion management or voltage control products shall by default be subject to product verification at SPU or SPG level pursuant to Chapter 7 (Product verification).</p> <p>6. The PPP shall have the right to require a product prequalification instead of product verification according to paragraph 5 on SPU or SPG level, where at least one of the following criteria is fulfilled:</p> <p>(a) applicable to all products, the potential SPU or SPG is allocated to a service provider that will deliver the concerned product for the first time</p> <p>(b) applicable to all products, the potential SPU or SPG is allocated to a service provider that has not successfully passed the last product verification for the same product;</p> <p>(c) applicable for specific balancing products, congestion management or voltage control products, when a central dispatching model is applied in a Member State;</p>	<p>the grid prequalification process pursuant to Article 75 (Grid Prequalification).</p> <p>4. <del>The service provider applying to provide standard balancing products or balancing products that are activated automatically based on system frequency shall be subject to product prequalification process at SPU or SPG level, in accordance with Chapter 6 (Product Prequalification).</del></p> <p>5. The service provider applying to provide <del>specific balancing products,</del> congestion management or voltage control products shall by default be subject to product verification at SPU or SPG level pursuant to Chapter 7 (Product verification).</p> <p>6. The PPP shall have the right to require a product prequalification instead of product verification according to paragraph 5 on SPU or SPG level <del>for congestion management or voltage control</del> <u>local products</u>, where at least one of the following criteria is fulfilled:</p> <p>(a) <del>applicable to all products,</del> the potential SPU or SPG is allocated to a service provider that will deliver the concerned product for the first time</p> <p>(b) <del>applicable to all products,</del> the potential SPU or SPG is allocated to a service provider that has not successfully passed the last product verification for the same product;</p> <p>(c) <del>applicable for specific balancing products, congestion management or voltage control products,</del> when a central dispatching model is</p>
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<p>(d) applicable for specific balancing products, if the prequalified capacity threshold of the prospective SPU or SPG exceeds 500 kW , unless otherwise provided in the national terms and conditions for service providers, or where the potential SPU or SPG shall deliver a specific balancing product that is designed to be activated in case the system is in “alert state” or “emergency state” as referred to in Article 18 of Commission Regulation (EU) 2017/1485;</p> <p>(e) applicable for congestion management and voltage control products, the potential SPU or SPG capacity exceeds a threshold defined in the national terms and conditions for service providers. This threshold shall consider the voltage level of the product and the effect of significant change in the load-flow or in voltage, or unsolved congestions in the grid of the affected system operators from an inadequate activation.</p>	<p>applied in a Member State;</p> <p>(d) <del>applicable for specific balancing products, if the prequalified capacity threshold of the prospective SPU or SPG exceeds 500 kW , unless otherwise provided in the national terms and conditions for service providers, or where the potential SPU or SPG shall deliver a specific balancing product that is designed to be activated in case the system is in “alert state” or “emergency state” as referred to in Article 18 of Commission Regulation (EU) 2017/1485;</del></p> <p>(e) applicable for congestion management and voltage control products, the potential SPU or SPG capacity exceeds a threshold defined in the national terms and conditions for service providers. This threshold shall consider the voltage level of the product and the effect of significant change in the load-flow or in voltage, or unsolved congestions in the grid of the affected system operators from an inadequate activation.</p>
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## Amendment proposal to NC DR art.32 - Criteria for reassessment of product prequalification and product verification

**NC DR text**

**ENTSO-E proposal**

<p>1. In case of modifications to a SPU, SPG or CU, the service provider shall update the SPU or SPG data in the SP module and shall ensure that the CU data in the CU module is updated without undue delay and no later than 10 business days before the</p>	<p>1. In case of modifications to a SPU, SPG or CU <del>active in provision of congestion management or voltage control</del> <u>local services</u>, the <u>relevant</u> service provider shall update the SPU or SPG data in the SP module and shall ensure that the CU data in</p>
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modification is applied.

2. The PPP shall have the right to reassess and require a full or partial repetition of the product prequalification or product verification of a SPU or SPG, respecting the applicability of the product prequalification or product verification pursuant to Article 31 (Pre-Conditions and Applicability of the product prequalification and product verification processes) and in accordance with Articles 155(6), 159(6) and 162(5) of Regulation (EU) 2017/1485 when at least one of the following situations occur:

- (a) due to additions, removals, or significant updates of controllable units the previously prequalified or verified SPU or SPG is modified more than 10% or 3 MW, whichever is lower, related to the nominal capacity. The modification of the nominal capacity shall be calculated as the sum of the absolute values of the nominal capacities of added, removed or updated CUs;
- (b) due to additions or removal of controllable units the prequalified or verified capacity of the SPU or the SPG is modified more than 10% or 3 MW, whichever is lower compared to the previous product prequalification or product verification process of the SPU or the SPG;
- (c) more than 10 % or 3 MW, whichever is lower, of the previously prequalified or verified capacity of the SPU or SPG undergoes significant modernization or updates of controllable units;

the CU module is updated without undue delay and no later than 10 business days before the modification is applied.

2. The PPP shall have the right to reassess and require a full or partial repetition of the product prequalification or product verification of a SPU or SPG active in provision of congestion management or voltage control local services, respecting the applicability of the product prequalification or product verification pursuant to Article 31 (Pre-Conditions and Applicability of the product prequalification and product verification processes) ~~and in accordance with Articles 155(6), 159(6) and 162(5) of Regulation (EU) 2017/1485~~ when at least one of the following situations occur:

- (a) due to additions, removals, or significant updates of controllable units the previously prequalified or verified SPU or SPG is modified more than 10% or 3 MW, whichever is lower, related to the nominal capacity. The modification of the nominal capacity shall be calculated as the sum of the absolute values of the nominal capacities of added, removed or updated CUs;
- (b) due to additions or removal of controllable units the prequalified or verified capacity of the SPU or the SPG is modified more than 10% or 3 MW, whichever is lower compared to the previous product prequalification or product verification process of the SPU or the SPG;
- (c) more than 10 % or 3 MW, whichever is lower,

<p>(d) the service provider or in accordance with methodology implementing Article 40(6) of Commission Regulation (EU) 2017/1485 the delegated third party changes its SPU or SPG control system or technology;</p> <p>(e) repeated errors or repeated lack in quality in the provision of the service by this SPU or SPG;</p> <p>(f) changes in product requirements</p> <p>(g) the service provider uses a different type of technical resources than in previously prequalified or verified SPU or SPG</p>	<p>of the previously prequalified or verified capacity of the SPU or SPG undergoes significant modernization or updates of controllable units;</p> <p>(d) the service provider or in accordance with methodology implementing Article 40(6) of Commission Regulation (EU) 2017/1485 the delegated third party changes its SPU or SPG control system or technology;</p> <p>(e) repeated errors or repeated lack in quality in the provision of the service by this SPU or SPG;</p> <p>(f) changes in product requirements</p> <p>(g) the service provider uses a different type of technical resources than in previously prequalified or verified SPU or SPG</p>
<p>3. Where a full or partial repetition of the product prequalification is requested by the PPP due to the criteria stated in paragraph 2, the service provider shall be entitled to continue the market participation with the affected SPU or SPG according to the conditions set out in the national terms and conditions for service provider, that shall preserve a high reliability in service provision.</p>	<p>(f) changes in product requirements</p> <p>(g) the service provider uses a different type of technical resources than in previously prequalified or verified SPU or SPG</p>
<p>4. When the PPP requests a full or partial repetition of the product prequalification of a SPU or SPG, the SP may reuse for the controllable units of the SPU or SPG which have not changed results of previous activation tests not older than 3 years.</p>	<p>3. Where a full or partial repetition of the product prequalification <del>for provision of congestion management or voltage control local services</del> is requested by the PPP due to the criteria stated in paragraph 2, the service provider shall be entitled to continue the market participation with the affected SPU or SPG according to the conditions set out in the national terms and conditions for service provider, that shall preserve a high reliability in service provision.</p>
<p>5. The qualification status after successful product prequalification or product verification of SPUs or SPGs shall be valid for no longer than 5 years further specified in national terms and conditions for service providers. The operator of the flexibility register platforms with the SP module shall inform</p>	<p>4. When the PPP requests a full or partial repetition of the product prequalification of a SPU or SPG <del>active in provision of congestion management or voltage control local services</del>, the SP may reuse for the controllable units of the SPU or SPG which</p>

the affected service provider about the expiration of the validity at least 2 months in advance. The SP shall inform at least 6 weeks before the expiration of the validity the PPP about whether significant changes in the SPU or SPG are identified. Depending on the information provided the following steps shall apply:

- (a) if significant changes are identified by the SP or by the PPP, the PPP may request a full or partial product prequalification or product verification;
- (b) if no significant changes have been identified by the SP or by the PPP, the PPP shall extend the qualification status;
- (c) if the SP has failed to provide the information, the product prequalification or product verification validity expires automatically.

have not changed results of previous activation tests not older than 3 years.

5. The qualification status after successful product prequalification or product verification of SPUs or SPGs ~~for provision of congestion management or voltage control local services~~ shall be valid for no longer than 5 years further specified in national terms and conditions for service providers. The operator of the flexibility register platforms with the SP module shall inform the affected service provider about the expiration of the validity at least 2 months in advance. The SP shall inform at least 6 weeks before the expiration of the validity the PPP about whether significant changes in the SPU or SPG are identified. Depending on the information provided the following steps shall apply:
  - (a) if significant changes are identified by the SP or by the PPP, the PPP may request a full or partial product prequalification or product verification;
  - (b) if no significant changes have been identified by the SP or by the PPP, the PPP shall extend the qualification status;
  - (c) if the SP has failed to provide the information, the product prequalification or product verification validity expires automatically.

## Amendment proposal to NC DR art.33B - Standardised data exchange

### NC DR text

### ENTSO-E proposal

<p>1. By 12 months after entry into force of this Regulation, ENTSO-E shall define, publish and maintain a list of European standards based on ETSI-CEN-CENELEC set of standards relevant for the data exchanges used in the interactions between TSOs and BSPs for the prequalification, bidding, tendering, clearing and activation of bids excluding operational real-time data exchange.</p> <p>2. By 36 months after the publication of the list referred to in paragraph 1, each TSO shall implement at least one of the listed European standards for standard balancing products. This implementation may be in addition to existing data exchange interfaces.</p> <p>3. By 12 months after entry into force of this Regulation, EU DSO Entity and ENTSO-E shall, in cooperation with European Standards Defining Organisations, define, publish and maintain a list of European standards based on existing ETSI-CEN-CENELEC set of standards for the data exchange used in the following interactions:</p> <p>(a) operators of flexibility register platforms interacting with other flexibility register platforms, service providers, systems operators, CU Operators and other relevant parties.</p> <p>(b) systems operators interacting with service providers providing local services for the prequalification, bidding, tendering, clearing and activation of bids excluding operational</p>	<p>1. <del>By 12 months after entry into force of this Regulation, ENTSO-E shall define, publish and maintain a list of European standards based on ETSI-CEN-CENELEC set of standards relevant for the data exchanges used in the interactions between TSOs and BSPs for the prequalification, bidding, tendering, clearing and activation of bids excluding operational real-time data exchange.</del></p> <p>2. <del>By 36 months after the publication of the list referred to in paragraph 1, each TSO shall implement at least one of the listed European standards for standard balancing products. This implementation may be in addition to existing data exchange interfaces.</del></p> <p>3. By 12 months after entry into force of this Regulation, EU DSO Entity and ENTSO-E shall, in cooperation with European Standards Defining Organisations, define, publish and maintain a list of European standards based on existing ETSI-CEN-CENELEC set of standards for the data exchange used in the following interactions <u>limited to congestion management or voltage control local services</u>:</p> <p>(a) operators of flexibility register platforms interacting with other flexibility register platforms, service providers, systems operators, CU Operators and other relevant parties.</p> <p>(b) systems operators interacting with service providers providing local services for the</p>
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<p>real-time data exchange.</p> <p>(c) systems operators interacting with other systems operators for all new functionality introduced by the new rules. If there are working and existing interfaces for data exchange between systems operators, they shall be exempted from the obligation to provide a standardised interface.</p> <p>(d) local or balancing market operators interacting with other local or balancing market operators for all new functionality introduced by this Regulation.</p> <p>(e) CU operators communicating with service providers and systems operators.</p> <p>4. By 3 years after the publication of the list referred to in paragraph 3, each affected party shall implement at least one of the listed European standards. This implementation may be in addition to existing data exchange interfaces.</p> <p>5. EU DSO Entity and ENTSO-E shall update the list of preferred European standards pursuant to paragraph 3, if necessary, because of substantial updates, but at least every 24 months.</p>	<p>prequalification, bidding, tendering, clearing and activation of bids excluding operational real-time data exchange.</p> <p>(c) systems operators interacting with other systems operators for all new functionality introduced by the new rules. If there are working and existing interfaces for data exchange between systems operators, they shall be exempted from the obligation to provide a standardised interface.</p> <p>(d) local <del>or balancing</del> market operators interacting with other local or balancing market operators for all new functionality introduced by this Regulation.</p> <p>(e) CU operators communicating with service providers and systems operators.</p> <p>4. By 3 years after the publication of the list referred to in paragraph 3, each affected party shall implement at least one of the listed European standards <del>for congestion management and voltage control</del> <u>local services</u>. This implementation may be in addition to existing data exchange interfaces.</p> <p>5. EU DSO Entity and ENTSO-E shall update the list of preferred European standards pursuant to paragraph 3, if necessary, because of substantial updates, but at least every 24 months.</p>
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## Amendment proposal to NC DR art.34 - Product prequalification

### NC DR text

### ENTSO-E proposal

<p>1. The procuring system operator shall be the PPP. The national terms and conditions for service providers shall define rules for the allocation of the responsible procuring system operator in case multiple procuring system operators are buying the same product from the concerned SPU or SPG.</p> <p>2. The service provider shall ensure that its potential SPUs or potential SPGs meet the technical requirements of the product for which prequalification is conducted and is ready to provide to the PPP the required technical and measurement data, including documentation necessary for baselining and settlement.</p> <p>3. The PPP shall evaluate whether the potential SPU or SPG is ready to provide the product by comparing the SPU or SPG characteristics with the product requirements. If central dispatching model is used, the prequalification process of SPU and SPG shall take into account requirements resulting from integrated scheduling process specified in national terms and conditions for balancing service providers developed pursuant to Article 18 of Commission Regulation (EU) 2017/2195.</p> <p>4. The PPP may require an activation test for SPU or SPG under prequalification to confirm that this SPU or SPG can deliver the requested product. The performance of such activation tests is conditional upon the fulfilment of the</p>	<p>1. The procuring system operator <del>of congestion management and voltage control</del> <u>local services</u> shall be the PPP. The national terms and conditions for <u>local</u> service providers shall define rules for the allocation of the responsible procuring system operator in case multiple procuring system operators are buying the same product from the concerned SPU or SPG.</p> <p>2. The <u>local</u> service provider shall ensure that its potential SPUs or potential SPGs meet the technical requirements of the product for which prequalification is conducted and is ready to provide to the PPP the required technical and measurement data, including documentation necessary for baselining and settlement.</p> <p>3. The PPP shall evaluate whether the potential SPU or SPG is ready to provide the <del>congestion management or voltage control</del> <u>local</u> product <u>under consideration</u> by comparing the SPU or SPG characteristics with the product requirements. If central dispatching model is used, the prequalification process of SPU and SPG shall take into account requirements resulting from integrated scheduling process specified in national terms and conditions for balancing service providers developed pursuant to Article 18 of Commission Regulation (EU) 2017/2195.</p> <p>4. The PPP may require an activation test for SPU or SPG under prequalification <u>for the provision of</u></p>
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<p>requirements set out in the national terms and conditions for service providers and shall only be possible in cases where high reliability of service delivery is required due to the need to ensure system security or secure network operation.</p> <p>5. If the central dispatching model is used, the PPP shall have the right to unconditionally conduct an activation test.</p> <p>6. If the PPP requires an activation test pursuant to paragraph 4 for a potential SPG or SPU consisting only of identical small CUs, the activation test shall include a limited number of controllable units of that SPU or SPG under prequalification, further specified in the national terms and conditions for service providers and pursuant to security considerations at both system and network level.</p> <p>7. The procuring system operator shall have the right to require the service provider to conduct a training test for an already prequalified SPU or SPG under conditions specified in the national terms and conditions for service providers.</p> <p>8. The service provider shall have the right to request a training test for an already pre-qualified SPU or SPG after consultation with the procuring system operator.</p> <p>9. The PPP shall ensure coordination of the activation test and training test with all affected system operators.</p> <p>10. Costs related to the activation of energy due to activation tests and possible required counteractions shall not be compensated unless</p>	<p><del>congestion management and/or voltage control</del> <u>local services</u> to confirm that this SPU or SPG can deliver the requested product. The performance of such activation tests is conditional upon the fulfilment of the requirements set out in the national terms and conditions for service providers and shall only be possible in cases where high reliability of service delivery is required due to the need to ensure system security or secure network operation.</p> <p>5. If the central dispatching model is used, the PPP shall have the right to unconditionally conduct an activation test.</p> <p>6. If the PPP requires an activation test pursuant to paragraph 4 for a potential SPG or SPU consisting only of identical small CUs, the activation test shall include a limited number of controllable units of that SPU or SPG under prequalification, further specified in the national terms and conditions for service providers and pursuant to security considerations at both system and network level.</p> <p>7. The procuring system operator <u>of local services</u> shall have the right to require the <u>local</u> -service provider to conduct a training test for an already prequalified SPU or SPG under conditions specified in the national terms and conditions for service providers.</p> <p>8. The <u>local</u> service provider shall have the right to request a training test for an already pre-qualified SPU or SPG after consultation with the procuring system operator.</p>
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<p>required otherwise by national terms and conditions for service providers.</p> <p>11. The PPP shall ensure that the evaluation referred to in paragraph 3 shall be simplified where the potential SPU or potential SPG exclusively consists of controllable units of a type identical to other prequalified types already under other SPU or SPG of the same service provider for the product. In such a case, the activation test shall include a limited number of controllable units of that potential SPU or SPG further specified in the national terms and conditions for service providers.</p> <p>12. The PPP shall consider the product prequalification process as approved when the SPU or SPG has passed the evaluation referred to paragraph 3 and the activation test (if required) and the contractual relationship appropriate to the market is established. For the avoidance of doubt, the approval shall not depend on the performance of individual controllable units included in the SPU or SPG, but on the performance of the entire SPU or SPG under prequalification. The prequalification status, in relation to prequalified product, and the characteristics of the SPU or SPG in the SP module shall be updated accordingly by the PPP without undue delay and no later than 5 working days.</p>	<p>9. The PPP shall ensure coordination of the activation test and training test with all affected system operators.</p> <p>10. Costs related to the activation of energy due to activation tests and possible required counteractions shall not be compensated unless required otherwise by national terms and conditions for <a href="#">local</a> service providers.</p> <p>11. The PPP shall ensure that the evaluation referred to in paragraph 3 shall be simplified where the potential SPU or potential SPG exclusively consists of controllable units of a type identical to other prequalified types already under other SPU or SPG of the same <a href="#">local</a> service provider for the <a href="#">local</a> product. In such a case, the activation test shall include a limited number of controllable units of that potential SPU or SPG further specified in the national terms and conditions for service providers.</p> <p>12. The PPP shall consider the product prequalification process <a href="#">for a local service</a> as approved when the SPU or SPG has passed the evaluation referred to paragraph 3 and the activation test (if required) and the contractual relationship appropriate to the market is established. For the avoidance of doubt, <a href="#">this</a> approval shall not depend on the performance of individual controllable units included in the SPU or SPG, but on the performance of the entire SPU or SPG under prequalification. The prequalification status, in relation to prequalified <del>product</del> <a href="#">local service</a>, and the characteristics of the SPU or SPG in the SP module shall be updated accordingly by the PPP without undue delay and</p>
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	no later than 5 working days.
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## Amendment proposal to NC DR art.35 - Provisions for prequalification for standard and specific balancing products

**NC DR text**

**ENTSO-E proposal**

<p>1. By 12 months after entry into force of this regulation, each TSO shall adapt the prequalification process for standard balancing products to the requirements set out in this Regulation and shall make publicly available the details of the prequalification process for each standard balancing product.</p> <p>2. When implementing the prequalification process for standard balancing products, a potential balancing service provider shall consider the technical minimum requirements set out in Article 158 and Article 161 of Commission Regulation (EU) 2017/1485.</p> <p>3. The potential balancing service provider shall carry out the prequalification process for standard balancing products in accordance with the rules and time frames established pursuant to Article 159 and Article 162 of Commission Regulation (EU) 2017/1485.</p> <p>4. When the TSO develops a specific balancing product in accordance with Article 26 of Commission Regulation (EU) 2017/2195 and when the criteria of Article 31 paragraph 6 (Pre-Conditions and Applicability of the product prequalification and product verification processes) are met and as a result this product</p>	<p><del>By 12 months after entry into force of this regulation, each TSO shall adapt the prequalification process for standard balancing products to the requirements set out in this Regulation and shall make publicly available the details of the prequalification process for each standard balancing product.</del></p> <p><del>When implementing the prequalification process for standard balancing products, a potential balancing service provider shall consider the technical minimum requirements set out in Article 158 and Article 161 of Commission Regulation (EU) 2017/1485.</del></p> <p><del>The potential balancing service provider shall carry out the prequalification process for standard balancing products in accordance with the rules and time frames established pursuant to Article 159 and Article 162 of Commission Regulation (EU) 2017/1485.</del></p> <p><del>When the TSO develops a specific balancing product in accordance with Article 26 of Commission Regulation (EU) 2017/2195 and when the criteria of Article 31 paragraph 6 (Pre-Conditions and Applicability of the product prequalification and product verification processes) are met and as a result this product requires prequalification, the TSO shall simultaneously develop the prequalification process of the specific balancing product pursuant to the requirements set out in this act and will make publicly</del></p>
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<p>requires prequalification, the TSO shall simultaneously develop the prequalification process of the specific balancing product pursuant to the requirements set out in this act and will make publicly available the details of the prequalification process.</p> <p>5. Within 18 months after entry into force of this Regulation all TSOs shall develop a Union-wide proposal for each standard balancing product for the harmonisation of the SP qualification process, the product prequalification process and its requirements and shall submit that proposal to ACER for approval in accordance with Article 9 (Development and Approval of Union-wide terms and conditions or methodologies).</p> <p>6. With regards to the SP qualification and product prequalification process, the proposal referred to in paragraph 5 shall describe a harmonised process in terms of steps and lead times for each standard balancing product.</p> <p>7. With regards to the prequalification requirements, the scope of the proposal referred to in paragraph 5 shall cover at least the following areas of harmonisation:</p> <p>(a) where the SPU or SPG only consists of "small CUs", the SP shall only be required to provide real-time data on SPU or SPG level;</p> <p>(b) the SP shall measure and store data on CU level for verification purposes. This data storage shall not be required for more than 6 months, unless the TSO has explicitly asked to store data longer due to a particular incident;</p>	<p><del>available the details of the prequalification process.</del></p> <p><del>Within 18 months after entry into force of this Regulation all TSOs shall develop a Union wide proposal for each standard balancing product for the harmonisation of the SP qualification process, the product prequalification process and its requirements and shall submit that proposal to ACER for approval in accordance with Article 9 (Development and Approval of Union wide terms and conditions or methodologies).</del></p> <p><del>With regards to the SP qualification and product prequalification process, the proposal referred to in paragraph 5 shall describe a harmonised process in terms of steps and lead times for each standard balancing product.</del></p> <p><del>With regards to the prequalification requirements, the scope of the proposal referred to in paragraph 5 shall cover at least the following areas of harmonisation:</del></p> <p><del>where the SPU or SPG only consists of "small CUs", the SP shall only be required to provide real time data on SPU or SPG level;</del></p> <p><del>the SP shall measure and store data on CU level for verification purposes. This data storage shall not be required for more than 6 months, unless the TSO has explicitly asked to store data longer due to a particular incident;</del></p> <p><del>for each standard balancing product, harmonized requirements for data resolution and latency shall be defined on SPU or SPG level.</del></p>
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<p>(c) for each standard balancing product, harmonized requirements for data resolution and latency shall be defined on SPU or SPG level.</p> <p>8. Each TSO shall implement the Union-wide terms and conditions within 24 months of approval by ACER.</p>	<p><del>Each TSO shall implement the Union-wide terms and conditions within 24 months of approval by ACER.</del></p>
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## Amendment proposal to NC DR art.37 - Product verification requirements

### NC DR text

### ENTSO-E proposal

<ol style="list-style-type: none"> <li>Product verification shall be the default process for local services and specific balancing product pursuant to Article 31 (Pre-Conditions and Applicability of the product prequalification and product verification processes) (5).</li> <li>A potential SPU or SPG for specific balancing products, congestion management or voltage control services shall have a temporary qualification granted by the PPP for the preliminary participation on the respective market, until the verification criteria are performed.</li> <li>The national terms and conditions for service providers shall establish requirements for PPPs to conduct the product verification process pursuant to Article 38 (Product Verification Process).</li> </ol>	<ol style="list-style-type: none"> <li>Product verification shall be the default process for local services <del>and specific balancing product</del> pursuant to Article 31 (Pre-Conditions and Applicability of the product prequalification and product verification processes) (5).</li> <li>A potential SPU or SPG for <del>specific balancing products, congestion management or voltage control</del> <u>local</u> services shall have a temporary qualification granted by the PPP for the preliminary participation on the respective market, until the verification criteria are performed.</li> <li>The national terms and conditions for <u>local</u> service providers shall establish requirements for PPPs to conduct the product verification process pursuant to Article 38 (Product Verification Process) <u>for local services</u>.</li> </ol>
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## Amendment proposal to NC DR art.38 - Product verification process

### NC DR text

### ENTSO-E proposal

<p>1. The PPP shall perform product verification and may request relevant data from service providers for validating a compliant delivery of the services during market participation further specified in national terms and conditions for service providers.</p> <p>2. The PPP shall verify, whether the SPU or SPG proved full compliance with product requirement and the verification criteria defined in national terms and conditions for service providers, based on the behaviour of the relevant SPU or SPG during the requested activation timeframes, product requirements and the requested activation.</p> <p>3. Systems operators shall define in national terms and conditions for service providers pursuant to Article 45 (National terms and conditions for service providers) the verification criteria for each product in accordance with the following:</p> <p>(a) minimum percentage of service deliveries;</p> <p>(b) minimum percentage of quantity delivered from all activations;</p> <p>(c) minimum percentage of the quantity delivered from a single activation;</p> <p>(d) by combination of these criteria;</p> <p>(e) based on some other criteria; or</p> <p>(f) and the maximum timeframe to perform this</p>	<p>1. The PPP shall perform product verification <a href="#">for local services</a> and may request relevant data from <a href="#">local</a> service providers for validating a compliant delivery of the <a href="#">local</a> services during market participation further specified in national terms and conditions for <a href="#">local</a> service providers.</p> <p>2. The PPP <a href="#">for local services</a> shall verify, whether the SPU or SPG proved full compliance with product requirement <a href="#">for local services</a> and the verification criteria defined in national terms and conditions for service providers, based on the behaviour of the relevant SPU or SPG during the requested activation timeframes, product requirements <a href="#">for local services</a> and the requested activation.</p> <p>3. Systems operators shall define in national terms and conditions for <a href="#">local</a> service providers pursuant to Article 45 (National terms and conditions for service providers) the verification criteria for each <a href="#">local service</a> product in accordance with the following:</p> <p>(a) minimum percentage of service deliveries;</p> <p>(b) minimum percentage of quantity delivered from all activations;</p> <p>(c) minimum percentage of the quantity delivered from a single activation;</p> <p>(d) by combination of these criteria;</p>
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<p>verification.</p> <p>4. When the minimum number of service deliveries is not reached within the maximum timeframe defined in national terms and conditions for service providers, systems operators may require an activation test for verification purposes.</p> <p>5. In case of a negative result of the product verification of a SPU or SPG:</p> <p>(a) the PPP shall decide if the temporary qualification status for this SPU or SPG is revoked and if a product prequalification is necessary; and</p> <p>(b) whether the relevant service provider may be subject to a penalty, if a penalty is determined in the national terms and conditions for service providers.</p> <p>6. In case of a positive result of this verification, the PPP shall, without undue delay and in any case no later than within 5 business days, grant regular qualification status for the respective SPU or SPG in relation to the verified product, and register this status as well as the characteristics of the respective SPU or SPG in the SP module.</p>	<p>(e) based on some other criteria; or</p> <p>(f) and the maximum timeframe to perform this verification.</p> <p>4. When the minimum number of <u>local</u> service deliveries is not reached within the maximum timeframe defined in national terms and conditions for <u>local</u> service providers, systems operators may require an activation test for verification purposes.</p> <p>5. In case of a negative result of the product verification of a SPU or SPG <u>for local services</u>:</p> <p>(a) the PPP shall decide if the temporary qualification status for this SPU or SPG is revoked and if a product prequalification is necessary; and</p> <p>(b) whether the relevant service provider may be subject to a penalty, if a penalty is determined in the national terms and conditions for service providers.</p> <p>6. In case of a positive result of this verification, the PPP shall, without undue delay and in any case no later than within 5 business days, grant regular qualification status for the respective SPU or SPG in relation to the verified product, and register this status as well as the characteristics of the respective SPU or SPG in the SP module.</p>
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## Prequalification provisions in NC DR impacting SO GL

The new prequalification provisions in NC DR impact the current prequalification provisions in SO GL. The amendments proposed aim at aligning the prequalification process in both regulations. In SO GL, the prequalification process is described for each reserve type in the corresponding articles:

- Article 155 – FCR prequalification process
- Article 159 – FRR prequalification process
- Article 162 – RR prequalification process

To respect the current structure of SO GL, the decision has been made to add the new provisions for prequalification in each article.

## Amendment proposal to SO GL art.155 - FCR prequalification process

### The initial text is:

1. By 12 months after entry into force of this regulation, each TSO shall develop an FCR prequalification process and shall make publicly available the details of the FCR prequalification process.

[...]

6. The qualification of FCR providing units or FCR providing groups shall be re-assessed:

(a) at least once every 5 years;

(b) in case the technical or availability requirements or the equipment have changed; and

(c) in case of modernisation of the equipment related to FCR activation.

### The proposed text is:

1. By 12 months after entry into force of this regulation, each TSO shall **adapt the prequalification process for FCR to the requirements set out in this regulation** and shall make publicly available the details of the prequalification process for FCR.

[...]

6. **The TSO shall have the right to reassess and require a full or partial repetition of the service prequalification of a FCR providing unit or FCR providing group**, when at least one of the following situations occur:

(a) at least once every 5 years;

~~(b) in case the technical or availability requirements or the equipment have changed; and~~

~~(c) in case of modernisation of the equipment related to FCR activation.~~

**(b) due to additions, removals, or significant updates of power generating modules and/or**

demand units the previously prequalified or verified FCR providing unit or FCR providing group is modified more than 10% or 3 MW, whichever is lower, related to the nominal capacity. The modification of the nominal capacity shall be calculated as the sum of the absolute values of the nominal capacities of added, removed or updated power generating modules and/or demand units ;

- (c) due to additions or removal of power generating modules and/or demand units the prequalified or verified capacity of the FCR providing unit or FCR providing group is modified more than 10% or 3 MW, whichever is lower compared to the previous service prequalification or service verification process of the FCR providing unit or FCR providing group;
- (d) more than 10% or 3 MW, whichever is lower, of the previously prequalified or verified capacity of the FCR providing unit or FCR providing group undergoes significant modernization or updates of power generating modules and/or demand units;
- (e) the FCR provider or in accordance with methodology implementing Article 40(6) of Commission Regulation (EU) 2017/1485 the delegated third party changes its FCR providing unit or FCR providing group control system or technology;
- (f) repeated errors or repeated lack in quality in the provision of the service by this FCR providing unit or FCR providing group;
- (g) changes in service requirements;
- (h) the FCR provider uses a different type of technical resources than in previously prequalified or verified FCR providing unit or FCR providing group.

7. Where a full or partial repetition of the FCR prequalification is requested by the TSO due to the criteria stated in paragraph 6, the FCR provider shall be entitled to continue the market participation with the affected FCR providing unit or FCR providing group according to the conditions set out in the national terms and conditions for FCR provider, that shall preserve a high reliability in FCR provision.

8. When the TSO requests a full or partial repetition of the FCR prequalification of a FCR providing unit or FCR providing group, the FCR provider may reuse for the power generating modules and/or demand units of the FCR providing unit or FCR providing group which have not changed results of previous activation tests not older than 3 years.



## Justification of the proposed amendment

The amendment to SO GL 155.1 aims at enforcing the new provisions for the prequalification process. Those new provisions for the re-assessment of the qualification are translated in the amendment to SO GL art.155.6 and the additional paragraphs to ensure alignment between NC DR and SO GL.

The initial requirement in SO GL 152.6.(b) and SO GL 152.6.(c) are accounted for in the new proposed version of the paragraph 6.

## Amendment proposal to SO GL art.159 - FRR prequalification process

### The initial text is:

1. By 12 months after entry into force of this regulation, each TSO shall develop a FRR prequalification process and shall clarify and make publicly available its details.

[...]

6. The qualification of FRR providing units or FRR providing groups shall be re-assessed:

(a) at least once every 5 years; and

(b) where the technical or availability requirements or the equipment have changed.

7. To ensure operational security, the reserve connecting TSO shall have the right to exclude FRR providing groups from the provision of FRR based on technical arguments such as the geographical distribution of the power generating modules or demand units belonging to a FRR providing group.

### The proposed text is:

1. By 12 months after entry into force of this regulation, each TSO shall **adapt the prequalification process for FRR to the requirements set out in this regulation and shall** make publicly available **the details of the prequalification process for FRR.**

[...]

6. **The TSO shall have the right to reassess and require a full or partial repetition of the service prequalification of a FRR providing unit or FRR providing group**, when at least one of the following situations occur:

(a) at least once every 5 years; ~~and~~

~~(b) where the technical or availability requirements or the equipment have changed;~~

**(a) due to additions, removals, or significant updates of power generating modules and/or**

demand units the previously prequalified or verified FRR providing unit or FRR providing group is modified more than 10% or 3 MW, whichever is lower, related to the nominal capacity. The modification of the nominal capacity shall be calculated as the sum of the absolute values of the nominal capacities of added, removed or updated power generating modules and/or demand units ;

- (b) due to additions or removal of power generating modules and/or demand units the prequalified or verified capacity of the FRR providing unit or FRR providing group is modified more than 10% or 3 MW, whichever is lower compared to the previous service prequalification or service verification process of the FRR providing unit or FRR providing group;
- (c) more than 10% or 3 MW, whichever is lower, of the previously prequalified or verified capacity of the FRR providing unit or FRR providing group undergoes significant modernization or updates of power generating modules and/or demand units;
- (d) the FRR provider or in accordance with methodology implementing Article 40(6) of Commission Regulation (EU) 2017/1485 the delegated third party changes its FRR providing unit or FRR providing group control system or technology;
- (e) repeated errors or repeated lack in quality in the provision of the service by this FRR providing unit or FRR providing group;
- (f) changes in service requirements;
- (g) the FRR provider uses a different type of technical resources than in previously prequalified or verified FRR providing unit or FRR providing group.

7. Where a full or partial repetition of the FRR prequalification is requested by the TSO due to the criteria stated in paragraph 6, the FRR provider shall be entitled to continue the market participation with the affected FRR providing unit or FRR providing group according to the conditions set out in the national terms and conditions for FRR provider, that shall preserve a high reliability in FRR provision.

8. When the TSO requests a full or partial repetition of the FRR prequalification of a FRR providing unit or FRR providing group, the FRR provider may reuse for the power generating modules and/or demand units of the FRR providing unit or FRR providing group which have not changed results of previous activation tests not older than 3 years.

~~9.7.~~ To ensure operational security, the reserve connecting TSO shall have the right to exclude FRR providing groups from the provision of FRR based on technical arguments such as the geographical distribution of the power generating modules or demand units belonging to a FRR providing group.

#### Justification of the proposed amendment

The amendment to SO GL 159.1 aims at enforcing the new provisions for the prequalification process. Those new provisions for the re-assessment of the qualification are translated in the amendment to SO GL art.159.6 and the additional paragraphs to ensure alignment between NC DR and SO GL.

The initial requirement in SO GL 159.6.(b) is accounted for in the new proposed version of the paragraph 6.

Based on the content of the added paragraphs and for clarity, the decision has been made to insert those paragraphs after paragraph 6; therefore changing the numbering of the current paragraph 7.

### Amendment proposal to SO GL art.162 - RR prequalification process

#### The initial text is:

1. Each TSO of a LFC block which has implemented a RRP shall develop a RR prequalification process within 12 months after entry into force of this Regulation and shall clarify and make publicly available the details thereof.

[...]

5. The qualification of RR providing units or RR providing groups shall be re-assessed:

(a) at least once every 5 years; and

(b) where the technical or availability requirements or the equipment have changed.

6. To ensure operational security, the reserve connecting TSO shall have the right to reject the provision of RR by RR providing groups, based on technical arguments such as the geographical distribution of the power generating modules or demand units establishing a RR providing group.

#### The proposed text is:

1. By 12 months after entry into force of this regulation, each TSO shall **adapt the prequalification process for RR to the requirements set out in this regulation** and shall make publicly available the details of the prequalification process for RR.

[...]

**5. The TSO shall have the right to reassess and require a full or partial repetition of the service prequalification of a RR providing unit or RR providing group, when at least one of the following situations occur:**

(a) at least once every 5 years; ~~and~~

~~(b) where the technical or availability requirements or the equipment have changed;~~

**(b) due to additions, removals, or significant updates of power generating modules and/or demand units the previously prequalified or verified RR providing unit or RR providing group is modified more than 10% or 3 MW, whichever is lower, related to the nominal capacity. The modification of the nominal capacity shall be calculated as the sum of the absolute values of the nominal capacities of added, removed or updated power generating modules and/or demand units ;**

**(c) due to additions or removal of power generating modules and/or demand units the prequalified or verified capacity of the RR providing unit or RR providing group is modified more than 10% or 3 MW, whichever is lower compared to the previous service prequalification or service verification process of the RR providing unit or RR providing group;**

**(d) more than 10% or 3 MW, whichever is lower, of the previously prequalified or verified capacity of the RR providing unit or RR providing group undergoes significant modernization or updates of power generating modules and/or demand units;**

**(e) the RR provider or in accordance with methodology implementing Article 40(6) of Commission Regulation (EU) 2017/1485 the delegated third party changes its RR providing unit or RR providing group control system or technology;**

**(f) repeated errors or repeated lack in quality in the provision of the service by this RR providing unit or RR providing group;**

**(g) changes in service requirements;**

**(h) the RR provider uses a different type of technical resources than in previously prequalified or verified RR providing unit or RR providing group.**

**6. Where a full or partial repetition of the RR prequalification is requested by the TSO due to the criteria stated in paragraph 6, the RR provider shall be entitled to continue the market participation with the affected RR providing unit or RR providing group according to the conditions set out in the national terms and conditions for RR provider, that shall preserve a high reliability in RR provision.**

**7. When the TSO requests a full or partial repetition of the RR prequalification of a RR providing unit or RR providing group, the RR provider may reuse for the power generating modules and/or**

**demand units of the RR providing unit or RR providing group which have not changed results of previous activation tests not older than 3 years.**

~~8.6.~~ To ensure operational security, the reserve connecting TSO shall have the right to reject the provision of RR by RR providing groups, based on technical arguments such as the geographical distribution of the power generating modules or demand units establishing a RR providing group.

#### **Justification of the proposed amendment**

The amendment to SO GL 162.1 aims at enforcing the new provisions for the prequalification process. Those new provisions for the re-assessment of the qualification are translated in the amendment to SO GL art.162.5 and the additional paragraphs to ensure alignment between NC DR and SO GL.

The initial requirement in SO GL 162.5.(b) is accounted for in the new proposed version of the paragraph 5.

Based on the content of the added paragraphs and for clarity, the decision has been made to insert those paragraphs after paragraph 5; therefore changing the numbering of the current paragraph 6.

## Prequalification provisions in NC DR impacting EB Regulation

### Framework Guideline on Demand Response provision

Section 3 “Prequalification” Paragraph 45, 46, 51 and 53 of FG are applicable to balancing.

### Draft NC DR requirements

With regard to the points relevant to the EB Regulation amendments, please refer to draft NC DR that including parts of the Art. 31.4, Art. 31.5, Art. 31.6, Art 32, Art. 33B, Art. 34.10, Art. 35.4, Art 35.5, Art. 35.8, Art. 37.1, and Art. 37.2 (see the tables below for details).

### Explanations of EB Regulation amendments & Recommended EB Regulation amendments

NC DR describes a general market access process for service providers, which BSPs must also follow to be allowed to participate in balancing markets. The EB Regulation has to be linked to this procedure and specific provisions on balancing have to be moved to EB Regulation. Therefore, the following amendments to EB Regulation are proposed to ensure consistency across the regulation.

The Market access for BSPs including prequalification, include the following articles:

**Table 1: Explanations of EB Regulation amendments**

Art in draft NC DR to be removed/amended	Art in EB Regulation to be added/amended	Justification
Art. 31.4, Art. 31.5, Art. 31.6, Art 32	Amended: Art. 16.8 (former 16.5)  New articles: 16.2, 16.3. and 16.4.	<ul style="list-style-type: none"> <li>New market access process in NC DR to be followed by BSPs (BSP qualification, product prequalification (PQ)/product verification (PV), grid prequalification)</li> <li>For standard balancing products PQ applies, for specific balancing products PV but application of PQ possible under certain conditions which</li> </ul>

		<p>are listed in Subparagraph of Article 16.</p> <ul style="list-style-type: none"> <li>Some provisions were repeated from other sources (e.g., SO Reg or Art 32 of the NC DR) for the sake of completeness and quality of the provisions in the EB Regulation.</li> </ul>
<p><b>Art. 37.1, Art. 37.2</b></p>		<ul style="list-style-type: none"> <li>Integrate provision that Product verification shall be the default process for specific balancing products.</li> <li>A BSP has a preliminary qualification for the submission of respective specific product bids until the TSO applies the verification criteria</li> </ul>

#### Recommended EB Regulation amendments – addition of new Art 16.2, Art 16.3 and Art 16.4:

“

1. In case a balancing service provider with reserve providing groups and reserve providing units falling under the scope of the Network Code on Demand Response (NC DR) shall qualify for providing standard balancing product bids or integrated scheduling bids for balancing energy or balancing capacity by following:
  - a. the process for market access as defined in Article 30x of NC DR; and
  - b. the ~~product~~-prequalification process at the level of reserve providing unit or reserve providing group pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485.
2. In case a balancing service provider with reserve providing groups and reserve providing units falling under the scope of the NC DR shall qualify for providing specific balancing product bids for balancing energy or balancing capacity by following:
  - a. the process for market access as defined in Article 30x of NC DR; and
  - b. the ~~product~~-verification process at the level of reserve providing unit or reserve providing group pursuant to Articles 37 and 38 of NC DR. A BSP has a preliminary qualification for the submission of respective specific product bids until the TSO applies the verification criteria.
3. Regarding a balancing service provider applying to provide specific balancing products according to paragraph 3, the TSO shall have the right to require a ~~product~~-prequalification

process pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485, if one or more of the following conditions applies:

- a. the balancing service provider will deliver the concerned product for the first time or has not successfully passed the last product verification for the same product with another reserve providing unit or reserve providing group;
- b. the relevant TSO does not comply of the frequency quality target parameters according to SO Regulation;
- c. the relevant TSO has concluded the necessity to improve the overall balancing service quality;
- d. the relevant NRA obliges the relevant TSO to perform product prequalification;
- e. central dispatching model is applied;
- f. the considered reserve providing unit or reserve providing group exceeds a capacity threshold of 500 kW, unless otherwise provided in the national T&Cs for BSPs.; or
- g. the considered reserve providing unit or reserve providing group may endanger operational security by providing more than 10% of the required reserve capacity for the concerned LFC block. “

#### Recommended EB Regulation amendments to Art 16.8 (former Art 16.5):

“~~85.~~ Any balancing service provider shall have the right to submit to its connecting TSO the balancing energy bids from standard products or specific products or integrated scheduling process bids for which it has demonstrated its technical capabilities to provide balancing energy as specified in paragraph 1, 2, 3 or 4 of this Article~~passed the prequalification process pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485.~~ “

**Table 2: Explanations of EB Regulation amendments**

Art in draft NC DR to be removed/amended	Art in EB Regulation to be added/amended	Justification
Art. 33B	New articles: Art. 14.3, Art. 14.4, Art. 16.12	<ul style="list-style-type: none"> <li>Establishment of data exchange based on European standards for BSP’s bid submission. Aim is not to have a common EU interface due to security concerns but to apply</li> </ul>



		<p>harmonised data formats (e.g., reserve bid document)</p> <ul style="list-style-type: none"> <li>• For exchange of balancing services, TSOs shall apply European standards.</li> <li>• In case of aggregation, balancing Service Providers shall establish data exchange based on European standards with the reserve providing units and reserve providing groups assigned to them.</li> </ul>
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#### Recommended EB Regulation amendments – addition of new Art 14.3 and 14.4:

##### *“ Article 14*

##### **Role of the TSOs**

1. Each TSO shall be responsible for procuring balancing services from balancing service providers in order to ensure operational security.
2. Each TSO shall apply a self-dispatching model for determining generation schedules and consumption schedules. TSOs that apply a central dispatching model at the time of the entry into force of this Regulation shall notify to the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC in order to continue to apply a central dispatching model for determining generation schedules and consumption schedules. The relevant regulatory authority shall verify whether the tasks and responsibilities of the TSO are consistent with the definition in Article 2(18).
3. To receive bids for balancing standard products from Balancing Service Providers, the relevant TSO, with an input from relevant DSOs, shall establish data exchange based on European standards. If such standard does not exist, all TSOs shall define, maintain and publish standards.
4. TSOs exchanging balancing services shall establish data exchange based on European standards. If such standard does not exist, all TSOs shall define, maintain and publish standards. “

#### Recommended EB Regulation amendments – addition of new Art 16.12:

“12. Balancing Service Providers aggregating reserve providing units and reserve providing groups shall establish data exchange based on European standards with the reserve providing units and reserve providing groups assigned to them. If such standard does not exist, ENTSO-E shall define, maintain and publish standards, in line with the standardised data exchange established through NC DR.”

**Table 3: Explanations of EB Regulation amendments**

Art in draft NC DR to be removed/amended	Art in EB Regulation to be added/amended	Justification
Art. 34.10	New: Art.18.7.h	<ul style="list-style-type: none"> <li>Costs related to the activation of balancing energy due to activation tests and possible required counteractions shall be compensated only if required on national level.</li> </ul>

**Recommended EB Regulation amendments – addition of new Art 18.7.h:**

“7. Each connecting TSO may include the following elements in the proposal for the terms and conditions for balancing service providers or in the terms and conditions for balance responsible parties:

[...]

[\(h\) a requirement to compensate balancing service providers for costs related to the activation of energy due to activation tests and possible required counteractions.](#)“

**Table 4: Explanations of EB Regulation amendments**

Art in draft NC DR to be removed/amended	Art in EB Regulation to be added/amended	Justification
Art. 35.4	New: Art. 18.7.i	<ul style="list-style-type: none"> <li>In case of specific balancing product requires PQ, this PQ process may be included in national T&amp;Cs for BSPs.</li> </ul>

**Recommended EB Regulation amendments – addition of new Art 18.7.i:**

“7. Each connecting TSO may include the following elements in the proposal for the terms and conditions for balancing service providers or in the terms and conditions for balance responsible parties:

[...]

(i) if criteria of Article 16(4) are met and as a result this specific balancing product requires prequalification, the prequalification process of the specific balancing product pursuant to Article 159 and Article 162 of Regulation (EU) 2017/1485. “

**Table 5: Explanations of EB Regulation amendments**

Art in draft NC DR to be removed/amended	Art in EB Regulation to be added/amended	Justification
Art. 35.5, Art. 35.8	New: Art. 59.10	<ul style="list-style-type: none"> <li>• If harmonisation of PQ procedure for standard products for balancing is identified as necessary from harmonisation assessment under Art. 59 report, all TSOs shall develop a proposal for a PQ harmonising methodology.</li> <li>• All TSOs shall cooperate, where relevant, with EU DSO Entity during the drafting of the proposal following article 15(1) of this Regulation.</li> </ul>

**Recommended EB Regulation amendments – addition of new Art 59.10:**

“ 10. All TSOs shall, within 18 months of the adoption of the NC DR, develop a common proposal for the harmonisation of the prequalification process and submit it for approval to the Agency. “