

Mr Christian Zinglensen  
Director  
ACER

Cc: Dr Klaus-Dieter Borchardt  
Director  
Internal Energy Market DG ENER  
European Commission

Mr Laurent Schmitt  
Secretary General  
ENTSO-E

***By email only***

16<sup>th</sup> January 2020

Dear Christian,

I am writing on behalf of all Regulatory Authorities with regard to the proposal for a methodology for the TSO-TSO settlement of the intended exchanges of energy as the result of the reserve replacement process, frequency restoration process with manual and automatic activation and imbalance netting process in accordance with Article 50(1) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (hereafter: EBGL), submitted by all Transmission System Operators (hereafter: TSOs).

The last Regulatory Authority received the SP on 11 February 2019, while the legal deadline was 18 December 2018 (i.e. six months after entry into force of EBGL).

Article 5(6) of EBGL requires all Regulatory Authorities to consult and closely cooperate and coordinate with each other in order to reach an agreement and issue a decision within six months following receipt of submissions to the last Regulatory Authority.

On 24 July 2019 all Regulatory Authorities reached a unanimous agreement to request to all TSOs an amendment to the SP.

Article 6(1) of EBGL requires all TSOs to submit a proposal for amended terms and conditions or methodologies for approval within two months following the request for amendment and all Regulatory Authority to decide within two months following the submission.

The amended SP has been received by the last Regulatory Authority on 14 November 2019, therefore, according to article 6(1) of EBGL, the deadline for a decision by all Regulatory Authority was 14 January 2020.

Since the amended SP has been submitted after the entry into force of the Commission Regulation (EU) 2019/942 of 5 June 2019, establishing a European Union Agency for the Cooperation of Energy Regulators, some Regulatory Authorities consider that they are not competent to issue a decision. Therefore, all Regulatory Authorities were not able to reach an agreement within the deadline of two months and, according to the article 5(7) of EBGL, from 14 January 2020 the SP is to be considered as referred to ACER.

Yours sincerely,

A handwritten signature in blue ink that reads "Clara Poletti". The signature is written in a cursive, flowing style.

Clara Poletti  
ERF Chair