

What are the key challenges in balancing markets?

Build on a substantial delivery agenda to support safe, fair and integrated balancing processes

- **Benefits of balancing market integration are not fully exploited:** in the beginning of 2026, 7 TSOs had not yet joined the PICASSO platform, whereas 12 TSOs were missing from the MARI platform.
 - ⚠ Late accessions and disconnections harm trust in balancing markets and slow down liquidity growth.
 - ⚠ Accession debates also reveal the complexity and operational impacts of these projects.
 - ⚠ Market maturity builds over time.
- **Balancing markets lack transparency:** publication of market inputs and outputs on balancing energy platforms is not harmonised and incomplete, or lacking reliability. Imbalance prices are published too late for MPs to properly support the system.
 - ⚠ Lack of transparency on balancing market outcomes and national balancing markets harms balancing market integration.
 - ⚠ Continued reliance on specific products raises questions about interactions with PICASSO/MARI.
- **Fragmentation of BSP and BRP rules:** more efforts are needed to achieve a level playing field on balancing markets.
 - ⚠ Access and operating conditions for BSPs differ significantly, raising questions about the equal quality of standard products exchanged on PICASSO and MARI.
 - ⚠ Different approaches to imbalance settlement result in different incentives for BRPs on the coupled markets.
- **Disruptive policy proposals cause uncertainty:** electricity markets are undergoing a major transition, and the current list of products might become unfit for future system needs.
 - ⚠ TSOs should assess whether current markets and products are sufficient to balance the system and attract sufficient volumes.
 - ⚠ Existing target model around technology-neutral balancing products and self-dispatch supports balancing market efficiency.
 - ⚠ Calls for co-optimisation or a 5' ISP are premature and prompting a strong call for transparency and MPs' involvement.



Proposals for efficient balancing markets

Benefits of balancing market integration are not fully exploited



- **Incentives and governance mechanisms** for TSOs to join in ambitious yet reasonable timelines.
- **Make future-proof checks on products:** standard product design should be genuinely technology neutral.
- **Identical services used by TSOs** should follow the same market-based procurement rules (e.g. FCR).

Fragmented BSP and BRP rules



- **Conduct comparative assessment of pre-qualification and ex-post verification:** assessment should result in harmonised principles based on best practice.
- **Ensure fair and equal treatment of BSPs** regardless of location, size, or technology.
- **Move towards harmonised IT infrastructure:** TSO communication standards, etc.
- **Increase harmonisation ambition** of imbalance price principles (single price, based on a WA of BE activation prices).



Balancing markets lack transparency

- **Ensure harmonised and centralised publication** of all market inputs and outputs on the ENTSOE TP.
- **Publish standardised information about national balancing market** functioning and access conditions
- **Publish imbalance prices** in near real-time.
- **Improved transparency on reliance on specific products in each bidding zone** and possible impacts on the level playing field and the participation to standard products.

Disruptive policy proposals cause uncertainty



- **Assess product offer:** standard product catalogue needs to meet both current and future system needs. Long-term evolutions take time to unfold, preparation should start now.
- **Avoid co-optimisation** until its added value, operational feasibility and compatibility with the target model have been demonstrated under real market conditions. Market-based exchange of balancing capacity is easier to implement.
- **Keep the current ISP:** a 5' ISP would require deep changes to MP processes, with costs likely outweighing benefits

Looking ahead: how to future-proof balancing markets

- **Improvements to capacity calculation:** with lack of cross-zonal capacity an issue particularly in small BZs, improvements should be considered.