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**All TSOs' proposal on methodologies for pricing balancing energy and cross-zonal capacity used for the exchange of balancing energy or operating the imbalance netting process pursuant to Article 30(1) and Article 30(3) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing**

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**18 December 2018**

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## ALL TSOS, TAKING INTO ACCOUNT THE FOLLOWING:

### Whereas

- (1) This document is a common proposal developed by all Transmission System Operators (hereafter referred to as “TSOs”) regarding the methodologies for pricing balancing energy and cross-zonal capacity used for the exchange of balancing energy or operating the imbalance netting process pursuant to Article 30(1) and Article 30(3) of the Regulation (EC) 2017/2195 establishing a guideline on electricity balancing (hereafter referred to as the “EBGL”),. This proposal is hereafter referred to as the “PP”).
- (2) The PP takes into account the general principles and goals set in the EBGL, Regulation (EC) 2017/1485 establishing a guideline on electricity transmission system operation (hereafter referred to as the “SOGL”), the Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity (hereafter referred to as the “Electricity Regulation”).
- (3) The goal of EBGL is the integration of balancing markets. To facilitate this goal, it is necessary to develop implementation frameworks for European platforms for balancing energy exchange from frequency restoration reserves with automatic and manual activation, replacement reserves and imbalance netting process pursuant to Article 19 to 22 of the EBGL. Additionally, Article 30 of EBGL formulates the requirements regarding the pricing of balancing energy and cross-zonal capacity.
- (4) Article 30 of EBGL constitutes the legal basis for this proposal:
  - “1. By one year after the entry into force of this Regulation, all TSOs shall develop a proposal for a methodology to determine prices for the balancing energy that results from the activation of balancing energy bids for the frequency restoration process pursuant to Articles 143 and 147 of Regulation (EU) 2017/1485, and the reserve replacement process pursuant to Articles 144 and 148 of Regulation (EU) 2017/1485. Such methodology shall:*
    - (a) be based on marginal pricing (pay-as-cleared);*
    - (b) define how the activation of balancing energy bids activated for purposes other than balancing affects the balancing energy price, while also ensuring that at least balancing energy bids activated for internal congestion management shall not set the marginal price of balancing energy;*
    - (c) establish at least one price of balancing energy, for each imbalance settlement period;*
    - (d) give correct price signals and incentives to market participants;*
    - (e) take into account the pricing method in the day-ahead and intraday timeframes.”*
  - “3. The proposal pursuant to paragraph 1 shall also define a methodology for pricing of cross-zonal capacity used for exchange of balancing energy or for operating the imbalance netting process. Such methodology shall be consistent with the requirements established under Commission Regulation (EU) 2015/1222, and:*
    - (a) reflect market congestion;*
    - (b) be based on the prices for balancing energy from activated balancing energy bids, determined in accordance either with the pricing method pursuant to paragraph 1(a), or if applicable, the pricing method pursuant to paragraph 5;*

*(c) not apply any additional charges for the exchange of balancing energy or for operating the imbalance netting process, except a charge to compensate losses if this charge is also taken into account in other timeframes.”*

- (5) Article 3 of the PP sets the pricing methodology based on marginal pricing (pay-as-cleared) as required by Article 30(1)(a) of EBGL.
- (6) Article 30(1)(b) of EBGL requires to define the impact on the price from the activation for other purposes than balancing. Standard balancing energy bids selected by the activation optimisation Function (hereafter referred to as the “AOF”) for system constraint purpose will be remunerated based on pay-as-bid in accordance with Article 8 of the PP and shall not set the marginal price. The activation purpose proposal does not foresee activation for other purposes than balancing for aFRR-Platform.
- (7) Article 30(1)(c) of EBGL foresees a pricing proposal that establish at least one price of balancing energy, for each imbalance settlement period. Article 3 of the PP determines the number of prices per uncongested area and balancing energy products, for each balancing energy pricing period (hereafter referred to as the “BEPP”). Article 4, Article 5, Article 6 and Article 7 of the PP require that at least one price will be established for each imbalance settlement period by defining the BEPP.
- (8) Article 30(1)(d) of EBGL requires a proposal that gives correct price signals and incentives to market participants. This requirement is fulfilled by choosing the cross-border marginal price as the basis for the proposal. Moreover, the pricing methodology differentiates between the different products and processes in Article 4, Article 5, Article 6 and Article 7 of the PP ensuring that the pricing methodology values the different product properties and is consistent with the congestions identified within each process while establishing the cross-border marginal prices. This consistency with the congestions would not have been ensured if the BEPP for automatic frequency restoration reserves (aFRR) would have been chosen equal to 15 minutes.
- (9) Article 30(1)(e) of EBGL asks to take into account the pricing method in day-ahead and intraday market timeframes. Article 4, Article 5, Article 6 and Article 7 of the PP fulfil this requirement by proposing a cross-border marginal price methodology which is consistent to the day-ahead market pricing. Moreover, the PP proposes to determine prices based on market clearings and not to introduce cross-process pricing as it is also not the case for day-ahead and intraday market prices.
- (10) Article 30(3) of EBGL requires that cross-zonal capacity pricing reflects market congestions, is based on balancing energy prices and does not require additional charges. Article 9 of the PP fulfils this requirement by defining the cross-zonal capacity price as the price difference between the uncongested areas for the respective products and processes. This requirement of EBGL would not have been met with a BEPP for aFRR equal to 15 minutes. The price for cross-zonal capacity used for the imbalance netting process implemented by the imbalance netting process function is 0 €/MWh due to the fact that the imbalance netting process is not based on a common-merit order activation and does not require the usage of common pricing mechanisms and standard products.
- (11) The PP contributes to the objective stated in Article 3(1)(a) and Article 3(1)(c) of EBGL as follows:
  - (a) By proposing a methodology based on cross-border marginal pricing for the pricing of all standard balancing energy bids, the PP fosters effective competition and integration of balancing markets since the methodology will be harmonised for all balancing energy bids,

including balancing energy bids converted to standard products from specific products or integrated scheduling process bids.

- (b) The effective competition is also fostered by the choice of the BEPP for the pricing of balancing energy from aFRR which will be equal to the AOF optimisation cycle. This approach will maximise the time periods with price convergence and lower incentives to add mark-ups on balancing energy bid prices motivated by limited cross-zonal capacity in areas with limited internal competition. The fostering of effective cross-border competition is a core condition to make the application of a marginal pricing approach successful.
  - (c) PP ensures non-discrimination because the pricing methodology is applied in the same way to all standard balancing energy products regardless of location, technology or other factors. The same applies for the pricing of cross-zonal capacity.
  - (d) Currently, prices are determined by each TSO in a non-harmonised way. In combination with European regulation on transparency, cross-border marginal pricing also fosters the transparency of the balancing markets since prices are derived from the market clearing calculated by the activation optimisation function of the respective common platform.
- (12) In combination with the implementation frameworks, the PP contributes to the objective stated in Article 3(1)(b) of EBGL. The cross-border marginal pricing incentivises the BSPs to submit bids with prices equal to the respective marginal costs. At the same time, the AOF selects the overall cheapest bids for the satisfaction of the balancing energy demand. The result will decrease balancing costs, and hence, increase efficiency of the balancing energy markets.
  - (13) The PP contributes to the objective stated in Article 3(d) of EBGL since the proposed methodology is consistent with the day-ahead pricing methodology. Moreover, the proposal to calculate different prices for different processes corresponds to the approach of the day-ahead and intraday markets and hence facilitates consistency.
  - (14) The PP contributes to the objectives stated in Article 3(e) of EBGL since the pricing methodology is non-discriminatory. Moreover, cross-border marginal pricing lowers the barrier for new entrants since no complex probabilistic bidding strategy is required to maximise the earnings from participation in the balancing markets.
  - (15) The PP is technology neutral and non-discriminatory which means that it does not favour a specific technology to provide balancing energy. Nonetheless, it contributes to the objectives stated in Article 3(f) of EBGL and Article 3(g) of EBGL since the integrated balancing energy market combined with lowered entry barriers facilitate the participation of demand response, energy storage and renewable energy sources.
  - (16) In conclusion, the PP meets the objectives of EBGL.

### Abbreviations

The list of abbreviations used in this PP is following:

- aFRR: frequency restoration reserves with automatic activation
- BEPP: balancing energy pricing period
- BSP: balancing Service Provider
- CBMP: cross-border marginal price
- EBGL: guideline on electricity balancing
- EU: European Union
- HVDC: high-voltage direct current
- mFRR: frequency restoration reserves with manual activation
- MWh: megawatt hour
- PP: pricing proposal
- RR: replacement reserves
- SOGL: guideline on electricity transmission system operation
- TSO: transmission system operator

**SUBMIT THE FOLLOWING PP TO ALL REGULATORY AUTHORITIES:**

## **Article 1**

### **Subject Matter and Scope**

- (1) The PP is the common proposal of all TSOs in accordance with Article 30(1) and Article 30(3) of EBGL.
- (2) The PP defines the methodology to determine prices of balancing energy resulting from the activation of balancing energy product bids for frequency restoration reserves with automatic activation (hereafter referred to as “aFRR”), frequency restoration reserves with manual activation (hereafter referred to as “mFRR”) and replacement reserves (hereafter referred to as “RR”).
- (3) The PP defines the methodology for pricing of cross-zonal capacity used for the exchange of balancing energy and for operating the imbalance netting process.

## **Article 2**

### **Definitions and Interpretation**

- (1) For the purposes of the PP, the terms used shall have the meaning given to them in Article 2 of the Electricity Regulation, Article 3 of SOGL and Article 2 of EBGL.
- (2) In addition, in the PP the following terms shall apply:
  - a) ‘accepted bid energy volume’ means the balancing energy volume from a balancing energy product bid to be settled in accordance with national terms and conditions related to balancing.
  - b) ‘aFRR balancing border’ means a set of physical transmission lines linking adjacent LFC areas of participating TSOs. The optimisation algorithm calculates the automatic frequency restoration power interchange for each aFRR balancing border. For the purposes of the optimisation, each aFRR balancing border has a mathematically defined negative and positive direction for the automatic frequency restoration power exchange.
  - c) ‘aFRR-Platform’ means European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation;
  - d) ‘balancing energy pricing period’ (hereafter referred to as “BEPP”) means a time interval for which cross-border marginal prices (hereafter referred to as “CBMP”) are calculated.
  - e) ‘cross-border capacity limits’ means the limits which serve as constraints for the exchange of balancing energy on bidding zone borders and/or LFC areas and are determined in accordance with the implementation frameworks for the exchange of balancing energy from replacement reserves, from frequency restoration reserves with manual and automatic activation or for the imbalance netting process.
  - f) ‘demand’ means a TSO demand for activation of any balancing standard product bids
  - g) ‘direct activation’ means a mFRR-Platform process that can occur at any point in time to resolve large imbalances within the Time To Restore Frequency
  - h) ‘IN-Platform’ means European platform for the imbalance netting process;
  - i) ‘mFRR balancing border’ means a set of physical transmission lines linking adjacent bidding zones, where an LFC area consists of more than one bidding zone, or LFC areas of participating TSOs. The optimisation algorithm calculates the cross-border manual frequency restoration power exchange for each mFRR balancing border. For the purposes of the optimisation, each mFRR balancing border has a mathematically defined negative and positive direction for the manual frequency restoration power interchange.

- j) 'mFRR-Platform' means the European platform for the exchange of balancing energy from frequency restoration reserves with manual activation;
  - k) 'price indeterminacy' means that there is no unambiguous intersection point between the consumer and supply curves.
  - l) 'rejected bid' means a bid which is part of the common merit order list of the AOF but is not a selected bid.
  - m) 'RR-Platform' means European platform for the exchange of balancing energy from replacement reserves;
  - n) 'RR balancing border' means a set of physical transmission lines linking adjacent bidding zones, of participating TSOs. The optimisation algorithm calculates the cross-border reserve replacement power exchange for each RR balancing border. For the purposes of the optimisation, each RR balancing border has a mathematically defined negative and positive direction for the manual frequency restoration power interchange.
  - o) 'standard aFRR balancing energy product' means the standard product for balancing energy from frequency restoration reserves with automatic activation;
  - p) 'standard mFRR balancing energy product' means the standard product for balancing energy from frequency restoration reserves with manual activation;
  - q) 'standard RR balancing energy product' means the standard product for balancing energy from replacement reserves;
  - r) 'selected bid' means a bid that is selected by the AOF and must be fully or partially activated.
  - s) 'uncongested area' means the widest area, constituted by bidding zones and/or LFC areas, where the exchange of balancing energy and the netting of demands is not restricted by the cross-border capacity limits calculated in accordance with the implementation frameworks for the exchange of balancing energy from replacement reserves, from frequency restoration reserves with manual and automatic activation as well as for the imbalance netting process.
- (3) In the PP, unless the context requires otherwise:
- a) the singular indicates the plural and vice versa;
  - b) headings are inserted for convenience only and do not affect the interpretation of the PP; and
  - c) any reference to legislation, regulations, directives, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it when in force.
  - d) any reference to an Article without an indication of the document shall mean a reference to the PP.

### **Article 3** **General Principles**

- (1) The activation optimisation function of each platform shall calculate from the selected bids:
- (a) one CBMP for standard RR balancing energy bids selected for the balancing purpose for:
    - i. both activation directions;
    - ii. each BEPP;
    - iii. each uncongested area;

- (b) one CBMP for standard mFRR balancing energy bids with scheduled activation type selected for the balancing purpose for:
    - i. both activation directions;
    - ii. each BEPP;
    - iii. each uncongested area;
  - (c) one CBMP for standard mFRR balancing energy bids with direct activation type selected for the balancing purpose for:
    - i. each activation direction;
    - ii. the BEPP the common merit order list was created for and for the subsequent BEPP;
    - iii. each uncongested area;
  - (d) one CBMP for standard aFRR balancing energy bids selected for the balancing purpose for:
    - i. both activation directions;
    - ii. each BEPP;
    - iii. each uncongested area;
- (2) Different applicable CBMPs for different bidding zones or different LFC areas in one uncongested area may occur if the optimisation algorithm of the AOF:
- (a) takes into account HVDC interconnection losses; or
  - (b) only in case of the mFRR-Platform and the RR-Platform:
    - i. combines optimisation priorities which may lead to conflict for determining the CBMP; or
    - ii. selects bid for system constraints activation.
- (3) Each TSO shall determine the accepted bid energy volume of each selected bid for each BEPP.
- (4) The CBMP as defined in paragraph 1 of this Article is determined based on the results of the optimization without considering the requests for system constraint purpose
- (5) Each TSO shall settle each positive accepted bid energy volume from a standard or specific balancing energy product for each BEPP with the maximum of the respective CBMP established in accordance with Article 4, Article 5, Article 6, Article 7 or Article 8 of this PP and the respective bid price, except where Article 7(6) of this PP applies.
- (6) Each TSO shall settle each negative accepted bid energy volume from a standard or specific balancing energy product for each BEPP with the minimum of the respective CBMP established in accordance with Article 4, Article 5, Article 6, Article 7 or Article 8 of this PP and the respective bid price, except where Article 7(6) of this PP applies.
- (7) In accordance with Article 30(4) of the EBGL each TSO may apply different pricing methodology for locally activated specific products not-converted into standard products in accordance with Article 26(3)(b) of the EBGL.
- (8) All TSOs shall monitor and annually report on the volumes and prices. The report shall include the proportion of accepted bid volumes remunerated with bid prices higher or lower than the CBMP of the respective BEPP.

#### **Article 4**

##### **Additional Provisions for the Pricing of Standard RR Balancing Energy Product Bids**

- (1) The BEPP for standard RR balancing energy product bids shall be 15 minutes. The first BEPP of each day shall begin right after 00:00 and end at 00:15. The BEPPs shall be consecutive and not overlapping.
- (2) The CBMP for standard RR balancing energy product bids in each uncongested area shall be equal to the price at the intersection of the consumer and supply curves which consist of:
  - (a) the consumer curve consisting of
    - i. satisfied positive RR demands and selected downward standard RR balancing energy product bids;
    - ii. unsatisfied positive RR demands and rejected downward standard RR balancing energy product bids which have a lower price than the last selected downward standard RR balancing energy product bid or satisfied positive demand
  - (b) the supply curve consisting of
    - i. satisfied negative RR demands and selected positive standard RR balancing energy product bids;
    - ii. unsatisfied negative RR demands and rejected upward standard RR balancing energy product bids which have a higher price than the last selected upward standard RR balancing energy product bid or satisfied negative RR demand;
- (3) Where there are no single intersection points between the consumer and supply curves as defined in paragraph 2 of this article, the cross-border marginal price is given by the price indeterminacy calculation: The CBMP is determined as the middle point of the two following bounds:
  - (a) The first bound is defined considering the following prices:
    - i. the selected downward standard RR balancing energy product bid with the lowest price;
    - ii. the satisfied elastic positive RR demand with the lowest price;
    - iii. the rejected upward standard RR balancing energy product bids; and
    - iv. the unsatisfied elastic negative RR demand with the lowest price.
  - (b) The second bound is defined considering the following prices:
    - i. the selected upward standard RR balancing energy product bid with the highest price;
    - ii. the satisfied elastic negative RR demand with the highest price; and
    - iii. the rejected downward standard RR balancing energy product bids; and
    - iv. the unsatisfied elastic positive RR demand with the highest price.

In case one bound is not defined, the CBMP should be set at the other bound.

#### **Article 5**

##### **Additional Provisions for the Pricing of Standard mFRR Balancing Energy Product Bids with Scheduled Activation Type**

- (1) The BEPP for standard mFRR balancing energy product bids with scheduled activation type shall be 15 minutes. The first BEPP of each day shall begin right after 00:00 and end at 00:15. The BEPPs shall be consecutive and not overlapping.

- (2) The CBMP for standard mFRR balancing energy product bids with scheduled activation type in each uncongested area shall be equal to the price at the intersection of the consumer and supply curves which consist of:
- (a) the consumer curve consisting of
    - i. satisfied positive mFRR demands and selected downward standard mFRR balancing energy product bids;
    - ii. unsatisfied positive mFRR demands and rejected downward standard mFRR balancing energy product bids which have a lower price than the last selected downward standard mFRR balancing energy product bid or satisfied positive mFRR demand.
  - (b) the supply curve consisting of
    - i. satisfied negative mFRR demands and selected positive standard mFRR balancing energy product bids;
    - ii. unsatisfied negative mFRR demands and rejected upward standard mFRR balancing energy product bids which have a higher price than the last selected upward standard mFRR balancing energy product bid or satisfied negative mFRR demand.
- (3) Where there are no single intersection points between the consumer and supply curves as defined in paragraph 2 of this article, the CBMP is given by the price indeterminacy calculation: The CBMP is determined as the middle point of the two following bounds:
- (a) The first bound is defined considering the following prices:
    - i. the selected downward standard mFRR balancing energy product bid with the lowest price;
    - ii. the satisfied elastic positive mFRR demand with the lowest price;
    - iii. the rejected upward standard mFRR balancing energy product bids;
    - iv. the unsatisfied elastic negative mFRR demand with the lowest price.
  - (b) The second bound is defined considering the following prices:
    - i. the selected upward standard mFRR balancing energy product bid with the highest price;
    - ii. the satisfied elastic negative mFRR demand with the highest price;
    - iii. the rejected downward standard mFRR balancing energy product bids;
    - iv. the unsatisfied elastic positive mFRR demand with the highest price.

In case one bound is not defined, the CBMP shall be set by the other bound.

## **Article 6**

### **Additional Provisions for the Pricing of Standard mFRR Balancing Energy Product Bids with Direct Activation Type**

- (1) The BEPP for standard mFRR balancing energy product bids with direct activation type shall be 15 minutes. The first BEPP of each day shall begin right after 00:00 and end at 00:15. The BEPPs shall be consecutive and not overlapping.
- (2) The CBMP for the standard mFRR balancing energy product bids with direct activation type shall be determined as follows:
  - (a) First step: The activation optimisation function of the mFRR-Platform selects upward and downward standard mFRR balancing energy product bids with direct activation type. All standard mFRR

balancing energy product bids with direct activation type selected not earlier than 7.5 minutes before the beginning of the BEPP and no later than 7.5 minutes after the beginning of the BEPP shall be the input for the second step.

(b) Second step:

- i. The CBMP for positive accepted bid energy volume shall be the highest price of all upward standard mFRR balancing energy product bids with direct activation type selected in accordance with paragraph 2(a) in the same uncongested area.
- ii. The CBMP for negative accepted bid energy volume shall be the lowest price of all downward standard mFRR balancing energy product bids with direct activation type selected in accordance with paragraph 2(a) of this article in the same uncongested area.

(c) Third step: Each TSO shall determine the accepted bid energy volume of bids selected in accordance with (a) which shall be attributed to the same BEPP and the subsequent BEPP:

- i. The CBMP for the positive accepted bid energy volume shall be the maximum of the CBMP determined in accordance with paragraph 2(b)(i) of this article and the CBMP for standard mFRR balancing energy bids with scheduled activation type for the respective BEPP;
- ii. The CBMP for the negative accepted bid energy volume shall be the minimum of the CBMP determined in accordance with paragraph 2(b)(ii) of this Article and the CBMP for standard mFRR balancing energy bids with scheduled activation type for the respective BEPP.

## **Article 7**

### **Additional Provisions for the Pricing of Standard aFRR Balancing Energy Product Bids**

- (1) The BEPP for standard aFRR balancing energy product bids is equal to the optimisation cycle of the AOF. The first BEPP of each day shall begin right after 00:00. The BEPPs shall be consecutive and not overlapping.
- (2) For each BEPP a single CBMP shall be determined. This shall either be a CBMP for positive balancing energy in accordance with paragraph 3 of this article, or a CBMP for negative balancing energy in accordance with paragraph 4 of this article, or a CBMP determined for the price indeterminacy case in accordance with paragraph 5 of this article.
- (3) The CBMP for selected upward standard aFRR balancing energy product bids in an uncongested area shall be equal to the highest price of all selected upward standard aFRR balancing energy product bids in the same uncongested area.
- (4) The CBMP for selected downward standard aFRR balancing energy product bids in an uncongested area shall be equal to the lowest price of all selected downward standard aFRR balancing energy product bids in the same uncongested area.
- (5) Where there are no selected upward or downward aFRR balancing energy product bids in an uncongested area, the CBMP shall be equal to the middle point between first rejected upward and first rejected downward standard aFRR balancing energy product bids.
- (6) For an accepted bid energy volume from a standard aFRR balancing energy product bid that has no bid price for the respective BEPP each TSO shall ensure the pricing of this bid in accordance with the terms and conditions for BSPs.

## Article 8

### Additional Provisions for Pricing for System Constraint Purpose Activations

- (1) Each standard balancing energy bid selected for system constraint purpose shall be remunerated with its bid price if it fulfils the following criteria
  - (a) The bid is selected by the activation optimisation function in an optimisation with activation for system constraint purpose.
  - (b) The upward standard balancing energy bid price is higher than the CBMP of an optimisation without system constraint purpose but otherwise identical input parameters as the optimisation in paragraph 1(a).
  - (c) The downward standard balancing energy bid price is lower than the CBMP of an optimisation without system constraint purpose but otherwise identical input parameters as the optimisation in paragraph 1(a) of this article.
- (2) Each standard balancing energy bid selected for system constraints purpose shall be remunerated with the CBMP if it fulfils the criterion paragraph 1(a) of this article but neither fulfils the criterion paragraph 1(b) nor paragraph 1(c) of this article.
- (3) Standard energy bids selected for system constraint purpose shall not set the CBMP for standard balancing energy bids selected for balancing purposes.

## Article 9

### Pricing of Cross-Zonal Capacity

- (1) All TSOs shall determine the cross-zonal capacity price for the following borders:
  - (a) All TSOs shall determine the cross-zonal capacity price for the exchange balancing energy exchange resulting from activation of standard RR balancing energy product bids for RR balancing border.
  - (b) All TSOs shall determine the capacity price for the exchange balancing energy exchange resulting from activation of standard mFRR balancing energy product bids for each mFRR balancing border.
  - (c) All TSOs shall determine the capacity price for the exchange balancing energy exchange resulting from activation of standard aFRR balancing energy product bids for each aFRR balancing border.
  - (d) All TSOs shall determine the capacity price for energy exchange resulting from imbalance netting process performed explicitly by the imbalance netting process for each aFRR balancing border.
- (2) The cross-zonal capacity price for balancing energy exchange resulting from activation of standard energy product bids shall correspond to the difference between the CBMPs resulting from the cross-border capacity limits determined in accordance with the implementation frameworks the respective uncongested areas on the balancing borders separating two uncongested areas.
- (3) The cross-zonal capacity price for balancing energy exchange resulting from activation of standard energy product bids shall be 0 €/MWh within an uncongested area.
- (4) The cross-zonal capacity price for energy exchange resulting from
  - (a) the imbalance netting process performed implicitly by the activation optimisation function of the aFRR-Platform; and
  - (b) netting of demands in the RR-Platform and mFRR-Platformshall be 0 €/MWh within an uncongested area and shall correspond to the difference between the CBMPs of the respective uncongested areas on the balancing borders separating two uncongested areas.

- (5) The cross-zonal capacity price for energy exchange resulting from imbalance netting process performed explicitly by the imbalance netting process function of the IN-Platform shall be 0 €/MWh.

### **Article 10**

#### **Implementation Timeline**

- (1) Each TSO shall apply this PP for standard and specific balancing energy products bids as well as the provisions of Article 9(1) to Article 9(4) once the TSO is connected to the respective European balancing platform for the exchange of balancing energy in accordance with the Articles 19, 20 or 21 of the EBGL. For the avoidance of doubt, once a TSO becomes participating TSO of a European balancing platform, the TSO shall apply the pricing proposal for standard and specific products.
- (2) Each TSO shall apply the pricing methodology for the cross-zonal capacity for operating the imbalance netting process in accordance with Article 9(4) of this PP within one month after the approval of the PP.

### **Article 11**

#### **Publication of the PP**

The TSOs shall publish the PP without undue delay after all NRAs have approved the proposal or a decision has been taken by the Agency for the Cooperation of Energy Regulators in accordance with Article 5(7), Article 6(1) and Article 6(2) of EBGL.

### **Article 12**

#### **Language**

The reference language for the PP shall be English. For the avoidance of doubt, where TSOs need to translate the PP into their national language(s), in the event of inconsistencies between the English version published by TSOs in accordance with Article 30 of EBGL and any version in another language, the relevant TSOs shall be obliged to dispel any inconsistencies by providing a revised translation of the PP to their relevant national regulatory authorities.