
ENTSO-E response to the public consultation on “All TSOs’ proposal to further specify and harmonise imbalance settlement in accordance with Article 52(2) of the Commission Regulation (EU) 2017/2195 establishing a guideline on electricity balancing”

18 December 2018

DISCLAIMER

This document is submitted by all transmission system operators (TSOs) to all NRAs for information purposes only accompanying the all TSOs’ proposal to further specify and harmonise imbalance settlement in accordance with Article 52(2) of Commission Regulation (EU) 2017/2195 of 23 November 2017, establishing a guideline on electricity balancing.

1. Introduction

The Commission Regulation (EU) 2017/2195 of 23 November 2017, establishing a guideline on electricity balancing (hereafter "EBGL"), mandates in its Article 52(2) all TSOs to develop a proposal to further specify and harmonise imbalance settlement (hereafter "ISHP") by one year after entry into force of the EBGL, i.e. by 18 December 2018.

In addition, the Article 10 of the EBGL mandates the TSOs responsible for submitting the ISHP (i.e. all TSOs) to perform extensive consultation of the ISHP. A formal online consultation was held between 16 July and 28 September 2018. During this public consultation, ENTSO-E received comments from 30 respondents.

This document lists ENTSO-E's assessment of the comments provided to the public consultation of the ISHP. Rather than providing responses per individual comment received, an assessment of all input received is done on a clustered basis per topic, in order to give a coherent view on ENTSO-E's approach towards the ISHP. In order to provide a clear oversight of comments and responses, the issues mentioned in this document have been summarised with respect to the original comments provided. For a full overview of all comments provided in the online consultation, in their original formulation, please refer to the site of the consultation¹.

This document is not legally binding. It only aims at clarifying the assessment of the comments received from stakeholders during the formal public consultation of the ISHP. This document is not supplementing the ISHP document, nor can it be used as a substitute to it.

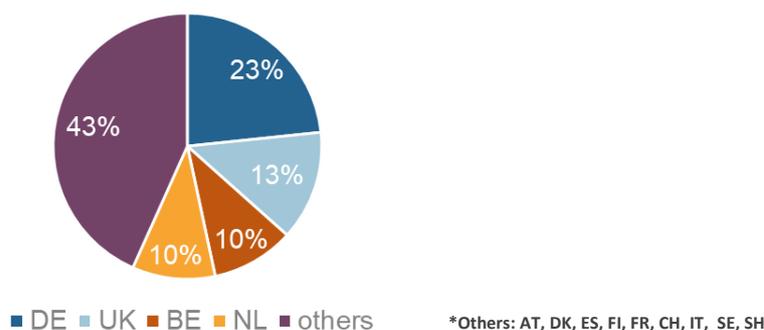
Some of the questions from stakeholders were clarified further in the explanatory document accompanying the ISHP ("ISHP ED"). The ISHP ED is not supplementing the ISHP document, nor can it be used as a substitute to it.

ENTSO-E acknowledges and thanks stakeholders for the effort that they have invested in providing feedback for the consultation on the INIF proposal; this feedback is a major contributor to bringing improvements and transparency to the process.

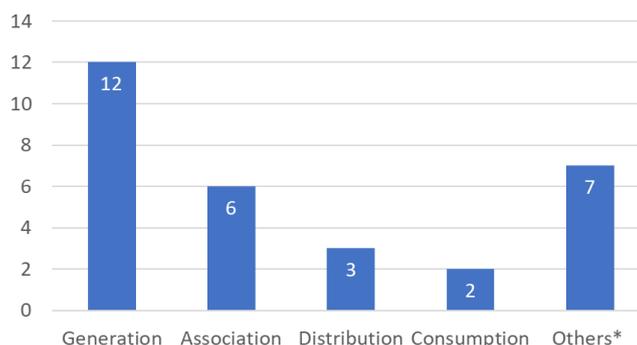
¹ https://consultations.entsoe.eu/markets/imbalance_settlement_harmonisation_proposal/

2. General statics

In the public consultation to the all TSOs' proposal to further specify and harmonise imbalance settlement in accordance with Article 52(2) of the Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (ISHP), stakeholders were asked to give their opinion regarding the proposal to further specify and harmonise imbalance settlement. The public consultation took place between 16 July 2018 and 28 September 2018. 30 participants filled in the online consultation and were grouped by country as shown below.



Comments of the stakeholders were grouped by type of organisation as indicated in the graph below:



*Others: e.g. a mix of Generation, Distribution, Consumption, Trading, Retail, Aggregation, Storage

The main concerns of the stakeholders were:

- Over a third of stakeholders disagree with the possibility for TSOs to request a scarcity or an incentivising component in imbalance pricing.
- Most stakeholders ask for more details on the settlement price calculation; hence, request an actual methodology on how the listed components are combined to derive an imbalance price.
- The majority of the participants agree or even strongly support the use of single pricing since they see it as a necessity for a consistent harmonisation.

3. Stakeholders feedbacks

Article of ISHP	Stakeholder comment (summary)	All-TSO response
1(2)	The stakeholder requests to include principles for imbalance settlement in case of market suspension.	TSOs have added the appropriate reference in the ISHP: NC ER and approval from relevant NRA to apply rules.
1(2)	The stakeholder requests the reference to the rules applicable according to Art. 36 and Art. 39(1) of Regulation (EU) 2017/2196 (NC ER) to be made in a more comprehensive way, referring to terms & conditions for balancing.	TSOs have added the appropriate reference in the ISHP: NC ER and approval from relevant NRA to apply rules.
1	The stakeholder requests a systemic approach to filter out incompatible settlement alternatives: each alternative should be reviewed with scrutiny if it is interoperable with other methods across Europe and honours the core of EBGL.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
1	The stakeholder requests to set principles for situations of brown-outs with load shedding.	The appropriate reference is included in the ISHP. Alternative imbalance settlement rules are not required in the NC ER, but to be decided by each TSO.
2(2)	The stakeholder thinks that the definition of "single imbalance pricing" is too restrictive.	The definitions of single and dual imbalance pricing are based on the EBGL and maintained. The application of additional components in the calculation of imbalance prices, where relevant, may result in dual imbalance pricing.
2	The stakeholder requests to define "imbalance area".	The imbalance area is defined in the EBGL, and also specified in the EBGL as scheduling area, or part of a scheduling area. The scheduling area is linked to the bidding zone in SOGL Art 110(2) . The imbalance price area defined in EBGL, is now further specified in Article 5(7).
2(7)	The stakeholder requests to monitor the efficiency of the incentives sent to BRPs and their effect on system imbalance.	The objective of incentives to BRPs from imbalance settlement are dual according to the EBGL: to be in balance or help the system to restore its balance; therefore the efficiency

		of the incentives may be ambiguous. This is further elaborated in the ISHP ED.
3(1)	The stakeholder requests clarification regarding the wording on imbalance adjustment.	Each transaction of a BRP or BSP with a TSO will result in an adjustment to the concerned BRP, in order not to introduce additional imbalances to the BRP when it physically acts according to this transaction. This is further explained in the ISHP ED. In addition, a reference to Article 29(2) is too restrictive, as this alludes to balancing energy bids from BSPs only and not, for example, redispatch actions.
3(1)	The stakeholder is of the opinion that Art. 3(3) seems to be contradictory to Art. 3(1), since Art. 3(1) refers to the netted volume per ISP of all energy related to a BRP, whereas 3(3) refers to individual settlement of scheduling units inside a BRP portfolio.	Article 3(3) is required given the different approaches to imbalance settlement in self-dispatching models and central dispatch models.
3(4)	The stakeholder supports ambitious harmonised deadlines for the reporting of imbalance adjustments. Same comment for Art. 4(3) and 4(5) regarding imbalance calculated for BRPs and the allocated volume. Art. 12 of EBGL regarding publication of information shall be only the basic reference for transparency, not a strict boundary for all implementation proposals prescribed by the EB GL.	Wording has been adapted to mimic CACM Art 60(4) and the reporting to the BRPs is now is "without undue delay". The potential impact of changing current imbalance settlement rules is addressed in the ISHP ED.
3(4)	The stakeholders ask to further specify and define the wording for everyone to have the same understanding. Unharmonised publication dates will lead to different risk profiles for BRPs in different countries. The market needs a precise and harmonised deadline to be included in this code. For that we suggest to look at best practices among TSOs regarding the calculation and publication of relevant data. When setting harmonised deadlines, such best practices should be the target across Europe.	Wording has been adapted to mimic CACM Art 60(4) and the reporting to the BRPs is now is "without undue delay". The potential impact of changing current imbalance settlement rules is addressed in the ISHP ED.
3(1)(b), 3(2)(b)	The stakeholders say that the wording should be completed in line with the explanatory document. They should reflect that terms & conditions of balancing must contain an exhaustive list	Each transaction of a BRP or BSP with a TSO will result in an adjustment to the concerned BRP, in order not to introduce additional imbalances to the BRP when it physically acts according to this transaction.

	of the components included in the imbalance adjustment.	This is further explained in the ISHP ED. A reference to Article 29(2) is too restrictive, as this alludes to balancing energy bids only from BSPs only, and not e.g. redispatch actions.
3	The stakeholder requests more clarity on the topic of explicit demand response.	The proposal now includes in Article 3(2) a further component (c), and in Article 4(3)(d) and (e) further components that secure these possibilities, when included in each TSOs terms and conditions for BRPs.
3	All actions that are triggered by TSOs that lead to an imbalance of a BRP should be included in the imbalance adjustment. Also, a BRP needs to be informed about the imbalance adjustment needs sufficiently ahead of the deadline for the finalisation of his position.	Each transaction of a BRP or BSP with a TSO will result in an adjustment to the concerned BRP, in order not to introduce additional imbalances to the BRP when it physically acts according to this transaction. This is further explained in the ISHP ED. In addition, a reference to Article 29(2) is too restrictive, as this alludes to balancing energy bids from BSPs only and not, for example, redispatch actions.
3	The stakeholders request consistency regarding the solution retained for the TSO-BSP settlement of balancing energy and with the settlement of deviations between requested and metered balancing energy	The calculation of balancing energy as requested or metered volumes is subject to each TSO's terms and conditions. Each transaction of a BRP or BSP with a TSO will result in an adjustment to the concerned BRP, in order not to introduce additional imbalances to the BRP when it physically acts according to this transaction. This is further explained in the ISHP ED. In addition, a reference to Article 29(2) is too restrictive, as this alludes to balancing energy bids from BSPs only and not, for example, redispatch actions.
4(1)	The stakeholders request more clarity on the combined implementation of the calculation of one position per BRP and the 15 minute ISP implementation. This combination is not mentioned in the EBGL. They request that the implementation of a single position should coincide with the implementation timing of the ISH proposal.	The ISHP for submission to NRA approval has removed all references to transitory arrangements, which have to be arranged on national level within the limitations of the EBGL. The ISHP now focuses on the target model.
4(1)	The stakeholders support the proposal states that "BRPs shall have one single final position equal to the sum of its external and internal commercial trade schedules".	The ISHP for submission to NRA approval has removed all references to transitory arrangements, which have to be arranged on national level within the limitations of the EBGL. The ISHP now focuses on the target model, with single position for BRPs in self-

		dispatching model.
4(2)	The stakeholder suggests that the calculation for the single BPR position should be at level of the bidding zone.	The imbalance area is defined in the EBGL, and also specified in the EBGL as scheduling area, or part of a scheduling area. The scheduling area is linked to the bidding zone in SOGL Art 110(2) . The imbalance price area defined in EBGL, is now further specified in Article 5(7).
4(4)	The stakeholder suggests that, if required, the calculation of allocated volume should be carried out by TSOs and DSOs in cooperation.	Article 4(3) of the ISHP was rephrased, taking into account as well that it might not be DSOs that are involved in this process.
4(4)	The stakeholder states that all trades and all energy, which affects whether BRP is in balance or not, should be taken into account in imbalance settlement (FRR, FCR etc.). This includes also balance deviation caused by participation of aggregators in these markets.	The proposal now includes in Article 3(2) a further component (c), and in Article 4(3)(d) and (e) further components that secure these possibilities, when included in each TSOs terms and conditions for BRPs.
4(5)	The stakeholder suggests a different way of reporting the allocated volume: the sum of injections and withdrawals should be reported separately. Additionally, the sums of withdrawals respectively injections should be divided into metered and assigned volumes.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
4(5)	The stakeholder refers to another question.	See answer to respective question.
4	The stakeholder asks to clarify whether only 4(1) applies to a TSO applying self-dispatching or 4(1) through 4(5).	Wording has been adapted to distinguish between self-dispatching models and central dispatching models.
4(3)(5)	The stakeholders request a defined, harmonised deadline for the reporting of the imbalance and the net allocated volume to the concerned BRP instead of being set by national terms.	Wording has been adapted to mimic CACM Art 60(4) and the reporting to the BRPs is now is "without undue delay". The potential impact of changing current imbalance settlement rules is addressed in the ISHP ED.

4	The stakeholders requests clear definitions of allocated volume and imbalance. They don't understand the difference between the "allocated volumes" and the "net allocated volumes". They request for additional numerical examples in the ISHP ED.	The calculation of an imbalance for a BRP is prescribed in ISHP Article 4(6). Each imbalance shall have a size and a direction in accordance with EBGL Article 54(6); therefore the components all have a size and a direction.
4	The stakeholder anticipates compliance between the national (GB) requirements and the requirements stated in the ISHP (single vs. two positions per BRP). The stakeholder refers to his opinion about the finalisation time of settlement already mentioned in article 3 and also mentions the open harmonisation imbalance workshop where it was said that there is no harmonisation during the next three years, but a path into this direction in contrast this is portrayed as a clear cut in the ISHP ED.	Wording has been adapted to mimic CACM Art 60(4) and the reporting to the BRPs is now is "without undue delay". The potential impact of changing current imbalance settlement rules is addressed in the ISHP ED.
4	The comment concerns the finalisation time of the initial settlement and the billing date for imbalances. The stakeholder requests to provide the level of harmonisation, regardless of whether EBGL requires it or not.	Wording has been adapted to mimic CACM Art 60(4) and the reporting to the BRPs is now is "without undue delay". The potential impact of changing current imbalance settlement rules is addressed in the ISHP ED.
4	The stakeholder sees lack of level playing field for BRPs in self-dispatch systems (SDS) and BRPs in central dispatch systems (CDS).	The choice between self-dispatching model and central dispatching model is in accordance with EBGL, and the ISHP takes these options into account in accordance with EBGL Article 52(3).
4	The stakeholder states his opinion: (i) single position is OK; its implementation should be not later than the entry in force of the ISHP; (ii) BRP in all self-dispatching systems may (and should) change its internal commercial trade schedules without the need to make for purpose market trades.	The ISHP for submission to NRA approval has removed all references to transitory arrangements, which have to be arranged on national level within the limitations of the EBGL. The rights of BRPs to change their schedules required to calculate its position are established in the EBGL in Article 17(3) and (4).
5(1)	The stakeholder requests to clarify activation of balancing energy and an example of how activation can be avoided.	The value of avoided activation ("VoAA") is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
5(1)	The stakeholders request to clarify activation of balancing energy and the link between the value of avoided activation and price for intended	The value of avoided activation ("VoAA") is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a

	exchange. A view that these two prices/effects should be the same.	VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
5(1)	The stakeholder says that VoAA should not be used as imbalance price as big market participants can affect its value.	The value of avoided activation ("VoAA") is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
5(1)	The stakeholder requests to avoid distinction in directions: doubts on the possibilities to calculate imbalance price for two directions.	Per direction, does not necessarily mean that there need to be two directions in the same ISP. Per direction means there is price for positive direction and for negative direction, but they not necessarily do not have to occur at the same 15-minute ISP. However, for example with the aFRR product, it may occur that there will be several directions within one ISP.
5(1)	The stakeholders request for consistency using letters: wording in Art 5(1)(c) should be changed to "requested energy for reserve replacement process".	The wording referring to the RR component and the FRR components has been aligned.
5(1)	The stakeholder requests to clarify the use of the intended exchange of energy which results from netting in balancing platforms as price component.	The final proposal for imbalance settlement harmonisation aims to describe the target model, and here is assumed that in the future an imbalance netting process will be done implicitly by the aFRR-Platform. Thus, TSOs have now removed from the main component list the price for the imbalance netting. The target model and the reason not to include imbalance netting price is further explained in ISHP ED.
5(1)	The stakeholder requests to clarify that a TSO which is not using RR is not allowed to use the RR price.	The prices listed in Article 5(1) are mentioned to be the price for volume fulfilling the balancing energy demand for respective process, it gives as an logical outcome, that the TSO can use only those prices of products it has indicated the need for. For example if the TSO is not requesting balancing energy for its imbalance price area needs from RR product, the TSO naturally will not use the price resulting from RR product.
5(1)	The stakeholder strongly objects to the inclusion of Article 5(1)(d). Art. 44(1)(b) of the EBGL states that the imbalance settlement price should reflect the "real time value of energy", which naturally considers the risk of scarcity. As a result, Art. 5(2) is either redundant, or would	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them are subject to relevant NRA approval, if TSO is willing to

	<p>serve as a deterrent to setting the imbalance settlement price properly. In addition, if implemented in a non-coordinated way, such additional components would lead to different imbalance price behaviour with similar imbalance volumes in the different control areas. Their use should be harmonised through an imbalance price methodology.</p> <p>Only in case of a scarcity caused brown-out (load shedding), the value of that intervention must be reflected in the imbalance price. For that reason, it must be checked whether for these periods the imbalance price would remain below (an assessment of) the VoLL and in such case the imbalance price must be increased to the VoLL.</p>	<p>use such components. Further explanation is given in ISHP ED.</p> <p>Moreover, TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(1)	<p>Clarify distinction between value of avoided activation and price for intended exchange for imbalance netting</p>	<p>The value of avoided activation ("VoAA") is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.</p> <p>The pricing for intended exchange as a result of imbalance netting is out of scope of the ISHP.</p>
5(1)	<p>Clarify usage of prices of standard products with respect to the prices of specific products.</p>	<p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(1)	<p>The stakeholders ask for compliance with Articles 55(4) and 55(5) of the EBGL.</p>	<p>Compliance to EBGL requirements is mandatory from the EBGL, and cannot be enforced by ISHP.</p>
5(1)	<p>The stakeholder says that the wording of Article 5(1) should be changed to "Each TSO shall at least use one or more of the following prices (...)" since the current wording uses confusing language as to whether only one or more price components shall be used.</p>	<p>The wording is changed in the final proposal. Article 5(1) means that TSO can use one or more of the main components. The choice is dependent on the methodology, which is choice of each TSO and approved by relevant NRA.</p>
5(1)	<p>The methodology should provide details on how to combine the elements listed in</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology</p>

	Article 5(1) in order for TSOs to apply harmonised approaches when setting the imbalance price at national level.	for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. Examples of possible methodologies were added to the ISHP ED.
5(1)	The stakeholder says: - unclarity whether there is also minor components; - if there is intention to use minor components, they should be listed in proposal and their usage should be subject to regional NRAs; - specific products/RR should be considered as minor components; - minor components shall not affect imbalance prices in other bidding zones.	TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.
5(1)	The stakeholder says: - Methodology expected, wanted more ambitious proposal. - Settlement price should be based on cross-zonal price when there is no congestion and to consider volumes used for price calculation equal to the activated volume in the entire region would simplify the calculation.	If the balancing energy price is based on the cross-border marginal price, then also the imbalance price will also be based on the cross-border marginal price. TSOs however see, that the local imbalance situation needs also be reflected in the imbalance price, and for this reason the volumes that may be used are referring to the local TSO demand of balancing energy. The choice for the volumes is further explained in the ISHP ED. Moreover, TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single

		<p>imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(1)	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - proposal should detail how the different major a minor components are combined to derive the imbalance prices and how scarcity components and balancing capacity are to be integrated or excluded etc. - question about main/minor components 	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(1)	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - doubts about the possibility to use minor components; - fear that TSOs apply different approaches to set imbalance price; - objective should be to achieve similar price dynamics for similar imbalances. 	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(1)	<p>The stakeholder shows a wish for a more ambitious proposal detailing the use of major and minor components and how</p>	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the</p>

	<p>scarcity component or balancing capacity are to be integrated or excluded.</p>	<p>final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
<p>5(1)</p>	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - Doubts about minor/major components - What is the threshold that constitutes a main or minor component - Lack of methodology leads to different approaches to set the imbalance price - In case TSOs will propose a methodology, it is proposed to combine the prices based on the volumes of each process 	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
<p>5(1)</p>	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - Wish for exhaustive list of components, not only "main" ones. - To the extent possible, wish for requirements how the components are used 	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional</p>

		<p>components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(1)	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - No threshold for major/minor component, explicit delineation should be made. - Only standard products should be considered as major components, specific products should be only minor. 	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p> <p>The specific products are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning frequency restoration reserves and replacement reserves. Also the specific products do serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(1)	<p>The stakeholder says:</p> <ul style="list-style-type: none"> - Wish for more ambitious proposal detailing the use of major and minor components and how scarcity component or balancing capacity are to be integrated 	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other</p>

	or excluded.	<p>possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(1)	<p>The ISHP does not contain an explicit threshold on what constitutes a major or minor component. This leaves the door wide open to individual TSOs interpreting how heavy 'minor' components can weigh into the imbalance price calculation. Lacking an explicit methodology – as mentioned in the previous comments – at least an explicit delineation should be made.</p>	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal the Article 5 distinguish between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO.</p> <p>The specific products as well as RR product are included in the boundary condition requirement by EBGL Article 55(4) and 55(4), as the boundary condition is explicitly mentioning FRR and RR. Also the specific products serve for such reserves and thus the prices of these reserve products are included in main components.</p>
5(2)	<p>The stakeholder is of the opinion that: - As a TSO is paying (at least in some way) for the reservation of capacities in order to balance the grid, and as the volume to be procured is calculated based on the historic ACE (area control error), the TSO will have a natural interest to lower its cost by advocating the highest possible 'incentivation scheme' to BRPs. This makes it unfair to</p>	<p>In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.</p>

	add that the TSO may suggest incentives to the BRPs to remain balanced. NRAs are also not a neutral party.	
5(2)	The stakeholder challenges the inclusion of additional incentivising components, fearing less transparency and additional complexity for the BRPs and additional financial risks, which may not reflect the actual costs of balancing energy. For the BSPs, each additional component leads to a market distortion, since the resulting balancing energy prices no longer represent the relationship between supply and demand of balancing energy.	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED. The ISHP ED explains how the incentivising component strengthens price signals to represent the real-time value of energy; an additional component was included to ensure financial neutrality (cost recovery).
5(2)	The stakeholder strongly objects to the inclusion of Article 5(2). The imbalance price should not be used as an additional revenue stream for TSOs and should only represent the real-time value of energy of the respective imbalance area.	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED. The ISHP ED explains how the incentivising component strengthens price signals to represent the real-time value of energy; an additional component was included to ensure financial neutrality (cost recovery).
5(2)	The stakeholder strongly objects to the inclusion of Art 5(2): the imbalance price should not be used as an additional revenue stream for TSOs and should always only represent the real-time value of energy. The real time value of energy naturally takes account of the risk of scarcity. Therefore, if properly set according to the EBGL principles, the imbalance settlement price mechanism should already provide an adequate price in situations of scarcity. Consequently, Article 5(2) is either redundant or would serve as a deterrent to setting the imbalance settlement price properly.	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them are subject to relevant NRA approval, if TSO is willing to use such components. Further explanation is given in ISHP ED. In particular, the ISHP ED explains how the incentivising component strengthens price signals to represent the real-time value of energy; an additional component was included to ensure financial neutrality (cost recovery). TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand,

		<p>a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(2)	<p>The stakeholders fear that the requirements are weighted differently by each TSO leading to inconsistent imbalance prices and propose to delete Article 5(2) as the imbalance price should not be used as an additional revenue stream for TSOs and should always only represent the real-time value of energy of the respective imbalance area.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p> <p>In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED. The ISHP ED explains how the incentivising component strengthens price signals to represent the real-time value of energy; an additional component was included to ensure financial neutrality (cost recovery).</p>
5(2)	<p>The stakeholder is not in favour of having an scarcity component. Imbalance prices should reflect the real-time value of energy and balancing energy prices should not be artificially capped. Besides, TSOs could define different scarcity components and let them intervene according to different thresholds, and this would undermine the</p>	<p>In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.</p>

	level playing field between market participants connected to different TSOs.	
5(2)	In the stakeholder's opinion, all imbalance prices should come from the market as in Nordic electricity market currently. Nordic countries use either mFRR price or day-ahead market price, if no balancing bids have been activated. No scarcity factors or other "incentivising components" should be used in addition to balancing markets prices. There should be enough trust in the markets in determining the right price for imbalance price; prices should be allowed to rise as high as possible. All artificial factors distort the markets. TSOs should not direct markets nor influence in the price formation. If e.g. a scarcity factor is added on the formation of imbalance price, it will create a strong incentive for market participants to withdraw some of their assets from FRR markets in order to gain a better price in imbalance settlement as scarcity factor would increase the imbalance price. Therefore the number of bids would be decreased.	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.
5(2)	The stakeholder says that the identification of stronger incentives should be based on agreed measures, which are to be used by all TSOs in identifying such a need. Also, with the current proposal, the choices for scarcity or incentivising components are endless. The available options for such components should be based on an exhaustive list stated in the proposal.	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.
5(2)	The stakeholder is opposed to the use of additional component, as already expressed in their answer to the EC consultation on the EBGL: "it is key to ensure that the imbalance settlement price correctly reflects the real-time value of the energy by removing price caps, avoiding artificial components such as administrative scarcity pricing (Operating Reserve Demand Curve), or/and administrative interventions." Such additional components would lead	In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.

	<p>to different imbalance price behaviour with similar imbalance volumes in the different countries. Their use should be harmonised through the definition of an imbalance price methodology, instead of listing the major components as currently proposed.</p> <p>*Disclaimer: Please note the specific answer for this sub-article, in particular Art.5(2), does not fully reflect the view of the Polish national association.</p>	
5(2)	<p>The stakeholder considers that TSOs' proposal gives sufficient incentives to BRPs and does not require additional components. A scarcity or incentivising component may represent an issue in terms of level playing field and TSO's financial neutrality.</p>	<p>In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.</p>
5(2)	<p>The stakeholder says additional components would lead to different imbalance price behaviour with similar imbalance volumes in the different countries. Their use should be harmonised through the definition of an imbalance price methodology, instead of listing the major components as currently proposed.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p> <p>In the final proposal, the incentivising and scarcity components are separated as their own components, as they serve for different purposes. Both components, their design and conditions when to use them, are subject to relevant NRA approval, if a TSO is willing to use such components. The further explanation and rationale to keep these in the proposal is given in ISHP ED.</p>
5(2)	<p>The stakeholder asks for more information on how the imbalances would be priced in scarcity situation.</p>	<p>More information on the component was included in the ISHP ED.</p>
5(2)	<p>The stakeholder shares that the proposal could be more ambitious and propose a methodology, harmonising the imbalance</p>	<p>If the balancing energy price is based on the cross-border marginal price, then also the imbalance price will also be based on the</p>

	<p>price methodology across Europe. In the uncongested case, whether the marginal bid for determining the balancing energy price is set by a local or a foreign BSP should not matter (as the overall welfare is increased), the imbalance price should be based on this cross-zonal price. An additional benefit of applying a harmonised imbalance price methodology is that it takes away the complexity related to the volume determination (whether this should be based on requested or activated TSO volumes), as the volume that is used for the price calculation is equal to the activated volume in the entire region considered.</p>	<p>cross-border marginal price. TSOs however see that the local imbalance situation needs also be reflected in the imbalance price, and for this reason the volumes that may be used are referring to the local TSO demand of balancing energy. The choice for the volumes is further explained in the ISHP ED. TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(2)	<p>The stakeholder states that additional components would lead to different imbalance price behaviour with similar imbalance volumes in the different countries. Their use should be harmonised through the definition of an imbalance price methodology instead of listing the major components and allowing additional price components on a non-harmonised basis.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(2)	<p>The stakeholder notes that the TSO may propose to its regulatory authority to apply a scarcity component. The national arrangements in Great Britain (GB) currently use a scarcity component to reprice contracts where the utilisation price was agreed in advance and therefore do not take into account the scarcity conditions at the time of utilisations. We anticipate the arrangements in GB to use this function for the foreseeable future and therefore the necessity to propose to the National Regulatory Authority (NRA).</p>	<p>TSOs acknowledge the comment.</p>

5(3)	The stakeholder says calculating volumes not necessary.	The volumes may be need to set the direction and also to clarify that in case, volume has been 0, the price for which the volume has been 0, is not necessarily used. The detailed methodology is left for each TSO's choice and is subject to relevant NRA approval.
5(3)	The stakeholder asks to clarify the application of volumes.	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p> <p>The volumes may be need to set the direction and also to clarify that in case, volume has been 0, the price for which the volume has been 0, is not necessarily used. The detailed methodology is left for each TSO's choice and is subject to relevant NRA approval.</p>
5(3)	The stakeholder notes that a lack of methodology on how to combine the different elements listed in Art. 5(2) could lead TSOs to apply vastly different approaches in terms of the volumes considered to set the imbalance price at national level. This important leeway given to TSOs is a fundamental flaw in the methodology: if BSPs are to compete on a level-playing field across borders in the provision of balancing services to TSOs, BRPs should also face the same risks with regard to imbalance settlement. This is truly the corner stone of the EBGL, without which competition between BSPs on the common balancing platform will be discriminatory.	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5(3)	<p>The stakeholder strongly opposes using only volumes requested by the TSO for local balancing as:</p> <ul style="list-style-type: none"> - The local imbalance area is part of a larger integrated balancing market. - The locally requested volume is only a 	<p>If the balancing energy price is based on the cross-border marginal price, then also the imbalance price will also be based on the cross border marginal price. TSOs however see, that the local imbalance situation needs also be reflected in the imbalance price, and</p>

	<p>subset of all requested volumes in the integrated balancing market.</p> <ul style="list-style-type: none"> - The balancing energy prices should be identical across uncongested balancing markets. - The imbalance prices and balancing prices should both reflect the real-time value of energy in the uncongested area (i.e. they should converge) in order to provide the correct incentives for BSP and BRPs to support the system balance as outlined in the recitals of the proposal. - Calculating the imbalance price based on locally requested volumes only would result in significant divergence between balancing prices and imbalance prices within a single, integrated balancing market. <p>As a result, by using only locally requested volumes when calculating the imbalance price, TSOs will weaken the price signal and thus reduce the incentives for market participants to support system frequency. It will also distort incentives by remunerating market participants differently for the same product, depending on whether it is provided in the balancing market or as an imbalance. This is not in line with the fundamental principles of the balancing market design in Europe.</p> <p>The stakeholder strongly believes that the imbalance price should be calculated based on the activated volumes of energy within the uncongested area. This resulting price should be a cross-border marginal price. This will ensure that imbalances prices correspond to the real-time value of energy in the system and that prices are consistent across markets. Where a TSO would apply for minor components (activation of RR, etc.) that cause higher imbalance prices, the effect of these should be left local.</p> <p>The proposal doesn't give any guidance how the price of imbalances should be calculated when both aFRR and mFRR resources have been activated for an ISP. The stakeholder proposes to have a</p>	<p>for this reason the volumes that may be used are referring to the local TSO demand of balancing energy. The choice for the volumes is further explained in the ISHP ED.</p>
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	(volume-) weighted average of the two. This means that in case of one directional activation, the TSO is financially neutral (receives the same amount as it spends).	
5(3)	The stakeholder states that it is not clear from the proposal or its explanatory document what the imbalance price should be if no balancing energy was activated or netted, and no congestion is present. The stakeholder recognises that such a situation may be rare but would appreciate clarification on this point.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
5	The stakeholder asks to clarify handling of cross-border activation	The wording has been changed. The current wording refers to the price or prices per direction and product, fulfilling the balancing energy demand for frequency restoration process/replacement process of this imbalance price area for this ISP, from standard or specific products, or from the integrated scheduling process. Together with cross-border marginal prices for balancing energy, this means that the balancing energy is already affected by the neighbour's need. However, in case the balancing volume demand was zero for certain product, this price is not needed for the imbalance price calculation, as there was no volume for which the price would have been established. In ISHP ED's appendices, illustrative examples of how the imbalance prices could be calculated with cross-border marginal prices have been added.
5	The stakeholder asks to clarify the use of other components.	TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal, the Article 5 distinguishes between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The rationale to include each additional component is further explained in ISHP ED.

5	The stakeholder disagrees with the exclusion of capacity costs.	The EBGL explicitly mentions in Article 44(3) that each TSO may develop a proposal for an additional settlement mechanism separate from the imbalance settlement to settle the procurement costs of balancing capacity, administrative costs and other balancing related costs. Thus, the costs of balancing capacity is not mentioned as a main component. In the final version of proposal, there is added an additional component regarding to the financial neutrality, and the use of such component will be subject to the relevant NRA's approval.
5	The stakeholder is comfortable with Article 5.	TSOs acknowledge the comment.
5	We have no feedback on this Article, we are supportive of the components including both standard and specific products.	TSOs acknowledge the comment.
5	The stakeholder agrees with the proposed list of main components for the calculation of the imbalance price.	TSOs acknowledge the comment.
5	<p>The stakeholder asks for a harmonised methodology and states that only this can lead towards a true European electricity market. The imbalance price is the basis for price formation in all market time frames. A lack of harmonisation of the imbalance price methodology would thus distort cross-border trade in all time frames.</p> <p>The stakeholder notes that the proposal focuses on the 'as is' situation and remarks that, when a TSO wants the imbalance price to reflect the local imbalance, this is in sharp contrast with the general objective (recital 17 of the EBGL) of an efficient non-discriminatory market where the price reflects the real-time value of energy. In the uncongested case, whether the marginal bid for determining the balancing energy price is set by a local or a foreign BSP shouldn't matter (as the overall welfare is increased), the imbalance price should be based on this cross-zonal price. The only exception would be the activation of RR, which should not affect the imbalance price in</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p> <p>The use of RR products is allowed by the EBGL and out of scope of the ISHP.</p>

	<p>those countries that don't use RR themselves.</p> <p>Moreover, the stakeholder believes that the use of RR should be phased out as this product undermines the principle of Balancing Responsibility and distorts signals for market parties to help to restore the frequency.</p>	
5	<p>The stakeholder asks for a harmonised methodology and states that only this can lead towards a true European electricity market. The imbalance price is the basis for price formation in all market time frames. A lack of harmonisation of the imbalance price methodology would thus distort cross-border trade in all time frames.</p> <p>The stakeholder notes that the proposal focuses on the 'as is' situation and remarks that, when a TSO wants the imbalance price to reflect the local imbalance, this is in sharp contrast with the general objective (recital 17 of the EBGL) of an efficient non-discriminatory market where the price reflects the real-time value of energy. In the uncongested case, whether the marginal bid for determining the balancing energy price is set by a local or a foreign BSP shouldn't matter (as the overall welfare is increased), the imbalance price should be based on this cross-zonal price. The only exception would be the activation of RR, which should not affect the imbalance price in those countries that don't use RR themselves. An additional benefit of this is that occurrences of ISPs without any activation will be strongly reduced when considering a bigger region for setting the imbalance price. This enhances price formation as prices reflect actual activations in real-time.</p> <p>The stakeholder notes that, under harmonised imbalance pricing, individual TSO's incentives that are deemed necessary to ensure operational security are still possible, by making use of EBGL Art. 26 or a regulated mark-up in</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>

	case of scarcity as specified in the ISH proposal Art. 5(2), which is something should only apply during rare circumstances.	
5	<p>The stakeholder says that the imbalance price is providing the underlying financial incentive for short-term trading. For a seamless integration of European power markets, a consistent definition of imbalance price calculation is vital. We acknowledge that the proposal is in line with the EBGL requirements in describing a framework for the imbalance settlement harmonisation and the definition of the imbalance settlement rules are left to individual TSOs. We encourage the TSOs, however, to go beyond this minimum requirement and to outline common guidelines on how to implement the imbalance settlement framework. Below, an example is included, describing the expected outcome on the interaction of imbalance prices for separate imbalance areas. According to Article 5(1), the calculation is completely at the discretion of the TSO. We prefer uniform requirements for harmonisation and no discretion of the TSO, resulting in consistent imbalance settlement schemes. At least a best-practice approach on how to apply the main components should be provided. Otherwise, there is a risk that the different TSOs (even within Germany) will weight different requirements, which then leads to different prices and therefore contradicts the target model of a European energy market.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5	<p>The stakeholder says that Article 5 should be the cornerstone of the ISH methodology proposal. If BSPs are to compete on a level-playing field across borders in the provision of balancing services to TSOs, BRPs should also face the same risks with regard to imbalance settlement. Moreover, the imbalance price is the basis for price formation in all market segments (including the day-</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not</p>

	<p>ahead and forward markets). The market prices on these market segments reflect an expectation of the imbalance price. Without proper harmonisation of imbalance settlement, competition between BSPs on the common balancing platforms will be skewed, but also cross-border trade in general will be distorted.</p>	<p>to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5	<p>The stakeholder says that, in order to foster a seamless integration of European power markets, a consistent definition of imbalance price calculation is important. The stakeholder understands that proposal is in line with the EBGL requirements to "only" describe a framework for the imbalance settlement harmonisation but believes it would be beneficial if the proposal goes beyond this minimum requirement and to also outline common guidelines on how to implement the imbalance settlement framework.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5	<p>The stakeholder says that, in order to foster cross-border trading the absolute values of the imbalance prices per ISP and imbalance price area need to be aligned, but do not need to be equal. The imbalance price for an area that is long should resemble prices for negative balancing energy, while short areas should have significantly higher imbalance prices originating from positive balancing energy prices. This also holds for situations without congestions. Only this way BRPs are incentivised to become active in cross-border intraday trading and not act contrary to the system state. A BRP long position can be traded cross-border with BRPs of an area with a general shortage but must not be rewarded by a high imbalance price in case the respective imbalance price area is long. The stakeholder urges TSOs to make sure that all of the individual TSO imbalance settlement schemes meet this overarching principle. This is required for providing a basis for an undistorted cross-border intraday market to develop.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>

	<p>Either an additional article should be included or at least a recommendation on the imbalance settlement calculation method should be provided. Example outlined.</p>	
5	<p>The stakeholder says that the objective of the ISH should be to have similar imbalance price dynamics for similar imbalances, as this is the only way that BRPs in different countries can participate in the different markets on a fair basis, i.e. with similar risks and opportunities. However, to achieve this, the ISH should contain an actual imbalance price methodology instead of a simple, non-exhaustive list of components.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5	<p>The stakeholder is in favour of harmonised imbalance prices across Europe to ensure a level playing field between market parties. In the uncongested case, whether the marginal bid for determining the balancing energy price is set by a local or a foreign BSP shouldn't matter (as the overall welfare is increased), the imbalance price should be based on this XB price. The stakeholder believes that Art. 5 does not fulfil the spirit of the EBGL. The stakeholder considers that only the realised energy prices of activated standard products, mFRR and aFRR – once implemented – should be considered as main components.</p>	<p>If the balancing energy price is based on the cross-border marginal price, then also the imbalance price will also be based on the cross border marginal price. TSOs however see, that the local imbalance situation needs also be reflected in the imbalance price, and for this reason the volumes that may be used are referring to the local TSO demand of balancing energy. The choice for the volumes is further explained in the explanatory document. TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. In EBGL, the boundary conditions in article 55(4) and 55(5) mention the frequency restoration reserves and the replacement reserves. Since RR is explicitly mentioned, it is considered in the ISHP.</p>

<p>5</p>	<p>The stakeholder believes the overall proposal lacks of ambition in terms of harmonisation of the imbalance settlement methodologies currently used and recognises that the EBGL is very prudent in terms of harmonisation. TSOs could be more ambitious and should consider the general principles of the settlement process (Article 44 of the EBGL). The stakeholder believes that the lack of harmonisation in the imbalance price formulation, with market participants competing in the same merit order lists (not only in balancing markets, with the future platforms of balancing energy, but also in the previous timeframes with the continuous ID trading and the DA market coupling), would lead to important distortions. The goal of the ISHP should be to have similar imbalance price dynamics for similar imbalances, as this is the only way that BRPs in different countries can participate in the different markets on a level playing field basis, with similar risks and opportunities: this lack of harmonisation has clear impacts also on the previous market timeframes, as ID, DA and forward markets can be considered as hedging markets with respect to the real-time market and the risks associated with imbalances. The imbalance price should reflect the real-time value of energy (i.e. the prices of the activated balancing energy and the ones of imbalance netting), be consistent in terms of the choice on pay-as-clear or pay-as-bid in the settlement of balancing energy and imbalances and ensure the financial neutrality of TSOs.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
<p>5</p>	<p>The stakeholder says that, to ensure level playing-field amongst participants in the upcoming EU-level aFRR and mFRR markets, all participants in these markets should have the same principles for calculating imbalance price. The stakeholder supports further harmonisation of main components.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience</p>

		from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
5	The stakeholder requests a methodology and notes that since the components are "main components", TSOs can use other components as well. Thus, with the current proposal, each TSO has the freedom to define their own imbalance price calculation, potentially resulting in as many different imbalance price regimes as there are TSOs.	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal, the Article 5 distinguishes between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The rationale to include each additional component is further explained in ISHP ED.</p> <p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
5	The stakeholder is concerned about the low level of ambition of the proposal in terms of harmonisation and believes that, under the current proposal, market parties competing on the same MOL suffer from important distortions whereas a level playing field should be granted. Elements which are part of the national T&Cs, should not prevent the EU methodology to propose key principles and guidance, necessary to ensure a level playing field. The stakeholder asks for a methodology. The stakeholder says that a TSO that wants the imbalance price to	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>

	<p>reflect the local imbalance, seems to act in contrast with recital 17 of the EB GL and article 44, of an efficient non-discriminatory market where the price reflects the real-time value of energy. After all, as European markets become fully coupled on day-ahead and intraday, platforms that provide hedging opportunities for having imbalances, and European platforms harmonising the market for FRR and RR, a harmonised imbalance price determination is the missing piece of the puzzle.</p> <p>The stakeholder believes that the weighted average of individual marginal prices is the best method to ensure financial neutrality of the TSOs. Since financial neutrality is a key requirement (but the sole one), should there be a choice to combine main components differently, this methodology should at least detail how to ensure financial neutrality.</p>	<p>The final proposal for imbalance settlement harmonisation aims to describe the target model. The target model and the reason not to include imbalance netting price is further explained in ISHP ED.</p>
5	<p>The stakeholder acknowledges the improvement of having a list of main components over the current approach in some countries, but asks to have an imbalance price methodology.</p>	<p>TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal, the Article 5 distinguishes between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The rationale to include each additional component is further explained in ISHP ED.</p> <p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not</p>

		to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
5	The stakeholder asks to move conditions for "prices and volumes for the intended exchange of energy" from the ISHP ED to the ISHP.	The price or prices or the volume of the intended exchange of energy as a result of imbalance netting no longer is part of the main components.
5	The stakeholder requests a settlement price calculation methodology.	The ISHP is not proposing a methodology, so the details of the methodology are left for the each TSOs choice and the chosen methodology is subject to relevant NRA approval.
5	The stakeholder says that the calculation of the imbalance price to avoid activation of balancing energy should reflect the real-time energy price more expensive than the previous activated energy price to avoid inefficiencies on the electricity market This means: If the system needs energy, a good electricity market design would reflect: automatic frequency restoration reserve (aFRR) price \geq manual frequency restoration reserve (mFRR) price \geq reserve replacement (RR) price \geq pool price	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
5	The stakeholder requests clarity on the inclusion of minor components and, if included, guidance on constitutes a main or a minor component.	TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal, the Article 5 distinguishes between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The rationale to include each additional component is further explained in ISHP ED.
5	The stakeholder says that the imbalance price should provide the underlying financial incentive for short-term trading (e.g. spot and intraday) of market participants, so they can actively balance their portfolio in the market.	The objective of incentives to BRPs from imbalance settlement are dual if not ambiguous: to be in balance or help the system to restore its balance. This is further elaborated in ED.

5	The stakeholder says that the imbalance price should be marginal and take into account the highest (for up regulation) and lowest (for down regulation) activated energy bid both from aFRR and mFRR markets. The highest (or lowest) should determine the price for imbalance.	The ISHP is not proposing a methodology, so the choice to use weighted average price is left for the each TSOs choice and the chosen methodology is subject to relevant NRA approval. The proposal to allow for additional incentivising, scarcity) components allow for strengthening these financial incentives
5	The stakeholder says that the main components for the calculation should be defined more precisely and requests a proposal for calculating imbalance prices (e.g. by using weighted average values of activated frequency restoration)	TSOs have taken into account the comment regarding the unclarity between the main and possible other components such that in the final proposal, the Article 5 distinguishes between the main components and other possible additional components that may be used in imbalance price calculation nationally. The possible use of additional components shall be subjected to the approval of relevant regulatory authority. The use of the additional components is depend on each TSO and its relevant NRA and thus is not effecting the imbalance price calculated by another TSO. The rationale to include each additional component is further explained in ISHP ED. TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
	The stakeholder shares the view that imbalance price should reflect the real-time value of energy needed to balance the bidding zone. It is therefore relevant to consider the volumes and prices of all the balancing activations (local or in other bidding zones) needed to restore balance in that area. In the stakeholder's view, the adequate imbalance price should thus be calculated as the weighted average price of the different standard and specific	The ISHP is not proposing a methodology, so the choice to use weighted average price is left for the each TSOs choice and the chosen methodology is subject to relevant NRA approval.

	energy products necessary to restore the local imbalance. This approach guarantees the financial neutrality of TSOs for their balancing actions.	
5	The stakeholder considers that, pursuant to Article 44(3) of the EBGL, balancing capacity reserves and administrative costs should not be considered in the calculation of imbalance price since they are not directly related to BRPs imbalances and must therefore be covered by additional settlement mechanisms.	TSOs acknowledge the comment. The final version is not mentioning the balancing capacity costs and administrative costs explicitly as the components. However the final version of the proposal includes possibility to include component regarding the financial neutrality, the approval such a component is subject to relevant NRA.
6(1)	The stakeholder opposes using the value of avoided activation (VOAA) in any situation as a component or basis for imbalance price.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6(1)	The stakeholder requests more clarity on the calculation of the value of avoided activation.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6(1)	The stakeholder requests to change the wording.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6(2)	The stakeholder states that they regard dual pricing necessary when there has not been activation of balancing energy in either direction.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6(3)	The stakeholders request clarity on why a connecting TSO needs the value of avoided activation for the calculation of the imbalance price.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6(3)	The stakeholder requests the addition of an option to the list presented in Article 6(3), which would enable the use of the day-ahead auction price or intraday auction price as a basis for imbalance	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the

	price.	ISHP ED.
6	The stakeholder asks to discard the options (a) to (d) and refers to page 16 of the ISHP ED.	The TSOs acknowledge the comment.
6	The stakeholder explains how it is working in GB and what needs to/should be adjusted to fit the proposal.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholders request clarity on the application of the value of avoided activation and the delineation from the price for the intended exchange for imbalance netting.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholder requests the document better detailed (regarding e.g. prices that should be considered) and more examples in the ISHP ED. The stakeholder also asks for clear methodology of pricing of VoAA.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholder requests to add the information that VoAA will be monitored and publicly available in real time as this constitutes a signal of the balancing state of the system.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholder requests to clarify if the calculation of avoided activation concerns the whole uncongested area and only in situation where there is congestion, it will be calculated per imbalance area.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED. Furthermore, imbalance prices are calculated per imbalance price area; the objective of incentives to BRPs from imbalance settlement are dual if not ambiguous: to be in balance or help the system to restore its balance. This is further elaborated in the ISHP ED.
6	The stakeholders request to make a distinction between two situations. - 1st situation: no TSO need (demand) because its LFC area is balanced. - 2nd situation: so called "Perfect netting" of TSOs resulting from use of Platforms.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.

	Also commented by stakeholders in Art. 5(1) and 5(3).	
6	The stakeholder requests to see a proposal where the VoAA is based on the absence of an activation in Europe, rather than a single imbalance area.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholder suggests not to take the value of avoided activation based on just one up and one down regulation bid, but more sufficient data.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED.
6	The stakeholder suggests to leave out from the ISH proposal in Article 6: "in accordance with Articles 55(4)(b) and 55(5)(b) of the EBGL".	The TSOs acknowledge the comment.
7	The stakeholders explicitly support single imbalance pricing and argues that this target model as determined by EBGL should be adopted by all TSOs without any possible derogation for a consistent harmonisation, otherwise the imbalance settlement harmonisation would not make sense as derogations from single imbalance pricing towards dual imbalance pricing would result in a partitioning of the different market areas, especially if they are too frequent. In addition to this, the stakeholders point out that this viewpoint should be considered also for Article 8 of the proposal and that any decision to use dual imbalance pricing should also be known preferably very early in advance so as to give market parties proper time to correct imbalances on intraday markets.	The target model should be the single price system, but the EBGL already offers the possibility for dual pricing in Article 52(2)(d). Therefore, TSOs need to include this possibility also in the ISH proposal to be consistent with the EBGL.
7(2)	The stakeholders require not to include in the proposal any link between use of single imbalance pricing and implementation of 15 minutes ISP, as EBGL legally requires single imbalance pricing to be used from the date the harmonised imbalance settlement proposal is legally applicable (that is 18 months after NRAs approval) so the link with the deadline for implementation of	Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.

	15 minutes ISP (that is by 18 December 2020) would represent a general derogation of the requirement to implement the single imbalance pricing.	
7(2)	The stakeholder notes that if a TSO wants to apply for dual imbalance pricing this should take place at the same time of single imbalance pricing application.	Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
7	The stakeholders support the possibility to apply dual imbalance pricing in case a TSO demonstrates in a thorough study that this would result in more efficient and effective real-time system balancing. Besides this, the stakeholder argues that real-time system balancing is more efficient when BRPs primarily balance their own perimeters and that single imbalance pricing sends more effective incentives to balance the system rather than BRPs own perimeters, as also stated into the Explanatory Document of the proposal where TSOs share that this model may lead to uncoordinated overreactions of BRPs.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
7	The stakeholder argues that the NRAs have a tendency to prefer dual imbalance pricing as this incentivises BRPs to reduce TSOs' costs for system-balancing. Due to this non-neutrality of NRAs as well as TSOs, the stakeholder requests to escalate the single/dual imbalance pricing scheme to a higher level and more specifically to national governments in most countries.	TSOs acknowledge the comment and clarify that the scope of the ISHP is only on imbalance pricing and not on the political decision workflows.
7	The stakeholder asks TSOs to commit to only one alternative in the proposal between single imbalance pricing and dual imbalance pricing.	The target model should be the single price system, but the EBGL already offers the possibility for dual pricing in Article 52(2)(d). Therefore, TSOs need to include this possibility also in the ISH proposal to be consistent with the EBGL.
7	The stakeholder strongly supports Art. 7 proposal.	TSOs acknowledge the comment.
8(1)	The stakeholder supports the proposal presented in 8(1)(a). The possibility to apply dual pricing needs to be allowed to make it possible to implement 15-min ISP and harmonisation of imbalance settlement at the same time in the Nordic countries. This would make the transition	The target model should be the single price system, but the EBGL already offers the possibility for dual pricing in Article 52(2)(d). Therefore, TSOs need to include this possibility also in the ISH proposal to be consistent with the EBGL.

	easier for market actors as they would not need to update and revise their systems as often as without the possibility apply dual pricing.	
8(1)	The stakeholder refers to a similar comment in Article 7 and says that the article links a subject (dual pricing) to the harmonisation of the 15-minute ISP. This link is not made in the EBGL and leads to a general derogation. Derogations should be requested on an individual basis.	Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholders request: - no exception regarding the implementation of the single imbalance pricing model is allowed or - if allowed only in very exceptional circumstances, with stricter conditions (e.g. to fulfill at least two criteria).	Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder requests to add that the TSO has present to a project planning with a clear deadline on when he will move to a 15 min ISP settlement period.	Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder request to delete the condition in Article 8(1), stating that there are too many options in which dual pricing can be applied and that single pricing in each imbalance area should be the goal.	Further information on the conditions has been added to the ISHP ED.
8(1)	The stakeholder states his opinion that the risk of two-sided activations in the same ISP remains also with a short ISP and states that he doesn't agree with TSOs' statement of 2(7)(3) according to which dual pricing may limit demand side response.	TSOs agree that that risk of two-sided activations remain also with a shorter (15 min) ISP. However, there occurrence is assumed to be reduced. The condition related to two-sided activations has been rephrased with the purpose to emphasise specific situations (i.e. power oscillations). The TSOs refer to the different incentives for market players created by application of dual/single pricing schemes in terms of support of system balance. Incentives created when a single pricing scheme is applied may be considered as more appropriate for DSR.
8(1)	The stakeholders states his opinion about the risk when both single and dual pricing are allowed.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing

		market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
8(1)	Stakeholder requests for compliance between the ED and binding document on the delay in real time publication.	EBGL does not impose as subject to the ISHP requirements or obligation for real-time information.
8(1)	The stakeholder agrees under the condition that all market actors are given as real-time information as possible about the balance and frequency of the grid.	EBGL does not impose as subject to the ISHP requirements or obligation for real-time information.
8(1)	The stakeholder asks to clarify whether the dual pricing is only allowed during ISPs with up- and downward activations, or in general.	Wording has been adapted to indicate if dual pricing applies to all or to specific ISP.
8(1)	The stakeholder does not agree that both upwards and downwards activations within the same ISP would only result from overreaction by BRPs. The stakeholder states that the application of dual pricing, together with precise real time information, seems to be sufficient to limit the risk of BRP's over-reactions.	TSOs agree that sequential activation in both directions by a TSO is not necessarily due to overreaction by BRPs, but also due to the power balancing obligation of the TSO. The condition related to two-sided activations has been rephrased with the purpose to emphasise specific situations (i.e. power oscillations) where mitigation measures may be necessary. EBGL does not impose as subject to the ISHP requirements or obligation for real-time information.
8(1)	The stakeholder does not agree with methodology.	TSOs agree that that risk of two-sided activations remain also with a shorter (15 min) ISP. However, there occurrence is assumed to be reduced. The condition related to two-sided activations has been rephrased with the purpose to emphasise specific situations (i.e. power oscillations). The TSOs refer to the different incentives for market players created by application of dual/single pricing schemes in terms of support of system balance. Incentives created when a single pricing scheme is applied may be considered as more appropriate for DSR.
8(1)	The stakeholder refers to comment given in Article 7.	See answer to respective comment.

8(1)	The stakeholders request that the methodology should clearly state that the price of the predominant balancing direction should be used to set the imbalance price.	A definition of aggravating imbalance has been added, in order to select which boundary condition in accordance with EBGL Art 55 to apply, in case of activation of balancing energy in both directions and not wishing to apply both boundary conditions.
8(1)	The stakeholder requests to see a harmonised imbalance price methodology in Europe, reinforcing a level playing field between all grid users. The stakeholder requests real-time information about the system state and expected imbalance price should be available in all bidding zones. The stakeholder sees no need for dual pricing method.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. EBGL does not impose as subject to the ISHP requirements or obligation for real-time information.
8(1)	The stakeholder requests an adequate monitoring of the effect of dual pricing to such over-reactions shall be in place. The stakeholder requests more clarity on TSOs proposal to restrict market access to real-time information.	EBGL does not impose as subject to the ISHP requirements or obligation for real time information.
8(1)	The stakeholder requests more clarity on this conditions regarding the applicability.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder requests that no exception regarding the implementation of the single imbalance pricing model is allowed/criteria is not sufficient.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder requests the real-time information should have a 2 minute delay only (in Europe). The stakeholder requests that the implementation of single pricing and dual pricing shall only be allowed if it leads to demonstrable issues.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and

		possible examples of methodologies were added. EBGL does not impose as subject to the ISHP requirements or obligation for real-time information.
8(1)	The stakeholder requests to delete this part of the ISH proposal.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder suggests that for the calculation of the imbalance price for an ISP, with TSO requests for positive and negative balancing energy, the costs for the predominant balancing direction should be used.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder suggests to give market participants real-time information feedback on bidding zone level to reduce problems.	EBGL does not impose as subject to the ISHP requirements or obligation for real time information.
8(1)	The stakeholder gives a specific suggestion for the paragraph.	Thresholds, where relevant are to be incorporated in each TSOs terms and conditions.
8(1)	The stakeholder refers to comment given in Article 7.	See answer to respective comment.
8(1)	The stakeholder refers to comment given in Article 8(1)(b).	See answer to respective comment.
8(1)	The stakeholder states that it gives an excessive amount of discretionary power to the TSO.	The VoAA is now specified as a reference price to be used under specific, defined conditions. The EBGL does not require a methodology to calculate a VoAA. Several options to derive a VoAA are discussed in the ISHP ED. Furthermore, imbalance prices are calculated per imbalance price area; the objective of incentives to BRPs from imbalance settlement are dual if not ambiguous: to be in balance or help the system to restore its balance. This is further elaborated in ISHP ED.
8(1)	The stakeholder suggest to delete 8(1)(c).	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholders state that the lack of a clear imbalance direction should not be a reason to apply dual pricing.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.

8(1)	The stakeholder likes the inclusion of local energy market specificities as a reason to apply dual pricing.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder refers to comment given before in article 7.	See answer to respective comment.
8(1)	The stakeholder refers to comment given in article 8.	See answer to respective comment.
8(1)	The stakeholder requests the cases in Article 8(1)(d) to be exhaustive.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
8(1)	The stakeholder states that competition concerns should not hinder alignment of national practices.	TSOs acknowledge the comment. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing has been removed.
8(1)	The stakeholder suggest to investigate the fact that dual pricing avoids balancing energy oscillations - as stated in the ED - and to weight this against the opportunity losses by BRPs.	We agree that sequential activation in both directions by a TSO is not necessarily due to overreaction by BRPs, but also due to the power balancing obligation of the TSO. The condition related to two-sided activations has been rephrased with the purpose to emphasize specific situations (i.e. power oscillations) where mitigation measures may be necessary.
8(1)	The stakeholder suggests that the national NRA should avoid any attempt to reform or influence the national TSO, in case of imbalance pricing when the TSO choses to do so and after a regulatory authority approval.	The comment is noted but out of scope of the ISHP.
8(1)	The stakeholder suggests to promote (demand) TSO to build transmission capacity to close By bidding zones so the bidding zones can be merged, rather than keep small areas and use dual pricing.	The comment is noted but out of scope of the ISHP.
8(1)	The stakeholders state that this paragraph is open-ended ability for TSOs to deviate	TSOs understand the wish from the stakeholder for a harmonised methodology

	from the requirement of the single pricing and that it should not be allowed in the ISH proposal.	for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
8(1)	The stakeholders state their opinions regarding the market abuse due to single pricing (as mentioned in ED).	TSOs acknowledge the comment.
8(1)	The stakeholder describes the situation as a "system failure" and states that it is the responsibility of the TSO, NRA and national government to fix.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
8(1)	The stakeholder insists on the implementation of a single pricing model with no exceptions for TSOs. The stakeholder state that this criteria is not sufficient to deviate from single pricing and for the paragraph to be removed.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
8(1)	The stakeholder refers to comment given in article 7.	See answer to respective comment.
8(1)	The stakeholder requests that it should not be allowed to deviate from single pricing due to financial neutrality.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is

		not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, including any application of additional price components, dual pricing or allocating costs to network users.
	The stakeholder asks for clarification on the wording in Article 8(1)(e).	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, including any application of additional price components, dual pricing or allocating costs to network users.
8(1)	The stakeholders request to closely monitor deficits and excess revenues. When issues are observed (due to single pricing) a study showing how the use of dual price is improving financial neutrality over a sufficiently long horizon should be conducted and shared with stakeholders.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, by allocating gains or losses to network users EBGL Article 44(2) or by allowing additional price components

		ISHP Article 5(3), dual pricing ISHP Article 8(1)(c).
8(1)	The stakeholder states that the principle of financial neutrality of the TSO is fundamental and should be preserved by the imbalance settlement regime and mentions additional mechanisms to do so.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, by allocating gains or losses to network users EBGL Article 44(2) or by allowing additional price components ISHP Article 5(3), dual pricing ISHP Article 8(1)(c).
8(1)	The stakeholder states that the decision to apply dual pricing should be based on arguments which support the functioning of the market and not on motives to enhance the cost or pricing structures of TSOs.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, by allocating gains or losses to network users EBGL Article 44(2) or by allowing additional price components ISHP Article 5(3), dual pricing ISHP Article 8(1)(c).
8(1)	The stakeholder requests improvement regarding the wording.	Thresholds, where relevant are to be incorporated in each TSOs terms and conditions.
8(2)	The stakeholders request for clarification on the different explanations for the calculation methodology for the dominant direction and for the other direction.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing

		market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The NRAs will ensure financial neutrality of the TSOs, by allocating gains or losses to network users EBGL Article 44(2) or by allowing additional price components ISHP Article 5(3), dual pricing ISHP Article 8(1)(c)
8	The stakeholder requests for the development of the methodology for both dual and single pricing.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. The Article 8.2 has been adjusted to state the relation between the single and the dual imbalance pricing schemes.
8	The stakeholders request more clarity and compliance between the EBGL and ISHP regarding the application for dual pricing.	The proposed conditions for dual pricing are compliant with the provisions in EBGL Article 52(2)(d).
9(2)	The stakeholders request for clarification about the requirement of the ISH proposal 18 months after approval by NRAs. Reference is made to the EBGL but the EBGL makes no such link.	The ISHP for submission to NRA approval has removed all references to transitory arrangements, which have to be arranged on national level within the limitations of the EBGL. The ISHP now focuses on the target model.
9(3)	The stakeholder requests a reasonable lead-time between the first approval and their application regarding the terms and conditions.	The comment is noted, but out of scope of the ISHP.
General	The stakeholder agrees with the proposal but complains about ED's reasoning.	TSOs acknowledge the comment.
General	The stakeholder approves the idea to allow dual pricing and requests ongoing flexibility on this topic.	See previous answer to Article 7(2) of the ISHP.

<p>General</p>	<p>The stakeholder comments on the following topics: -Raising the ambition in the implementation of Electricity Balancing Guideline -Ensuring the consistence and relevance of the imbalance settlement price -Making sure imbalance settlement price is set according to the right purpose -Beyond the Guideline, avoiding market fragmentation -Ensuring transparency in real-time around system state and imbalance price</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
<p>General</p>	<p>The stakeholder refers to comment given on article 4.</p>	<p>TSOs acknowledge the comment.</p>
<p>General</p>	<p>The stakeholder refers to the good quality of the ED.</p> <p>The stakeholder requests for compliance of the proposal with the general objectives of the EBGL.</p> <p>The stakeholder requests for a more ambitious proposal which is necessary to take the intergration of the European Electricity Market a step further.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
<p>General</p>	<p>The stakeholder requests a real time balancing situation in order to allow BRPs to ensure a balanced position or support the TSO in balancing the system and reducing balancing costs (as BRPs are price-takers instead of price-makers).</p> <p>The stakeholder requests a higher level of ambition in terms of harmonisation.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
<p>General</p>	<p>The stakeholder requests a step-by-step approach before further harmonisation of the ISP.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs</p>

		believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder requests more clarification on the term "each TSO".	The imbalance area is defined in the EBGL, and also specified in the EBGL as scheduling area, or part of a scheduling area. The scheduling area is linked to bidding zone in SOGL Art 110(2). The imbalance price area defined in EBGL, is now further specified in Article 5(7).
General	The stakeholder requests that DSOs should be incorporated in data management processes that concern their responsibilities as operators of their grid in order to avoid unnecessary transaction costs.	The role of DSOs and third parties in delivering allocated volumes to the TSO is clarified in Article 4(3) and 4(5).
General	The stakeholder requests that the methodology should not only acknowledge and respect national solutions but unambiguously describe a close cooperation between TSO and DSO.	The role of DSOs and third parties in delivering allocated volumes to the TSO is clarified in Article 4(3) and 4(5).
General	The stakeholder states his opinion about the current single pricing.	The ISHP for submission to NRA approval has removed all references to transitory arrangements, which have to be arranged on national level within the limitations of the EBGL. The ISHP now focuses on the target model. The ISHP allows for incentivising and/or scarcity price components.
General	The stakeholder states that many issues are left outside the scope of harmonisation.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were

		added.
General	<p>The stakeholder states that the current proposal gives the opportunity to further manifest national processes rather than pushing it further to the idea of harmonisation.</p> <p>The stakeholder stated that the proposal neither allows a long-term planning security nor gives a transparency to the current state of the systems and the development of the imbalance pricing. The stakeholder objects to the possibility of national incentives such as scarcity pricing or other incentivising components being used in imbalance pricing.</p> <p>The stakeholder requests more ambitiousness regarding the harmonisation across the different European countries, ultimately reducing the scope for national terms & conditions.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
General	<p>The stakeholder states that the proposal should be more detailed.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.</p>
General	<p>The stakeholder states that the proposed level of harmonisation seems sufficient at this stage.</p> <p>The stakeholder requests to address transparency issues. TSOs should publish close to real time all the data related to system imbalance and which will be used for the calculation of the imbalance settlement price.</p>	<p>TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and</p>

		possible examples of methodologies were added.
General	The stakeholder suggests a draft for the proposal.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added. Article 7 was reformulated and the link between introduction of 15 min ISP and the single pricing is removed from the proposal. The target model should be the single price system, but the EB GL already offers the possibility for dual pricing in Article 52(2)(d). Therefore we need to include this possibility also in the ISH proposal.
General	The stakeholder suggests that NRAs and ACER to jointly monitor the national terms & conditions of balancing under development in order to extract the most of the current national processes and to align them in the maximum extent with the design principles established in the EB GL.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder supports current ISH Proposal version.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is

		further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder supports idea to create a European balancing market but states that the proposal just slightly changes the current situation. The stakeholder requests more clarity to proceed with the integration of the European Electricity Market.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder supports the idea of single pricing model. The stakeholder states that the proposal is insufficient in terms of the depth and width of harmonisation, in particular on imbalance pricing, and is in several instances not fully compliant with the requirements set forth in articles 52-55 of the EBGL. The stakeholder requests to include that the value of imbalances is published in real time, at least indicative values.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder thinks that with the current version of the proposal harmonisation cannot be reached. They request firm and equal requirements, especially in terms of setting the imbalance price and exemptions from the use of single pricing.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
General	The stakeholder would have wished a more ambitious proposal and points out the topics which are in need of improvement.	TSOs understand the wish from the stakeholder for a harmonised methodology for imbalance settlement. On the other hand, a methodology for single imbalance pricing is

		not a requirement from EBGL and TSOs believe that, with the upcoming balancing market changes, it would not be beneficial to lock the methodology for imbalance price calculation before having practical experience from the balancing platforms. The choice not to include a methodology in the ISHP is further explained in the ISHP ED and possible examples of methodologies were added.
Recitals	<p>The stakeholders says that the IHSP should comply to the provisions not only take note of them.</p> <p>On the publication of imbalance price, the stakeholders says that there is no mentioning on the publication time of the imbalance price. Energie-Nederland believes that the price for every ISP should be published near to real time. This will give market parties the opportunity to act efficiently in the balancing market and in the other market time frames. The imbalance risk will be translated in hedges in intra-day, day ahead and even in the forward market.</p>	The recitals of the ISHP have been reformulated.