Implementation framework for the exchange of balancing energy from frequency restoration reserves with manual activation

Stakeholder consultation response

Please find the documents relevant for this consultation under the following link:
https://consultations.entsoe.eu/markets/mfrr_implementation_framework/

Article 6: Definition of standard mFRR product

smartEn acknowledges that a ramping period is physically needed, since no technology can instantly go from 0 to 10 MW. This is an issue that the TSOs must deal with when designing products. The ramping period cannot be ignored by the TSO and pushed on the BSPs since it is a physical requirement to provide the product requested by the TSO.

The BSP-TSO delivered shape should also be coherent with the TSO-TSO exchange shape to avoid imbalances. Nonetheless smartEn advocates for shorter ramps becoming a standard. Alternatively, shorter ramps should be rewarded more than longer ramps. The reasoning is that in a system with higher variability, due to a bigger share of renewables in the energy mix, the faster reaction time should be rewarded and not penalized, new technologies shouldn't have to walk at the pace of non-flexible generation.

In summary, the ramps are a necessary technical constraint to be able to provide the balancing product. As such, the energy of those ramps should be remunerated, instead of leaving the burden on to the BSP. Furthermore, ramps should be standardised incentivising steeper ramps to increase the stability of a variable market and to avoid putting up hurdles for new technologies. In any case, no matter what the shape of the product ends up being on national level, the TSOs cannot penalise or disqualify a BSP for providing the product with a steeper, or even almost vertical, ramp.

TSO-TSO settlement: Settlement will be covered in further detail in a following consultation but given the impact on the previous issue it has to be brought up here. The TSO-TSO settlement cannot be based on blocks if at the same time it is argued that the ramps have to be included in the product. The actual product would have a trapezoid shape, while the settlement would be block-based.

Article 7: Balancing energy gate closure time for the standard mFRR product bids

The Balancing Energy Gate Closure Time (BEGCT) should be equal across all platforms. This will allow BSPs to bid into several products, with all the information on the table. This will allow both the TSO and market actors to choose the best options, increasing overall efficiency of the balancing market.

To ensure an efficient balancing of the system, BSPs should be able to offer into several products and shouldn't have to guess on which platform to place their bids. These different platforms should have the same BEGCT, so the TSO would be able to select the most relevant bids in each platform. The objective should be a more transparent market, both for BSPs to be able to bid into different products and for TSOs to be able to select bids efficiently in different platforms.
This way the BSP would have a guarantee to be activated in one platform at least, provided that his bid is relevant. Only bidding into one platform, while still possible, would mean that the bid might not be activated, a risk that the BSP has to assume.

As an alternative to a system with complex bids, where the TSO needs to handle several bids from the same BSP into different platforms while only activating one, would be two different BEGCT that are compatible with each other. For example, a 30-minute BEGCT for mFRR and a 20-minute BEGCT for aFRR. This way the BSP can transfer the bids from one platform to the next in case it wasn't activated in the first one.

In summary, the current proposed system will mean that BSPs must choose blindly between the MARI and PICASSO platform on where to put their bids. smartEn proposes a system of complex bids or compatible gate closure times, so that BSPs can offer into several platforms, increasing liquidity without having to choose beforehand.

Article 15: Framework for harmonisation related to mFRR-Platform

There are several elements in need of harmonization.

1. Harmonisation should focus on the prequalification procedures to facilitate the process for all market players to participate in all markets. Having different prequalification requirements in different countries will impose undue barriers to technologies and business models, having some capacities qualified in one country but not in another.
2. If there is a ramp included in a product, it needs to be consistent with the ramping schedules on cross-border trading. In any case ramps should be as short as possible to encourage the use of flexible resources and be rewarded accordingly higher than slower, more rigid generation.
3. The costs to manage unavailability should also be harmonised since having different structures for penalties, backup and transfer can lead to severe distortions between countries, resulting in different costs for the BSP.
4. The accepted shapes should be the same in every country to avoid undue discrimination between technologies and countries.