

Overview of Balancing Market Functions – update 2021

	OTE (CZ)	Borzen (SI)	APCS (AT)	OKTE (SK)	OPCOM (RO)	SEMO (IE)	Elexon (GB)	HROTE (HR)	COTEE (MNE)	MEMO (MK)	GME (IT)	Nord Pool** 19
Performing imbalance settlement	Yes	Yes	Yes	Yes	Yes ⁴	Yes	Yes	Yes ¹⁰	Yes ¹²	Yes ¹⁷	No	No
Publication of the information regarding balancing markets and imbalance settlement etc.	Yes ¹	Yes	Yes	Yes	Yes ⁵	Yes	Yes	Yes ¹⁰	No ¹³	Yes	Yes ¹⁸	Yes
Definition and issuing of the rules defining balancing markets	Yes ^{1,2}	Yes	No	Yes ³	No	No ⁶	Yes ⁸	No	Yes ¹⁴	No	No	No
Definition and issuing of the rules defining imbalance settlement (including settlement period, imbalance pricing, BRP roles, etc.)	Yes ²	Yes	Yes ⁹	Yes	No	No ⁶	Yes ⁸	No	Yes ¹⁵	No	No	No
Facilitating balancing markets/operation of exchange of the balancing energy	Yes ¹	Yes ¹¹	No	No	No	Yes	Yes ⁷	No	No ¹⁶	No	Yes ¹⁸	No

** Note: Nord Pool's publication of balancing market data on its website refers to Denmark, Finland, Norway and Sweden, and in parallel Nordic TSOs publish some of that data on the ENTSO-E Transparency Platform. Performance of imbalance settlement and setting of rules for clearing (e.g. collaterals) across the Nordics is, as of 1 Feb 2021, done by eSett (<https://www.esett.com/about/>), which is owned by the four Nordic TSOs, and not a member of Europex.

1. OTE:
 - Ancillary services are procured by the TSO (ČEPS) directly or via European balancing platforms (currently only TERRE; MARI and PICASSO will follow). The TSO activates the balancing energy according to the power system needs.
 - The TSO publishes information about the balancing energy.
 - Activated balancing energy settlement towards BSPs and the TSO is done by OTE.
 - Imbalance settlement and clearing is done by OTE.
 - OTE publishes the information resulting from the imbalance settlement (e.g. imbalance prices, volumes) and aggregated result of the corresponding activated balancing energy.
2. In the Czech Republic the main principles of the balancing settlement and imbalance settlement (e.g. definition of the settlement period, imbalance pricing) are defined in the NRA's Public Notice called as Electricity Market Rules. OTE is responsible for the BRP registration and performance of the respective imbalance settlement based on the above mentioned Market Rules.
3. It depends on the definition of balancing market. Ancillary Services are procured by the TSO, in case of activation of regulating energy by the TSO, then this energy is settled and cleared together with imbalance settlement by OKTE.
4. OPCOM is establishing the receiving rights/payment obligations corresponding to the trades concluded by the market participants on the balancing market, determines penalties for the partial delivery of balancing energy, calculates the single imbalance prices, the final deficit prices and the final surplus prices for each settlement interval and determines the quantitative imbalances, the receiving rights / payment obligations of each BRP.
5. OPCOM publishes the information resulting from the above functions on the balancing market and BRP imbalances (final single imbalance prices, final deficit prices and final surplus prices, actual costs for system balancing and costs for network constraints management).
6. SEMO does not unilaterally define and issue rules related to balancing. These rules are developed by a committee comprising market participants, TSOs, SEMO, meter data providers, NRAs and ultimately approved or rejected by the NRAs based on recommendations of this committee.
7. Mostly yes. Elexon financially settles all the balancing energy products activated in the GB Balancing Mechanism between our TSO and BSPs. Our TSO also has bilateral non-standard contracts for balancing and ancillary services (with small BSPs, reactive power, frequency response, option contracts) which it settles directly on a bilateral basis. However, in future with TERRE (European RR) and MARI (European mFRR) it is likely that Elexon will settle these between our BSPs, including now small BSPs and DSR, and our TSO.
8. The balancing settlement and imbalance settlement rules are defined in GB within a national Balancing and Settlement Code (BSC), which Elexon administers. We help industry define the rules in working groups and provide legal drafts of the proposed changes for them. An industry Panel of experts then recommends any changes they consider appropriate to the NRA. The NRA has

final approval although this is delegated to the Panel unless certain criteria apply, in which case the NRA will make the decision themselves.

9. Subject to approval by the Austrian NRA. In reality, APCS consults with market participants and NRA and then submits coordinated drafts.
10. HROTE is responsible for the imbalance settlement calculations for BRP's. Regarding the publication of the information for the imbalance settlement, HROTE publishes a financial neutrality coefficient that is used in imbalance settlement calculations. HROTE also publishes prices for the annual imbalance settlement period (second clearing). Prices used in the monthly settlement period (hourly single prices) are published on the ENTSO-E Transparency Platform.
11. Ancillary Services for the Slovenian regulation area are procured by the TSO (ELES). The TSO activates balancing energy according to its needs. Complementary to the aFRR and mFRR (provided by ELES), Borzen operates a platform for the RR which is operated in parallel with the intra-day market on the same platform with the same bids.
12. The market operator fully performs imbalance settlement (physical volumes and financial settlements).
13. Information from the balancing market belongs to the TSO as the entity which performs the function of managing this market.
14. As the market organiser in Montenegro, the Market Operator defines and issues the balancing market rules, according to the Energy Law of Montenegro.
15. As the market organiser in Montenegro, the Market Operator defines and issues the imbalance settlement rules, according to the Energy Law of Montenegro.
16. According to the Energy Law of Montenegro, the Market Operator has separate functions of organising and managing the market (market operators) and trading management (balancing energy trading), which is a function of the TSO.
17. Calculation of the imbalances of the BRP and a proposed calculation of the costs of the imbalances in accordance with the electricity metering, activated quantities of balancing services for each balance service provider, settlement price and the final daily schedule received from the TSO and DSO. In addition, MEMO is responsible for keeping records of all agreements regarding the creation of balancing groups, concluded between the participants in the electricity market and the electricity market operator (MEMO) as well as for publishing and updating the records of all BRP and their balancing group members.
18. GME is responsible for setting up and managing the trading platform for the operation of the balancing market, which is part of the Italian electricity market. GME is responsible for collecting bids and offers and publishing the balancing market results. Terna (the Italian TSO) is responsible for defining the balancing market rules and for accepting bids and offers. Also, the commercial

settlement of bids and offers accepted in the Balancing Market is under the responsibility of Terna.

19. The answers in the column refer to all four Nordic countries (NOR, SE, FI, DK).

Any other balancing market function not listed in the table above:

OTE	OTE performs the above mentioned activities also on the gas market and registers suppliers and supplier changes on both the electricity and gas markets. Apart from activities related to balancing market and settlement of imbalances, OTE organises short-term day-ahead and intraday electricity markets and intraday and unused flexibility gas markets.
MEMO	Concluding PPAs, as well as acting as BRP for the RES using a feed-in tariff; Keeping records of all market participation agreements concluded with the participants in the electricity market and balancing groups; Preparation of the daily market plan; Publishing information that is necessary for the smooth organisation and management of the electricity market; Research and development of the balancing market in North Macedonia.
Borzen	Borzen performs the activities of balance scheme management, recording of closed contracts, elaboration of indicative operating schedule, and financial settlement of transactions, all connected with the aforementioned activities. Within the Centre for RES/CHP support, we implement environmental policies and promote public awareness. The Centre for RES/CHP support is the support scheme operator for the generation of energy from renewable energy sources and highly efficient cogeneration of heat and power.

About

Europex is a not-for-profit association of European energy exchanges with 29 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

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