



Union Française de l'Électricité

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## UFE's opinion on the proposed methodology for a list of standard products for balancing capacity for frequency restoration reserves and replacement reserves

UFE welcomes the opportunity to comment on this methodology proposal for the standardization of balancing capacity products, which is key when it comes to the European integration of balancing markets.

- **Question 1: Do you agree with the level of harmonization for standard products for balancing capacity? If not, please specify which aspects are missing in your opinion.**

From a general standpoint, UFE supports the need for the characteristics of standard balancing capacity products to be harmonized within the balancing capacity cooperation.

Regarding the resting period, defined by Article 4 as “the minimum time between the end of deactivation period and the following activation” and set by Annex 1 to zero for most reserve products, UFE stresses that such a value is too restrictive and might result in the exclusion of the market of a significant share of potential reserve-providing assets.

The methodology should instead set a range in which all TSOs connected to the same balancing platform would choose – after consultation of BSPs – the maximum value for the resting period. In order to improve the market liquidity while allowing TSOs to meet these balancing needs, the minimum time between the end of deactivation period and the following activation should be – in UFE's view – of sufficient duration and thus be higher than zero.

It should also be ensured that, in the case of a merger between two (or more) balancing platforms, harmonization of standard product characteristics remain, especially regarding the resting period. UFE considers that this case should be foreseen in the proposal in order to avoid any misalignment in standard balancing capacity products as it is the only way to ensure a level-playing field amongst all BSPs within a same balancing platform.



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- **Question 2: If you would like to comment on other topics, please indicate clearly the related Article, paragraph and sub-paragraph of the SPBC proposal and add a sufficient explanation.**

Regarding Article 5.1 of the proposed methodology, UFE considers that it is extremely complex, especially on the intraday timeframe, to associate a location with a capacity bid, since the bidding is portfolio-based and not unit-based. As BSPs don't necessarily know themselves which unit(s) will be used to fulfil their commitments at the time bids are sent to the capacity auction, imposing to choose ex ante the units which will be used would be extremely restrictive and would for example prevent BSPs to react to an unplanned outage. Aside of its necessity, given it impacts the use of cross-zonal capacity, information on the sole bidding zone location seems thus – in UFE's view – sufficient. UFE however acknowledges that there may be different rules for locational information in a central-dispatch model.

UFE also considers necessary to specify in the general provisions for standard capacity product bids that market participants should have the possibility to link bids for all balancing capacity products among themselves or, on the contrary, to submit exclusive bids, in order to reflect the constraints of their reserve-providing units (handling of limited energy reservoirs or start-up cost recoveries, etc.).