Network Code on Demand Response

V 1.0

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COMMISSION REGULATION (EU) 202x/xxxx

of xx Month 202x

establishing a Network Code on Demand Response

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (1), and in particular Article 59(1)(e) thereof,

Having regard to Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (2) and in particular Articles 17, 31, 32, 36, 40 and 54 thereof,

Whereas:

(1) The Electricity Market Design adopted in 2019 strongly recognises and addresses the increased need for demand side flexibility in the electricity system in order to reach the EU's decarbonisation objectives in the most cost-effective way. It sets the framework to empower consumers to be active players in the clean energy transition and optimise system management.

(2) The Regulation (EU) 2019/943 establishes clear rules to ensure the non-discriminatory participation of all distributed energy resources both individual and aggregated, in balancing, intraday and day-ahead markets, re-dispatching, capacity mechanisms and strategic reserves.

(3) The Directive (EU) 2019/944 contains a number of important provisions for the development of demand side flexibility and an EU framework for demand-response (DR) aggregation put forward, incentivising Member States to encourage DR aggregation. The Directive (EU) 2019/944 also establishes specific rules that incentivise system operators to become neutral market facilitators and procure flexibility services through market-based procedures to optimise the operation of their grids and the need for investments in new infrastructure or grid reinforcements.

(4) As the European energy system is set to undergo a profound transformation, the large-scale integration of intermittent sources will necessitate the participation of demand response to balance the grid. The participation of the demand side in the electricity market

will effectively be enabled by establishing the appropriate framework and market structures.

(5) Although increasing the share of renewable energy generation in the energy mix is vital for decarbonisation, intermittent renewables such as wind and solar power can challenge the capacity of local and regional grids, requiring costly grid measures from the network operators, both TSOs and DSOs. Further, decentralised resources are being deployed at an increasing rate, including, among others, storage assets and electric vehicles interacting with the grid. Active customers must be able to offer demand-side flexibility, either directly or through aggregation services. These challenges, the integration of renewable energy and the harnessing of decentralised resources, must be addressed in a cost-efficient manner that increases both the security of supply of the power system and integrates effectively with existing power markets i.e. enhancing the liquidity and transparency of the organised wholesale energy market.

(6) Local markets can help to address these challenges and ensure the efficient allocation of demand response and distributed energy resources. Service providers shall be allowed to offer flexibility towards DSOs and TSOs that need to efficiently manage congestion in the grid and ensure security of supply. A market-based approach could efficiently match supply and demand for flexibility. Clear principles, relevant for the design of flexibility markets have already been set out in the Clean Energy Package. According to Directive (EU) 2019/944 end-users should have access to all organised markets and products, either directly or indirectly. A market could provide an accessible level-playing field that allows service providers to compete fairly to deliver flexibility, triggering the development of new solutions and enabling new entrants. A third party – other than the DSO or TSO who uses this service – may operate this market, following a delegation or assignment at national level.

(7) This Regulation aims to complement the existing EU regulatory framework. Its main purpose is to address the remaining regulatory barriers to facilitate market participation of demand response including load, energy storage and distributed generation, individually or aggregated, and facilitate market-based procurement of services by DSOs and TSOs, while supporting the achievement of the Union's targets for penetration of renewable generation.

(8) This Regulation establishes rules on demand response including rules on aggregation, energy storage and demand curtailment. The rules specify that the Member States shall establish national processes for the development of the terms and conditions by the system operators to be approved by the regulatory authorities as well as requirements for the involvement of the stakeholders. The rules also establish EU-wide methodologies for simplified product prequalification processes, and for market-based procurement of

congestion management and the product attributes for a European Table of Equivalences.

(9) TSOs and DSOs should be able to delegate all or part of any tasks under this Regulation to a third party. The delegating TSO or DSO should remain responsible for ensuring compliance with the obligations in this Regulation. Likewise, Member States should be able to assign tasks and obligations under this Regulation to a third party. Such assignment should be limited to tasks and obligations executed at national level. The limitations to the assignment should not lead to unnecessary changes to the existing national arrangements. However, TSOs and DSOs should remain responsible for the tasks entrusted to them pursuant to Directive (EU) 944/2019 of the European Parliament and of the Council.

(10) Traditionally, electricity grids relied solely on power plants to meet fluctuating demand. Demand response aggregation brings consumers into the equation. By balancing supply and demand fluctuations, they enable a more reliable and responsive power grid. The creation of the necessary and best possible market framework for the utilisation of flexibility on both the consumption and generation side is a key element.

(11) A properly designed baseline methodology is probably one of the most important determinants of the successful conduct of any DR service as it enables system operators and system users to measure performance of DR resources. The relevant methods should contain a balance of the essential qualities of accuracy, simplicity, integrity and alignment. The national terms and conditions on baseline calculation will include the details necessary to create the baselines used in the settlement of the demand response services. A European registry for all implemented baseline methodologies will serve as the basis for further harmonisation.

(12) This Regulation enables market participants to develop demand response behind metering point(s) of connection point and multiple market participant to be active behind the metering point(s) of a connection point, by specifying the requirements for the measurement of injections and withdrawals in these cases, including the requirements for the validation of data from dedicated measurement devices.

(13) Electricity storage is a key component in providing flexibility and supporting renewable energy integration in the energy system, therefore it can also contribute to the decarbonisation of other economic sectors. The development and operation of storage facilities is promoted in Directive (EU) 2019/944 as a market-based activity to be performed by market parties other than system operators. DSOs should be enabled and encouraged to use services from distributed energy resources such as demand response and energy storage, based on market procedures, in order to efficiently operate their networks and avoid costly network expansions. TSOs and DSOs should not own or

operate energy storage facilities. In exceptional cases the system operators could be allowed to invest in a storage facility, under regulatory approval and oversight, if other market parties are not interested in providing specific storage services, following a transparent market procedure. In these cases, the regulatory authorities should regularly reassess the potential interest of market parties to be involved in such activity and decide the phasing out of the system operation ownership based on the market interest and a cost benefit analysis. This Regulation is applicable to systems operators' storages that are not fully integrated network component, and the replacement of the services provided by these storages with services procured in a market-based way.

(14) The minimum bid size of standard balancing products is defined in the terms and conditions and methodologies as 1.0 MW for: standard products for balancing capacity for frequency restoration reserves and replacement reserves in accordance with Article 25(2) of Regulation (EU) 2017/2195, and for standard products for balancing energy for (automatic and manual) frequency restoration reserves and replacement reserves in accordance with Articles 19(1) and 19(3)(i), Articles 20(1) and 20(3)(i), and Articles 21(1) and 20(3)(i) of Regulation (EU) 2017/2195. This Regulation requires lower minimum bid size and bid granularity of standard balancing products in order to facilitate the participation of smaller resources in balancing services by means of aggregation.

(15) Title III of this Regulation covers balancing and local services procured in accordance with a market-based mechanism. To ensure non-discriminatory access of all market participants and resources, individually or through aggregation, including variable renewable energy sources, demand response and energy storage in all local services, it sets out a product verification as the default process and includes requirements to simplify the qualification processes where applicable.

(16) The product prequalification requirements are limited to the technically necessary level to ensure system security and safe grid operation and do not create unreasonable entry barriers. This Regulation also provides a framework where systems operators ensure that the administrative burden associated with the requirements for the prequalification processes is proportionate with the size of the service providing unit or group and its impact on the system security and grid operation in case of non-delivery. Systems operators also must avoid unnecessary duplications in the qualification processes.

(17) The requirements for product prequalification processes, ensure that they are as simple as possible, user-friendly, technologically neutral, non-discriminatory, fair, objective, transparent and striving to minimise and standardise the different steps when possible.

(18) To simplify and streamline at least the qualification, verification and switching processes as well as the short-term procedures to account for temporary limits, together with their corresponding data exchanges procedures, this Regulation proposes a flexibility

information system with a single and common access point for all market participants. In addition, all procedures provisioned in this Regulation aim to be made available in the form of a fully digitalised, secure, machine-accessible and easily integrable infrastructure.

(19) When dealing with congestion or voltage issues, the systems operators should always choose the most efficient and effective solution or combination of solutions among the different options provided in the national regulatory framework to ensure an efficient, reliable and secure operation of the transmission and distribution systems while optimising social welfare.

(20) Local services can be used to alleviate or postpone the need to reinforce or expand the grid in order to solve congestion or voltage issues, or to provide a solution until a decided grid reinforcement project is completed, enabling a more efficient use of the system as well as the connection of additional generation and/or demand capacity.

(21) This Regulation aims at promoting and enabling an efficient use of generation, energy storage and demand response by facilitating the creation of local markets to solve congestion issues and voltage issues, which should be interoperable with wholesale markets. It also aims to ensure a transparent and efficient process to deviate from market-based procurement of local services when it would lead to economical inefficiency, market distortions or aggravated congestion or voltage issues in line with Article 13 of Regulation (EU) 2019/943, and Articles 32(1) and 40(5) of Directive (EU) 2019/944.

(22) Local products to solve congestions may be used to also solve voltage issues, without impairing the systems operators right to employ other options to control voltage.

(23) Pursuant to Article 6 of Directive (EU) 2019/944, transmission and distribution system operators may refuse access to the network where they lack the necessary capacity. Moreover, pursuant to Article 6a of Directive (EU) 2019/944 as amended by Directive (EU) 2024/1711, Member States shall develop a framework for transmission system operators and distribution system operators to offer the possibility of establishing flexible connection agreements in those areas where there is limited or no network capacity availability for new connections. As a general rule, these flexible connection agreements shall not delay network reinforcements in the identified areas and shall be converted to firm connection agreements once the network is developed. In areas where network development is not deemed to be the most efficient solution, flexible connection agreements may be enabled as a permanent solution.

(24) In areas where flexible connection agreements are established with a view to converting these agreements to firm connection agreements once the network is developed, this Regulation requires system operators to assess the procurement of local services, including congestion management, to address the network constraints due to which

system operators are not able to offer firm connection agreements. This requirement is consistent with the nature of such flexible connection agreements as a temporary solution, ensures a level playing field for all resources that are able to provide solutions to these network issues, including flexible connection agreements, and enables a cost-efficient outcome of the assessment process for system users as a whole. In areas where network development is deemed not to be the most efficient solution and, as a result, flexible connection agreements are enabled as a permanent solution, system operators should not be required to assess the procurement of local services for addressing the associated network constraints indefinitely.

(25) When flexible connection agreements and markets for local services co-exist, this Regulation sets out high level principles to avoid market distortion, ensure cost-efficiency and a level playing field for participation of system users with flexible connection agreements to the relevant markets.

(26) This Regulation aims at facilitating value stacking through interoperable and coordinated solutions as well as enabling portability of products between markets. Value stacking can be employed by service providers to maximize the value of flexible units in their portfolio. Coordination is understood as the organisation of different markets to ensure market integrity and non-double activation for example when market participants place bids in several markets ~~or when forwarding of bids is realised~~.

(27) Market participants can trade their volumes in long-term, day-ahead, intraday or continuous market process, pursuant to Commission Regulation (EU) 2015/1222 and Commission Regulation (EU) 2016/1719. Additionally, market participants may become service providers in balancing markets developed pursuant to Commission Regulation (EU) 2017/2195. This Regulation states principles applicable for the use of bids and for the coordination for those markets and the local markets.

(28) According to Article 32 of Directive (EU) 2019/944, distribution system operators have to cost-efficiently integrate new electricity generation, especially installations generating electricity from renewable sources, energy storage facilities and new loads including charging points for electric vehicles. Moreover, distribution system operators shall consider the use of flexibility services, including congestion management in their areas, in order to improve efficiency in the operation and development of the distribution system. In particular, distribution system operators shall be able to procure such services from providers of distributed generation, demand response or energy storage where such services cost-effectively alleviate the need to upgrade or replace electricity capacity and support the efficient and secure operation of the distribution system. For these purposes, where distribution system operators publish a distribution network development plan in accordance with Article 32(3) of Directive (EU) 2019/944, this plan should consider

flexibility needs of the distribution system, should include an assessment of the cost-effectiveness of using flexibility services, including congestion management, as alternative to expanding the system in order to meet these needs, and should provide information on the planned investments and the flexibility services that are estimated to be needed. Regarding the need for flexibility services, all available information about the predicted need for such services that may be of use for current and future service providers shall be provided, including when, where and which volumes are assumed to be needed.

(29) TSOs and DSOs within Member State should ensure that their development plans are consistent, coordinated and properly aligned to enable implementation of the regulations introduced by this Regulation. In addition, they should ensure that the necessary information is exchanged during the planning processes to determine the network investment needs. Coordination should ensure that necessary data used during the planning process is exchanged between TSOs and DSOs and reconciled when relevant to the process.

(30) Coordination between transmission and distribution system operators and between distribution system operators is a prerequisite to achieve the aims of this Regulation, enable resources connected to these systems to provide balancing and local services across them and ensure their optimal use, while safeguarding efficient and secure operation of all involved systems. Having regard to Commission Regulation (EU) 2017/1485, this Regulation sets out principles, rules, requirements and responsibilities for forecasting and detecting congestion and voltage issues on distribution systems and for solving these issues on transmission and distribution systems, and for coordination and data exchange between system operators in relation to these tasks. These requirements shall be defined further at national level, taking into account requirements for coordination between transmission and distribution system operators set out in Commission Regulation (EU) 2017/1485 and its implementation at national level.

(31) This Regulation provides requirements for two coordination mechanisms: grid prequalification and short-term procedures to set or update temporary limits. It extends the concept of grid prequalification in Article 182(4) Commission Regulation (EU) 2017/1485 and of temporary limits in Article 182(5) Commission Regulation (EU) 2017/1485 to local services and it develops requirements of particular interest specially in the context of provision of services by service providing groups.

(32) In case at national level the service providers are responsible for applying the temporary limits, service providers -as well as other parties, as applicable- are informed on the limits temporary applied to their portfolios or units, before balancing capacity and balancing energy bids are processes and with sufficient time for the service providers to be capable to translate the temporary limits in their portfolio.

(33) This Regulation sets out requirements on service providers for the provision of data to system operators regarding their service providing units and service providing groups. Data exchange includes structural, schedule and real-time data needed for analysis of system operation at various timeframes, and data for prequalification and verification of service provision. These data exchange requirements shall be further defined at national level on the basis of the justified needs of system operators, considering the characteristics of the service, the service providing units and service providing groups, as well as data exchanges between system users and system operators in accordance with provisions of Commission Regulation (EU) 2017/1485 and its implementation at national level, to avoid duplication and ensure efficiency of the process.

(34) As regards the use of data from dedicated measurement devices for service validation or settlement, this Regulation establishes rights and responsibilities for system operators and service providers at principles level and sets out a minimum list of rules to be defined at national level, having regard to Article 7b of Regulation (EU) 2019/943, as amended by Regulation (EU) 2024/1747.

(35) A process for provisionally derogating system operators from the application of certain rules should be set out in this Regulation to take into account circumstances where exceptionally, for example, compliance with those rules could lead to risks concerning operational security.

(36) This Regulation has been developed in close cooperation with the ACER, the ENTSO for Electricity ('ENTSO-E'), the EU DSO entity and stakeholders, in order to adopt effective, balanced and proportionate rules in a transparent and participative manner. The amendment of the Regulation shall take place in accordance with Article 60 of Regulation (EU) No 2019/943.

HAS ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. This Regulation establishes a network code which lays down the requirements in relation to demand response, including rules on aggregation, energy storage, distributed generation, and demand curtailment, to contribute to market integration, non-discrimination, effective competition, and the efficient functioning of the market.

2. This Regulation also lays down the obligations for ensuring that resources and service providers have access to the electricity markets in accordance with the principles regarding the operation of electricity markets pursuant to Article 3 of Regulation (EU) 2019/943. This Regulation also facilitates the market-based procurement of local services by the system operators, ensuring the non-discriminatory access of all service providers to this process. In this respect, the provisions related to the procurement of local services are applicable where the market-based procurement of such services is implemented.

3. The requirements set out in this Regulation shall apply to transmission system operators ('TSOs'), distribution system operators ('DSOs') including closed distribution systems, regulatory authorities, the Agency for the Cooperation of Energy Regulators ('ACER'), the European Network of Transmission System Operators for Electricity ('ENTSO-E'), the European Distribution System Operators Entity ('EU DSO Entity'), third parties to whom responsibilities have been delegated or assigned and the involved market participants.

4. Where more than one TSO exists in a Member State, this Regulation shall apply to all TSOs in a Member State. Where a TSO does not have a function relevant to one or more obligations under this Regulation, Member States may provide that the responsibility to comply with those obligations is assigned to one or more specific TSOs.

5. Where more than one DSO exists in a Member State, this Regulation shall apply to all DSOs in a Member State. Where a DSO does not have a function relevant to one or more obligations under this Regulation, Member States may provide that the responsibility to comply with those obligations is assigned to one or more specific DSOs.

6. All system users, service providers, system operators responsible for operating a module of the flexibility information system and any third party pursuant to Article 16 shall be located

within the territory of the European Economic Area and shall ensure that all personnel operating data and all infrastructure are employed inside the territory of the European Economic Area.

7. This Regulation shall apply to all system states defined in Article 18 of Regulation (EU) 2017/1485.

Article 2

Definitions

For the purposes of this Regulation, the definitions in Article 2 of Directive (EU) 2019/944 of the European Parliament and of the Council, Article 2 of Regulation (EU) 2019/943, Article 2 of Commission Regulation (EU) 2015/1222, Article 2 of Commission Regulation (EU) 2016/631, Article 2 of Commission Regulation (EU) 2016/1388, Article 3 of Commission Regulation (EU) 2017/1485, Article 2 of Commission Regulation (EU) 2017/2195, and Article 2 of Commission Implementing Regulation (EU) 2023/1162 and the definitions stemming from the implementing acts pursuant to Article 24 of Directive (EU) 2019/944 shall apply.

In addition, the following definitions shall apply:

(1) 'metering point' means a physical location where the withdrawal or injection of electrical quantities is measured or calculated;

(2) 'accounting point' means a metering point or virtual metering point under balance responsibility of an entity where the energy supply is provided by an energy supplier, the settlement is performed ad where energy supplier change can take place;

(3) 'connection agreement point' means a point electrically closest to the connecting system operator's grid, and where one or more meters are located as defined in the connection agreement signed between the customer and the connecting system operator or another party on behalf of the connecting system operator;

(4) 'baseline' means a counterfactual reference about the electrical quantities that would have been withdrawn or injected if there had been no activation of any balancing or local services;

(5) 'baselining method' is the formula for the calculation of a specific baseline;

(6) 'congestion issue' means a situation when the electric current flow through a physical asset exceeds operational limits;

(7) 'voltage issue' means a situation when voltage is above, or below operational limits;

(8) ‘local market’ means the entirety of institutional, commercial and operational arrangements that establish market-based procurement of local services;

(9) ‘local service’ means energy or capacity provided to a TSO or DSO to solve congestion or voltage issues they have identified in their systems;

(10) ‘market-based procurement’ or ‘market-based mechanism’ means a service procurement process where either the selection of the service providers or the activation of the service is based on a bidding process;

(11) ‘local product’ means a product defined by the procuring system operator for the market-based procurement of a local service;

(12) ’DSO observability area’ means a DSO’s own distribution system and parts of other system operators’ distribution and transmission systems that are relevant for the operation of the DSO distribution system;

(13) ’system operator’ means transmission system operator (TSO) or distribution system operator (DSO);

(14) ‘connecting system operator’ means for the purposes of this Regulation the DSO or TSO responsible for the operation of the grid to which a controllable unit is connected;

(15) ‘requesting system operator’ means for the purposes of this Regulation the DSO or TSO requesting ~~data or~~ remedial action;

(16) ‘procuring system operator’ means the DSO or TSO procuring balancing or local services;

(17) ‘impacted system operator’ means any DSO or TSO significantly impacted by congestion or voltage issues on the grid of another system operator, or significantly impacted by balancing and local services bids from SPU or SPG connected to another system, or whose system or system users may provide solutions to these issues, or whose data on the system or the system users are necessary to forecast, detect or solve such issues;

(18) ‘flexibility information system’ means a system to record at least the qualification of service providers, the product prequalification, product verification and grid prequalification of SPUs and SPGs, the temporary limits set by system operators and the switch of controllable units for the provision of balancing and local services and to exchange of data for such processes;

(19) ‘CU module’ means a functional platform of a ‘flexibility information system’ that contains, manages, and makes available data about controllable units;

(20) ‘SP module’ means a functional platform of a ‘flexibility information system’ that

contains, manages, and makes available data about service providers, service providing groups, service providing units and system users;

(21) 'controllable unit' or 'CU' means a single power-generating module and/or demand unit pursuant to Article 2(5) of [RfG NC 2.0] and Article 2(4) of [DC NC 2.0];

(22) 'small controllable unit' or 'small CU' means a controllable unit with a maximum continuous active power that the controllable unit can produce or consume, less any demand or losses associated solely with facilitating the operation of that controllable unit, of less than or equal to 50kW;

(23) 'service provider' or 'SP' means a market participant with service providing units or service providing groups able to provide system operator services in a balancing or local market;

(24) 'service provider qualification' or 'SP qualification' means the process aiming at verifying the market participant's capability to deliver a balancing or local service fulfilling the necessary criteria for market access, thereby becoming an authorised service provider;

(25) 'service providing unit' or 'SPU' means a single controllable unit or an ensemble of controllable units connected to the same single connection agreement point. SPU is defined by the service provider to provide balancing or local services;

(26) 'service providing group' or 'SPG' means an aggregation of controllable units or service providing units connected to more than one connection agreement point within the same scheduling area. SPG is defined by the service provider to provide balancing or local services;

(27) 'grid prequalification' means the process by the connecting system operators and the impacted system operators to ensure that the delivery of balancing or local service(s) by a SPU, a SPG or parts of a SPG does not compromise the safety and operational conditions of connecting and impacted grids;

(28) 'locational information' means geographical or topological information about the location of the accounting point or connection point in the grid;

(29) 'product prequalification' means the process of verifying, prior the delivery of the service, the compliance of a potential SPU or SPG with the product requirements to provide balancing or local services;

(30) 'product verification' means the process of verifying, after the delivery of service, the compliance of a SPU or SPG with the product requirements to provide balancing or local services;

(31) ‘product requirements’ mean the technical and data exchange requirements set by the procuring system operator(s) for the delivery of a balancing or local product;

(32) ‘activation test' means a test whereby the procuring system operator sends an activation signal to ensure that the SPU or SPG is capable of being activated and meets the product requirements;

(33) ‘communication test’ means a test whereby a procuring system operator sends test signals to the service provider to verify that the service provider’s ICT system meets the qualification requirements;

(34) ‘rebound effect’ means the alteration of injection or withdrawal of electricity by a SPU or SPG in the opposite direction to the activation before or after the activation period due to the provision of a local or balancing service;

(35) ‘compensation effect’ means the alteration of injection or withdrawal of other non-activated controllable units during the activation period of a local or balancing service, that counteracts the effects of the activation;

(36) ‘temporary qualification’ means the preliminary status granted to a SPU or SPG to allow their provision of balancing or local services until the product verification is concluded

(37) ‘real time’ means, in the context of this Regulation, a short time period, usually down to seconds or up to the imbalance settlement period in the national market and is related to the definition of near real-time in Directive (EU) 2019/944.

Article 3

Objectives and regulatory aspects

1. This Regulation aims at:

   (a) setting out clear and objective principles for the development of rules regarding demand response, energy storage, distributed generation and demand curtailment, including rules on aggregation.

   (b) respecting the principles of non-discrimination and technology neutrality, whilst having due regard to the particularities of demand response, energy storage, distributed generation and demand curtailment including aggregation, and the potential needs resulting thereof for adapting current and future rules.

   (c) contributing to market integration, non-discrimination, effective competition and the efficient functioning of the market, while not endangering the secure operation of the

power system.

(d) ensuring access of all available resources to all electricity markets, including for balancing, congestion management and voltage control, in accordance with the principles regarding its operation pursuant to Article 3 of the Regulation (EU) 2019/943.

(e) removing all undue barriers for the participation of these resources in all electricity markets, and establishing European principles for the assessment of the need for, the market-based procurement of and the use of local services;

(f) establishing clear, digital and streamlined processes, roles and responsibilities on a European level, where relevant.

2. When applying the provisions of this Regulation, Member States, competent regulatory authorities and system operators shall:

(a) apply the principles of proportionality and non-discrimination;

(b) ensure transparency;

(c) apply the principle of optimisation between the highest overall efficiency and lowest total costs for all parties involved, including different types of system users and taking into account uncertainty about future needs;

(d) respect the tasks and responsibilities assigned to the system operators defined in Union legislation;

(e) consult with relevant stakeholders and take account of potential impacts on their system; and

(f) take into consideration the European standards and European technical specifications.

Article 4

National rules of procedure to develop common national terms and conditions

1. By [six months] after entry into force of this Regulation, each Member States or the designated entity shall establish the rules of procedure at national level according to which the system operators shall develop the proposals for the common national terms and conditions referred to in Article 6.

2. The rules of procedure of paragraph 1 for the development of proposals for the common national terms and conditions shall specify at least the following:

~~(a)~~ the nomination of the system operators responsible for the development of proposals for the common national terms and conditions in the context of this Regulation;~~the participation of all competent system operators, their representation and their respective roles and responsibilities, specifically for the development of proposals for the common national terms and conditions in the context of this Regulation;~~

~~(b)~~(a) the voting rules (e.g. consensus, majority options etc.) for agreeing on proposals;

~~(c)~~(b) the process of safeguarding the involvement of the affected stakeholders during the development of the proposals for common national terms and conditions;

~~(d)~~(c) transparency ensured through meeting minutes and access to the documents;

~~(e)~~(d) the procedure to propose amendments to the common national terms and conditions pursuant to Article 7(2).

Article 5

Common national terms and conditions

1. All system operators of each Member State shall develop proposals for the common national terms and conditions required by this Regulation and jointly submit them for approval to the regulatory authority within the respective deadlines set out in this Regulation following the approval of the national rules of procedure referred to in Article 6.

2. Where system operators fail to submit a proposal for common national terms and conditions to the relevant regulatory authority within the deadlines defined in this Regulation, they shall provide the regulatory authority with the relevant drafts of the terms and conditions and explain why an agreement has not been reached. The regulatory authority shall investigate the reasons for the failure and inform ACER thereof. The regulatory authority shall take the appropriate steps to make possible the adoption of the required terms and conditions within six months from the receipt of the system operators' information.

Article 6

Approval of common national terms and conditions

1. The proposals for the following common national terms and conditions shall be subject to approval by the regulatory authority of each Member State:

   (a) for establishing the processes for the definition, calculation and validation of baseline methods for local services and other wholesale energy products pursuant to Article 22;

   (b) for service providers pursuant to Article 19;

(c) for a flexibility information system pursuant to Article 33; and

(d) for TSO-DSO and DSO-DSO coordination pursuant to Article 54.

2. The proposals for common national terms and conditions shall include a proposed timescale for their implementation and shall be accompanied by a description of their expected impact on the objectives of this Regulation. The implementation timescale shall not be longer than [12 months] after the approval by the regulatory authority, except where different timescales are stipulated in this Regulation.

3. The regulatory authority shall revise and decide on the submitted proposals for common national terms and conditions in accordance with paragraph 1, within [six months] following the receipt of the proposal common for national terms and conditions from system operators.

4. Any party may complain against system operators in relation to that system operators' obligations or decisions under this Regulation and may refer the complaint to the regulatory authority which, acting as dispute settlement authority, shall issue a decision within two months after receipt of the complaint. That period may be extended by a further two months where additional information is sought by the regulatory authority. That extended period may be further extended with the agreement of the complainant. The regulatory authority's decision shall be binding unless and until overruled on appeal.

Article 7

Amendments to common national terms and conditions

1. Where the regulatory authority requests an amendment to approve the common national terms and conditions submitted in accordance with Article 6, the relevant system operators shall submit a proposal for amended terms and conditions for approval within [two months] following the requirement from the regulatory authority. The regulatory authority shall decide on the amended terms and conditions within [two months] following their submission.

2. System operators responsible for developing a proposal for common national terms and conditions or the regulatory authority responsible for their adoption in accordance with Article 6 may request amendments to those terms and conditions. The proposals for amendments to the common national terms and conditions shall be submitted to consultation in accordance with the procedure set out in Article 9 and approved in accordance with the procedure set out in Article 6.

Article 8

Publication of common national terms and conditions

Each system operator responsible for establishing the common national terms and conditions in accordance with this Regulation shall publish them on the internet after approval by the regulatory authorities or, if no such approval is required, after their establishment, except where such information is considered as confidential in accordance with Article 18.

Article 9

Public consultation for common national terms and conditions

1. All system operators of each Member State responsible for submitting proposals for the common national terms and conditions or their amendments in accordance with this Regulation shall consult stakeholders, including the relevant authorities of the Member State, on the draft proposals for common national terms and conditions listed in Article 6(1) of this Regulation. The public consultation shall last for a period of not less than [one month].

2. All system operators of each Member State, responsible for developing the proposal for the common national terms and conditions shall duly consider the views of stakeholders resulting from the consultations prior to its submission for regulatory approval. In all cases, a sound justification for including or not the views resulting from the consultation shall be provided together with the submission of the proposal to the regulatory authority for approval and published in a timely manner before, or simultaneously with the submission for approval of the proposal for common national terms and conditions.

Article 10

Union-wide methodologies

1. ENTSO-E and EU DSO Entity, or all TSOs if so specified, shall develop the proposals for the Union-wide methodologies required by Article 11 and submit them for approval to ACER.

2. Where ENTSO-E and EU DSO Entity are responsible for developing proposals for Union-wide methodologies pursuant to Article 11(1), they shall closely cooperate and regularly inform ACER accordingly.

3. Where ENTSO-E and the EU DSO Entity do not reach an agreement or fail to submit an initial or amended proposal for Union-wide methodologies to ACER pursuant to Article11(1) within the deadlines set out in this Regulation, they shall provide ACER with

the relevant drafts of the proposals for the Union-wide methodologies and explain why an agreement has not been reached. ACER shall take the appropriate steps for the adoption of the required Union-wide methodologies, for instance by requesting amendments or revising and completing the drafts pursuant to this paragraph, including where no drafts have been submitted.

Article 11

Approval of Union-wide methodologies

1. The proposals developed by ENTSO-E and EU DSO Entity for the following Union-wide methodologies shall be subject to approval by ACER:
   (a) for simplified product prequalification processes in accordance with Article 29;
   (b) for market-based procurement of congestion management and the product attributes for a European Table of Equivalences in accordance with Article 41.
2. The proposals for Union-wide methodologies shall include a proposed timescale for their implementation and shall be accompanied by a description of their expected impact on the objectives of this Regulation. The implementation timescale shall not be longer than [12 months] after the approval by ACER, except where ACER agrees to extend the implementation timescale.
3. ACER shall approve the Union-wide methodologies developed by ENTSO-E and the EU DSO Entity pursuant to paragraph 1 within [6 months] following their submission according to Article 10(1). Before approving the Union-wide methodologies, ACER shall revise the proposals where necessary, after consulting ENTSO-E and EU DSO Entity, or TSOs, as appropriate, to ensure that they are in line with the purpose of this Regulation.
4. Following the approval by ACER of the methodologies of this Article, and if required for the applicability of these methodologies at national level, the relevant system operators of each Member State shall submit a proposal for the amendment of the common national terms and conditions for approval by the regulatory authority according with Article 5 and Article 6 and of this Regulation.

Article 12

Amendments to Union-wide methodologies

1. Where ACER requires an amendment in order to approve the Union-wide methodologies submitted pursuant to Article 10 and Article 11, ENTSO-E and EU DSO Entity, or all

TSOs if so specified, shall submit a proposal for amended methodologies for approval within [two months] following the request from ACER. ACER shall decide on the amended Union-wide methodologies within [two months] following their submission.

2. ENTSO-E and EU DSO Entity responsible for developing a proposal for Union-wide methodologies or ACER responsible for their adoption pursuant to Article 11 may propose amendments to those methodologies.

3. The proposals for amendments to the Union-wide methodologies shall be submitted to consultation in accordance with the procedure set out in Article 14 and approved in accordance with Article 11.

Article 13

Publication of Union-wide methodologies

ENTSO-E and EU DSO Entity shall publish the Union-wide methodologies on the internet after approval by ACER.

Article 14

Public consultation for Union-wide methodologies

1. ENTSO-E and the EU DSO Entity, responsible for submitting proposals for the Union-wide methodologies and their amendments in accordance with this Regulation shall consult stakeholders, including the relevant authorities of each Member State, on the draft proposals for the Union-wide methodologies listed in Article 11. The public consultation at Union level shall last for a period of not less than 1 month.

2. ENTSO-E and the EU DSO Entity, responsible for developing the proposal for the Union-wide methodologies shall duly consider the views of stakeholders resulting from the consultations prior to its submission for approval. In all cases, a sound justification for including or not including the views resulting from the consultation shall be provided together with the submission of the proposal to ACER for approval and published in a timely manner before, or simultaneously with the submission for approval of the proposal for the Union-wide methodologies.

Article 15

Stakeholders´ involvement

ACER, in close cooperation with EU DSO Entity and ENTSO-E, shall organise stakeholder involvement regarding demand response and other aspects of the implementation of this

Regulation. Such involvement shall include regular meetings with stakeholders to identity implementation problems and areas for improvements notably related to the areas covered in this Regulation.

Article 16

Delegation and assignment of tasks

1. System operators may delegate all or part of any tasks with which it is entrusted under this Regulation to one or more third parties or system operators in case they can carry out the respective function at least as effectively as the delegating system operator. The delegating system operator shall remain responsible for ensuring compliance with the obligations under this Regulation, including ensuring access to information necessary for monitoring by the relevant regulatory authorities in accordance with Article 59(1b) of Directive (EU) 2019/944.

2. Prior to the delegation, the delegated party shall demonstrate to the delegating system operator its ability to meet the tasks to be delegated.

3. In the event that all or part of any tasks specified in this Regulation are delegated to another party, the delegating system operator shall ensure that suitable confidentiality agreements in accordance with the confidentiality obligations of the delegating system operator have been put in place prior to the delegation. After delegating all or part of any tasks to another party, the delegating system operator shall inform the relevant regulatory authority and publish this decision on the internet.

4. Without prejudice to the tasks entrusted to system operators pursuant to Directive (EU) 2019/944, a Member State, or where applicable a relevant regulatory authority, may assign tasks or obligations entrusted to system operators under this Regulation to one or more assigned parties, including a TSO or a DSO. Prior to the assignment, the party concerned shall demonstrate to the Member State, or where applicable the relevant regulatory authority, its ability to meet the task to be assigned.

5. In the event that tasks and obligations are assigned to a third party or a transmission or distribution system operator by a Member State, or a regulatory authority, references to system operators in this Regulation shall be understood as referring to the assigned party. The relevant regulatory authority shall ensure regulatory oversight of the assigned party in respect of the assigned tasks and obligations.

Article 17

Recovery of Costs

1. The costs borne by the relevant system operators, subject to network tariff regulation and stemming from the obligations laid down in this Regulation shall be assessed by the relevant regulatory authorities. Costs assessed as reasonable, efficient, and proportionate shall be recovered through the network tariffs of the respective system operators or other appropriate mechanisms.

2. If requested by the relevant regulatory authorities, the system operators referred to in paragraph 1 shall, within three months of the request, provide the information necessary to facilitate assessment of the costs incurred.

3. Any costs incurred by market participants in meeting the requirements of this Regulation shall be borne by those market participants.

Article 18

Confidentiality Obligations

1. Any confidential information received, exchanged, or transmitted pursuant to this Regulation shall be subject to the conditions of professional secrecy laid down in paragraphs 2, 3 and 4.

2. The obligation of professional secrecy shall apply to any natural or legal persons subject to the provisions of this Regulation.

3. Confidential information received by the persons or regulatory authorities referred to in paragraph 2 in the course of their duties may not be divulged to any other person or authority, without prejudice to cases covered by national law, the other provisions of this Regulation or other relevant Union legislation.

4. Without prejudice to cases covered by national law or Union legislation, regulatory authorities, bodies or persons who receive confidential information pursuant to this Regulation may use it only for the purpose of carrying out their duties under this Regulation, except where written consent has been provided by the primary owner of the data.

TITLE II

GENERAL REQUIREMENTS FOR MARKET ACCESS

Article 19

National terms and conditions for service providers

1. The national terms and conditions for service providers in this Regulation refer to ~~the national terms and conditions for balancing service providers when the requirements of this Regulation refer to balancing services and to~~ the national terms and conditions for service providers of local services when the requirements of this Regulation refer to local services procured in accordance with a market-based mechanism.

2. No later than [12 months] after the approval of the national rules of procedure of a Member State pursuant to Article 4, all system operators of a Member State shall develop a proposal for national terms and conditions for service providers.

3. The national terms and conditions for service providers shall aim at simplifying the access to balancing and local services and avoiding duplications when prequalification processes are justified.

4. The national terms and conditions for service providers shall at least specify:

   (a) the rules for the use of data from dedicated measurement devices, if applicable, pursuant to Article 21;

   (b) the national table of equivalences and the procedures to ensure a simplification of the prequalification process pursuant to Article 24;

   (c) the process and requirements for a market participant to qualify as a service provider pursuant to Article 25;

   (d) the pre-conditions and applicability of the product verification and product prequalification pursuant to Article 26;

   (e) the process and requirements for product verification pursuant to Article 27, for product prequalification pursuant to Article 28 and for grid prequalification pursuant to Article 31;

   (f) the criteria to reassess and require a full or partial repetition of the product verification or product verification pursuant to Article 30;

   (g) the rules to switch controllable units between service providers pursuant to Article 32;

(h) the rules for the market-based procurement of local services pursuant to Article 41; and

(i) the requirements on data exchange from service providers and system users pursuant to Title VIII.

Article 20

Methods for calculating injections and withdrawals

1. The injections and withdrawals for the settlement of the system operation services and the imbalance settlement shall be calculated based on the metering equipment of the connection point~~,~~. ~~unless~~If the controllable unit uses its own method of calculating injections and withdrawals of energy, including a dedicated measurement device~~,~~; ~~in this case~~ this method ~~shall~~may be used for the abovementioned purposes, if the data granularity allows it.

2. A controllable unit connected to a metering point with a conventional meter shall only be allowed to be part of a SPU or SPG, using their own method of calculating injections and withdrawals of energy, including a dedicated measurement device.

Article 21

Framework for the validation and quality of data from dedicated measurement devices

1. The national terms and conditions for service providers or, as applicable, the respective national legislation shall define at least the following rules for the use of data from dedicated measurement devices, pursuant to [Article 7b(3) of Regulation (EU) 2019/943, as amended by Regulation (EU) 2024/1747]:

   (a) data exchange requirements for dedicated measurement devices for verification of dedicated measurement device data quality, service validation and settlement;

   (b) rules and responsibilities for verification of dedicated measurement device data quality, service validation of and settlement, and rules for calculation of validation data in case raw data from dedicated measurement devices is unavailable or insufficient; and

   (c) principles and requirements for parties involved in the collection, management, transfer and storage of dedicated measurement device data.

2. When data from a dedicated measurement device is used for settlement or validation, the service provider shall be responsible for acquiring the relevant measurement data from the dedicated measurement device and make the relevant measurement data available to the procuring system operator.

3. When data from a dedicated measurement device data is used for validation or settlement,

system operators shall be entitled to verify the quality of measurements provided by dedicated measurement devices.

4. To perform the activities referred to in paragraph 3, system operators shall be entitled to use:

   (a) upon consent of the relevant system user and given that the activities are non-discriminatory to potential other users, the standardised or remote interface for non-validated near real-time data pursuant to Article 20(a) of Directive (EU) 2019/944;

   (b) calculations and measurements from other sources.

5. Within 24 months after the entry into force of this Regulation, ACER shall assess whether EU-wide harmonised rules are needed concerning the technical requirements to the measurement devices of controllable units, including dedicated measurement devices, which are used to calculate injections and withdrawals of energy with the purpose to effectuate the settlement of the system operation services and imbalance settlement.

Article 22

National terms and conditions for baselining methods

1. No later than [12 months] after the approval of the national rules of procedure of a Member State pursuant to Article 4 of this Regulation, all system operators of a Member State shall develop a common proposal regarding the processes for the definition, calculation and validation of the baselining methods.

2. The terms and conditions pursuant to paragraph 1 shall include at least the following:

   (a) the roles and responsibilities of the stakeholders providing balancing, local services and participating in other wholesale markets, regarding the development and implementation of baselines;

   (b) the process of validating the baseline;

   (c) the minimum set of data necessary to implement the respective baselining method, and the granularity required for the respective service provision;

   (d) an obligation to share necessary data with all relevant stakeholders for implementing the respective baselining method, and the frequency for sharing them, as required for the respective service provision; and

   (e) a recurring evaluation process for assessing if a proposed baselining method out of the European baselining method register as specified in paragraph 4 is fit for purpose.

3. The baselining methods shall:

   (a) be recalculable and transparent;

   (b) prevent pretended activation and contrary action of services;

   (c) be precise, accurate and unbiased so that they deliver reliable results;

   (d) consider compensation effects and, if applicable, also any proven rebound effects; and

   (e) use, if possible, the existing available data.

4. ENTSO-E and EU DSO entity shall publish on their website a baselining method register based on the national terms and conditions pursuant to paragraph 1, with at least a yearly update. The explanation of the baselining methods shall be provided in English.

Article 23

Validation of the baselining method

1. Where the data used for determining the provision of a service is based on measurement, the granularity of the data used shall be the imbalance settlement period, unless higher resolution is required for determining the activation of a service by the procuring system operator.

2. The procuring system operator shall have the right to require from the service provider all data necessary to validate the provision of the respective service.

3. The concerned stakeholders identified within the Member State shall have the right to receive from the respective system operator relevant data of their customers upon consent to execute a validation of a services provided to system operators, provided it does not violate commercially sensitive information or Regulation (EU) 2016/679.

TITLE III

QUALIFICATION REQUIREMENTS AND PROCESSES

CHAPTER 1

REQUIREMENTS FOR QUALIFICATION, VERIFICATION AND PREQUALIFICATION

Article 24

Table of Equivalences

1. The national table of equivalences shall:

   (a) provide an overview of the product requirements per attribute of all balancing and local products where product prequalification or product verification are applicable;

   (b) consider the attributes for balancing products as defined in Article 25(4)-(5) of the Commission Regulation (EU) 2017/2195 and for local products as defined in Article 47;

   (c) identify equivalences per attribute between the product requirements of the different products and recognise the more and less demanding product requirements per attribute and product. The voltage level of each product shall be considered when setting the equivalences; and

   (d) include procedures to ensure a simplification when a new product prequalification(s) is required to SPU(s) or SPG(s) already registered in the flexibility information system after being prequalified or verified for at least one product;

   (e) be publicly available.

2. When defining a new balancing or local product or when amending an existing product, the procuring system operator shall include the product requirements in the table of equivalences and implement the procedures to ensure a simplification of the product prequalification, where applicable, as referred to in paragraph 1.

3. The national terms and conditions for balancing service providers shall define the national table of equivalences and the procedures to ensure a simplification of the prequalification process pursuant to this article. When at least one system operator in a Member State procures local services in accordance with a market-based mechanism, all the requirements on the table of equivalences according to this article shall be part of the national terms and conditions for service providers of local services pursuant to Article 19.

Article 25

Qualification ~~for~~as service provider

Kommentiert [BDEW1]: Alternatively: Qualification for service providers

1. Each market participant shall be qualified as a service provider by the procuring system operator before accessing balancing or local services under the condition of fulfilling the following requirements for the corresponding product:

   (a) fulfil financial prerequisites;

   (b) ensure that the ICT system required for the corresponding product enables:

      (i) reception, processing and responding to signals necessary for the delivery of the service;

      (ii) exchange and processing of measurement data necessary for the quantification of services, baselining and settlement as described in Article 20, Article 22 and Article 44, respectively;

      (iii) if applicable for the product, monitoring of near real-time and ex-post service delivery; and

      (iv) exchange of schedule and real-time data pursuant to Article 61(3) and (5).

   (c) perform a communication test to verify the requirements set out in paragraph 1(b), if defined in the national terms and conditions for service providers.

   (d) provide the following information if defined in the national terms and conditions for service providers:

      (i) the technical means to provide the service including the type of assets and switchgear involved;

      (ii) the communication systems, including software and hardware tools;

      (iii) the expected availability of the proposed service;

      (iv) possible compensation effects and how they will be managed; and

      (v) possible rebound effects and how these might be handled.

2. All procuring system operators shall follow a simplified qualification process when a market participant is already qualified for at least one balancing or local product and thereafter applies for the participation in another product.

3. In case a service provider provides the same product to more than one procuring system

operators it shall be qualified only once for this product, by any of the relevant procuring system operators. Each procuring system operator shall have the right to perform a communication test as referred to in paragraph 1(c) while ensuring a minimum burden for the service provider.

4. The service provider shall inform the procuring system operator about any change in its ICT system with potential effect on the reliability and efficiency of its service provision. The procuring system operator shall have the right to require to re-perform a communication test when the reliability of the service provision due to a significant change in the ICT system may be compromised, if defined in the national terms and conditions for service providers

5. Any market participant who applies to qualify as a service provider shall register all relevant data necessary for its qualification in the relevant SP module of the flexibility information system. The procuring system operator(s) shall verify the provided data.

6. The procuring system operator shall update the qualification status of the service provider in the relevant SP module of the flexibility information system. The time needed for this update shall be minimised to one business day.

Article 26

Principles, Pre-Conditions and Applicability of the product verification and product prequalification processes

1. Before a service provider applies for product prequalification or product verification:

   (a) the relevant system user(s) shall register the data of the CUs pursuant to Article 61(1) in the relevant CU module of the flexibility information system, according to the registration procedure set out in Article 37(1)(a); and

   (b) the service provider shall register the data of the potential SPU(s) or SPG(s) pursuant to Article 61(2) in the relevant SP module of the flexibility information system, according to the registration procedure set out in Article 36(1)(a).

2. Each controllable unit shall be assigned to a maximum of one service provider per activation period.

3. The national terms and conditions for service providers shall define the application process. It shall start with the submission of a formal application through the flexibility information system by the service provider and shall conclude with the confirmation by the procuring system operator that the application is complete before starting the product verification process as set out in Article 27 or the product prequalification process as set out in Article

28.

4. The procuring system operator shall be responsible for the product prequalification or product verification process applicable to each product. When multiple system operators procure the same product from the same SPU or SPG, such a SPU or SPG shall be prequalified or verified by a single procuring system operator.

5. The service provider applying to provide balancing products, congestion management or voltage control products shall by default be subject to a product verification at SPU or SPG level pursuant to Article 27.

6. The procuring system operator shall have the right to propose, subject to the approval of the regulatory authority, a product prequalification instead of product verification on SPU or SPG level according to paragraph 5, where at least one of the following criteria is fulfilled:

   (a) applicable to all products, the potential SPU or SPG is allocated to a service provider that has not successfully passed a product verification for the same product and was suspended following the suspension procedure pursuant to Article 36(1)(d);

   (b) applicable for balancing products, if the capacity of the potential SPU or SPG to verify exceeds 500 kW, or where the potential SPU or SPG shall deliver a specific balancing product that is designed to be activated when the system is in "alert state" or "emergency state" as referred to in Article 18 of Commission Regulation (EU) 2017/1485;

   (c) applicable for congestion management and voltage control products, if the capacity of the potential SPU or SPG to verify exceeds a threshold defined in the national terms and conditions for service providers. This threshold shall consider the voltage level of the product and the effect of significant change in the load-flow or in voltage, or possible unsolved congestions in the grid of the impacted system operators from an inadequate activation.

7. The prequalification of a SPU or SPG to provide balancing or local services, including the application process as referred to in paragraph 3, shall be carried out within the shortest possible time, which shall be defined in the national terms and conditions for service providers and shall respect the requirements set out in Article 12(1) of the Directive (EU) 2019/944.

8. The service provider shall ensure that its potential SPU(s) or SPG(s) meets the product requirements of the product for which product prequalification or product verification is required according to the national table of equivalences pursuant to Article 24 and is able to provide the procuring system operator with the required data according to the national table of equivalences.

9. The approval of a product prequalification or product verification process shall not depend on the performance of individual controllable units included in the SPU or SPG, but on the performance of the entire SPU or SPG under prequalification or verification.

10. When a SO defines a new balancing, congestion management or voltage control product, it shall develop the prequalification process or the verification process for the respective product pursuant to the requirements set out in this Regulation and the Commission Regulation (EU) 2017/2195, in the national terms and conditions for service providers.

Article 27

Requirements and process for product verification for service providing units or service providing groups

1. After the procuring system operator confirms that the application is complete pursuant to Article 26(3), each potential SPU or SPG shall have a temporary qualification for the preliminary provision of the respective service, until the procuring system operator verifies whether the potential SPU or SPG proves full compliance with the product requirements set out in the national table of equivalences according to Article 24 and the verification criteria defined in national terms and conditions for service providers.

2. The national terms and conditions for service providers shall:

   (a) set the maximum timeframe for the procuring system operator to perform the product verification according to the verification criteria.

   (b) describe the process to follow in case of a negative result of the product verification of a SPU or SPG.

   (c) specify which data the service providers shall measure and store on CU level for verification purposes and describe the cases for which this data storage would be required for longer than the maximum timeframe to perform the product verification as set out in paragraph 2(a).

3. When the minimum verification criteria are not reached within the maximum timeframe, the procuring system operator shall have the right to require an activation test for verification purposes only if allowed in the national terms and conditions for service providers.

Article 28

Requirements and process for product prequalification for service providing units or service providing groups

1. After the procuring system operator confirms that the application is complete pursuant to Article 26(3), the procuring system operator in coordination with the service provider shall perform a product prequalification of the potential SPU or SPG to evaluate its technical characteristics in comparison with the corresponding product requirements.

2. As part of the evaluation as referred to in paragraph 1, the procuring system operator may require the potential SPU or SPG to pass an activation test. The performance of such an activation test shall be conditional upon the fulfilment of the requirements set out in the national terms and conditions for service providers and shall only be possible in cases where a demonstration of the capability of the SPU or SPG to deliver the product is necessary to ensure system security or secure network operation.

3. When the potential SPU or SPG exclusively consists of small controllable units, controllable units that are identical to controllable units being part of other SPUs or SPGs previously prequalified by any SP for the relevant product, or a combination of both:

   (a) The procuring system operator shall simplify the evaluation referred to in paragraph 1; and

   (b) if the procuring system operator requires an activation test pursuant to paragraph 2, it shall be performed on a limited number of controllable units of the potential SPU or SPG, further specified in the national terms and conditions for service providers.

Article 29

Further harmonisation of qualification, verification and prequalification requirements and processes

1. Within 6 months after entry into force of this Regulation, all TSOs shall develop a proposal for a Union-wide methodology to harmonise the qualification of service providers and the product prequalification and grid prequalification of SPUs and SPGs for standard balancing products in accordance with Article 10. The proposal shall describe a harmonised process in terms of steps, lead times, requirements and assessment criteria for each standard balancing product.

2. Within 12 months after entry into force of this Regulation, ENTSO-E and EU DSO entity shall develop a proposal for a Union-wide methodology for further simplification of the product prequalification processes in accordance with Article 10. The proposal shall identify cases where product prequalification can be replaced by product verification and

shall describe simplifications in the processes, requirements and activations tests where applicable, including specific simplifications where at least a potential SPU or SPG exclusively consists of small controllable units or controllable units that are identical to controllable units being part of other SPUs or SPGs previously prequalified by any SP.

Article 30

Criteria to reassessing and requiring a new product prequalification or product verification

1. [No later than 10 business days prior to changes] to a SPU, SPG or CU:

   (a) the system user shall update the data of the CU pursuant to Article 61(1) in the relevant CU module of the flexibility information system, according to the update procedure set out in Article 37(1)(b); and

   (b) the service provider shall update the data of the SPU or SPG pursuant to Article 61(2) in the relevant SP module of the flexibility information system, according to the update procedure set out in Article 36(1)(c).

2. The procuring system operator shall have the right to, subject to the approval of the regulatory authority, reassess and require to pass a full or partial repetition of the product prequalification or product verification on a SPU or SPG level, respecting the applicability of the product prequalification or product verification pursuant to Article 26 and in accordance with Articles 155(6)(b)-(c), 159(6)(b) and 162(5)(b) of Regulation (EU) 2017/1485 when at least one of the following situations occur:

   (a) if the prequalified or verified capacity of a SPU or the SPG is modified more than 10% or 3 MW, whichever is lower compared to the previous product prequalification or product verification process of the SPU or SPG, due to additions or removals of controllable units, or an increase or decrease of the prequalified or verified capacity of the existing controllable units;

   (b) if the service provider changes the communication system for SPU or SPG control;

3. The procuring system operator shall notify the service provider on the need to pass a full or partial repetition of the product prequalification or product verification on SPU or SPG level pursuant to paragraph 2 [within 1 business day] after the notification of the change pursuant to paragraph 1.

4. When the procuring system operator requests to pass a full or partial repetition of the product prequalification pursuant to paragraph 2, the service provider shall be entitled to continue the service provision with the affected SPU or SPG according to the conditions set

out in the national terms and conditions for service providers.

Article 31

Grid prequalification for service providing units or service providing groups

1. The connecting system operators and impacted system operators shall have the right to perform a grid prequalification of SPU(s), SPG(s) or parts of SPG(s) before or in parallel to the product prequalification or product verification processes to ensure that the delivery of the balancing or local services does not compromise the safe operation of the transmission and distribution grids. This process shall be consistent with the requirements of Article 182 of Commission Regulation (EU) 2017/1485.

2. The duration of the grid prequalification process shall not prolong the duration of the product prequalification process or product verification process for the relevant SPU(s) or SPG(s).

3. Each connecting system operator and impacted system operator shall apply the following process for the grid prequalification of SPG(s) or SPU(s):

   (a) Each system operator shall forecast its future grid status and identify situations where the provision of balancing or local services from SPU(s), SPG(s) or parts of SPG(s) may compromise the safe operation of the connecting or intermediate grid or may create congestion or voltage issues and, if applicable, of the impacted/intermediate grids. This analysis shall at least consider:

      (i) one or several different network topologies;

      (ii) voltage levels;

      (iii) forecasted generation and consumption;

      (iv) scheduled generation and consumption;

      (v) delivery of power if the awarded bids from SPU(s), SPG(s) or parts of SPG(s) are activated alone or in combination; and

      (vi) connection agreement provisions.

   (b) The grid prequalification of SPU, SPG and parts of SPG shall result in one of the following status:

      (i) “grid prequalification approved” if the activation of the SPU, SPG or parts of the SPG respect the operational limits;

(ii) “grid prequalification conditionally approved” if the activation of the SPU, SPG or parts of the SPG only respects the operational limits under some conditions. In this case, the relevant system operator(s) shall set the time and/or quantity for the direction for delivery service; or

(iii) “grid prequalification not approved” in other cases.

(c) Each system operator shall communicate the result of the grid prequalification process to the concerned parties through the flexibility information system.

(d) If the relevant system operator does not notify the grid prequalification status before the product prequalification process is completed or in the period set in the national terms and conditions for service providers pursuant to Article 19 when a product verification process applies, the grid prequalification status shall be automatically approved in line with the applicable process and timeline.

(e) Where the status is “grid prequalification conditionally approved” or “grid prequalification not approved”, the relevant system operator shall describe the reason(s) including a justification on why the issue cannot be addressed with setting temporary limits in a short-term procedure according to Article 58.

4. Each system operator is entitled to update the grid prequalification status when:

(a) the structural data on the grid changes;

(b) data on system users used for the grid prequalification changes; or

(c) the criteria described in Article 30(2) are met.

5. Each service provider shall respect the grid prequalification status set for its SPU(s), SPG(s) or parts of SPG(s) when configurating bids and activating CUs to deliver balancing or local services.

6. Each system operator shall maximise the number of approved grid prequalification results by implementing efficient national criteria and the process pursuant to paragraph 3, and meeting the following requirements:

(a) focusing on frequent and general scenarios for grid prequalification and leaving specific cases to be evaluated pursuant to in the process to set temporary limits in accordance with Article 58;

(b) optimising safety margins; and

(c) efficiently coordinating the grid prequalification process with the process for setting

temporary limits where applicable.

7. The national terms and conditions for service providers pursuant to Article 19 shall:

   (a) specify the process as referred to in paragraph 3 and define the timeline and methodology for connecting system operators and impacted system operators to perform a grid prequalification. This process shall be consistent with Article 182(4) of Regulation (EU) 2017/1485 for balancing services. The methodology shall be public, transparent, verifiable, and accurate;

   (b) define the concerned parties responsible for applying the result of the grid prequalification process pursuant to paragraph 3(c) including the procuring system operator(s) and the concerned service provider(s);

   (c) set the system operator responsible for performing the grid prequalification, where relevant;

   (d) define the list of criteria to set the "grid prequalification conditionally approved" status as defined in paragraph 3(b); and

   (e) define the efficient criteria to maximise the number of grid prequalification results approved as referred to in paragraph 6.

8. The system operators, as applicable, shall annually report information to the regulatory authority on the SPU(s), SPG(s) and parts of SPG(s) with non-approved or conditionally approved grid prequalification and the reasons for such results.

Article 32

Switching of controllable units between service providers

1. When a system user requests to switch a controllable unit to another service provider, such a service provider shall provide information in the flexibility information system on the assignation of the respective CU to its SPU(s) or SPG(s) [sufficiently before the intended switch date to respect the requirements of the prequalification process pursuant to Article 26(7)].

2. The system operator(s) responsible for the relevant CU module(s) shall inform the affected parties, including the previous service provider, about the switching request and shall confirm the assignation of the concerned CU to the new service provider [within at least 24 hours after the switching request pursuant to paragraph 1].

3. After confirming the new assignation pursuant to paragraph 2:

(a) The procuring system operator shall assess whether any re-assessment criterion of Article 30(2) for the affected SPU or SPG is fulfilled and whether a new product prequalification or product verification is needed and shall inform the new service provider accordingly. The following conditions shall apply:

(i) where the procuring system operator does not respond within a deadline set out in the national terms and conditions for service providers, a new product prequalification or a new product verification shall be deemed as not necessary.

(ii) if a new product verification is necessary, the regular product verification process in accordance with Article 27 shall apply.

(iii) if a new product prequalification is necessary, the regular product prequalification in accordance with Article 28 shall apply.

(b) The connected system operators and the impacted system operators shall assess whether a new grid prequalification of any of the affected SPUs, SPGs or parts of SPGs is needed and shall inform the new service provider accordingly. The following conditions shall apply:

(i) if no connected system operator nor impacted system operator responds within a deadline set out in the national terms and conditions for service providers, its assessment shall be deemed as approved.

(ii) if a connected system operator or an impacted system operator requires a new grid prequalification, the regular grid prequalification process according to Article 31 shall apply.

(iii) if no connected system operator nor impacted system operator requires a new grid prequalification, the new service provider shall be entitled to use the CU for the respective product(s) from the confirmation of the new assignation.

4. By 12 months after entry into force of this Regulation, EU DSO Entity and ENTSO-E shall, in cooperation with European Standards Defining Organisations, define, publish and maintain a list of European standards based on existing ETSI-CEN-CENELEC set of standards for the data exchange of CU operators communicating with service providers.

CHAPTER 2

REQUIREMENTS FOR FLEXIBILITY DATA MANAGEMENT FOR QUALIFICATION

Article 33

National terms and Conditions for a flexibility information system

1. No later than [18 months] after the approval of the national rules of procedure of a Member State pursuant to Article 4, all system operators of a Member State shall develop a proposal for national terms and conditions for a flexibility information system.

2. The national terms and conditions for a flexibility information system shall aim at simplifying and streamlining at least the qualification of service providers, the product verification, product prequalification and grid prequalification of SPUs and SPGs, the temporary limits set by system operators and the switch of controllable units, as well as the data exchange procedures to perform such processes.

3. The national terms and conditions for a flexibility information system shall at least specify:

   (a) a stepwise implementation process at national level to define and implement a single flexibility information system pursuant to Article 34 and to implement the data exchange procedures pursuant to Article 36 and Article 37 until ensuring full interoperability [no later than 4 years] after entry into force of this Regulation;

   (b) the governance and accessibility of the flexibility information system pursuant to Article 34 including the single and common access point and functional requirements for the SP module(s) and the CU module(s);

   (c) requirements for system operator(s) responsible for one or more modules of the flexibility information system pursuant to Article 35;

   (d) the data management structure of the flexibility information system including assignation of responsible parties and entitled actors with access or rights to register, administer or update information in the flexibility information system pursuant to Article 35, Article 36 and Article 37;

   (e) specifications of all procedures of the SP module pursuant to Article 36 and of the CU module pursuant to Article 37;

Article 34

Principles for Governance, Accessibility and Interoperability

1. Each Member State shall have a single flexibility information system to simplify and streamline at least the following processes to provide balancing and local services and their corresponding data exchanges: qualification of service providers, product prequalification and product verification of SPUs and SPGs, grid prequalification of SPUs, SPGs or parts of SPGs, temporary limits set by the system operators and switching of CUs between service providers.

2. The flexibility information system shall:

   (a) be either centralised with a single SP module and a single CU module and or decentralised with a single or multiple SP modules and multiple CU modules; and

   (b) have a single and common access point for service providers, system users and other entitled parties to read, register, administer or update information about SPU(s), SPG(s) and CU(s) according to their responsibility or authorisation;

3. The single and common access point of the flexibility information system shall have a nationally harmonised online application with a graphical user interface and a nationally harmonised application programming interface.

4. ~~Each procuring system operator shall be responsible~~The allocation of responsibilities for operating and maintaining ~~one or more~~ SP modules or CU modules shall be set in the national terms and conditions. If the national terms and conditions for service providers require a centralised flexibility information system, they shall clarify the single system operator who is responsible for its operation and maintenance.

5. To avoid vendor and operator lock-ins, all data stored in the SP modules and CU modules shall be portable. Each system operator responsible for one or more modules shall ensure the following:

   (a) all data stored in the CU module(s) and the SP module(s) can be exported to a common European or national standard in a structured, machine-readable, and well-documented format; and

   (b) the existence of a well-defined ‘export procedure’ to migrate data from its module(s) and suspend its operation.

Article 35

Principles and requirements for system operators responsible for one or more modules of the flexibility information system

1. The system operator(s) responsible for operating any kind of module of the flexibility information system shall:

   (a) make data available in a non-discriminatory and online manner and with a structured and machine-readable format through a single and common access point to service providers, system users and other entitled parties;

   (b) provide an online application and an application programming interface at national level that meets the ETSI-CEN-CENELEC set of standards and for the interaction with service providers and system users;

   (c) provide test environments with appropriate and sufficient test data for service providers, system operators, system users, and actors with register, administer or update rights in order to ensure their effective integrations in the flexibility information system;

   (d) closely cooperate to facilitate the proper interoperability of all modules of the flexibility information system;

   (e) ensure that service providers and system users only need to register, update, or delete the same information once;

   (f) make a list of the market participants and other entities with reading access or right to register, administer or update information in the flexibility information system and for which purpose. These system operator(s) shall be responsible for keeping the list up to date and for making it publicly available; and

   (g) make public a non-confidential version of the flexibility information system including at least data on the service providers and the total capacity prequalified or verified per technology and per balancing and local product by each service provider.

2. The system operator(s) responsible for operating a SP module shall:

   (a) administrate and make available at least the SPs, SPUs and SPGs data;

   (b) grant access at any point in time and [without undue delay] to service providers and entitled actors to SPUs and SPGs data that is exchanged in the flexibility information system pursuant to Article 34(1);

   (c) inform all actors affected by the procedures pursuant to Article 36 [without undue delay];

(d) make available changes of relevant data on the service provider or its SPU(s) or SPG(s) to entitled parties [without undue delay];

(e) ensure that the online application and the application programming interface as referred to in paragraph 1(b), integrate and automate all procedures described in Article 36.

3. The system operator(s) responsible for operating a CU module shall:

(a) administrate and make available at least the CU data;

(b) grant access at any point in time and [without undue delay] to system users and entitled actors to CUs data that is exchanged in the flexibility information system pursuant to Article 34(1);

(c) inform all actors affected by the procedures pursuant to Article 37 [without undue delay];

(d) make available changes of relevant data on the CUs to entitled parties [without undue delay];

(e) ensure that the online application and the application programming interface as referred to in paragraph 1(b), integrate and automate all procedures described in Article 37.

4. When the national terms and conditions for a flexibility information system delegate at least one task of the system operator(s) responsible for operating a module, with which it is entrusted under this Regulation to one or more third parties, such third party(ies) shall have an adequate level of business separation from parties with a commercial interest in local services, including third party market operators of local services and service providers, in line with the national implementation of Article 35 of Directive 2019/944 on unbundling. All parties interacting with these modules shall be treated equally and in a non-discriminatory way.

Article 36

Service Provider module procedures

The system operator(s) responsible for operating one or more SP modules shall provide at least the following procedures in the SP module(s):

(a) a 'registration procedure' allowing service providers to receive a unique European-wide identification code and submit and administer the data on the service providers as well as their SPU(s) or SPG(s);

(b) an 'application procedure' allowing service providers to apply for products with their

SPU(s) or SPG(s);

(c) an ‘update procedure’ allowing service providers to update or change the data on the service providers as well as their SPU(s) or SPG(s);

(d) a ‘suspension procedure’ allowing system operators to suspend the qualification of a service provider, SPU or SPG;

(e) a ‘de-registration procedure’ allowing service providers to remove the data on the service providers as well as their SPU(s) or SPG(s);

(f) a ‘grid prequalification procedure’ for connecting system operators and impacted system operators to set operation limits for SPUs, SPGs or part of SPGs due to grid constraints;

(g) a ‘switching procedure' to switch controllable units between SPU(s) or SPG(s) of the same service provider or between different service provider(s);

(h) a ‘revocation procedure’ allowing system operators to revoke the qualification status of service providers for non-compliance with the national terms and conditions for service providers; and

(i) a ‘confirmation procedure' allowing procuring system operators to confirm the SPU(s) or SPG(s) characteristics registered by the service provider.

Article 37

Controllable Unit module procedures

The system operator(s) responsible for operating one or more CU modules shall provide at least the following procedures in the CU module(s):

(a) a ‘registration procedure’ allowing system users to submit data on their controllable unit(s);

(b) an ‘update procedure’ allowing system users to update or change data on their controllable unit(s);

(c) a ‘suspension procedure’ allowing entitled parties to suspend controllable units and ensuring that all affected parties are notified [without undue delay];

(d) a ‘de-registration procedure’ allowing system users and other entitled parties to remove data on controllable units not assigned to any SPU or SPG;

(e) a ‘grid prequalification procedure’ for connecting system operators to validate the information on the controllable units connected to their grid and provided in the registration or update procedure;

(f) a ‘switching procedure’ allowing a service provider to request the assignment of controllable units switched from other service provider(s) pursuant to Article 32(2).

(g) a ‘revocation procedure’ allowing system users to revoke the entitlement for the access of a service provider to their controllable unit(s) and ensuring that all affected parties are notified [without undue delay]. If the entitlement of a system user to a connection point is invalidated, the ‘revocation procedure’ shall automatically and implicitly be enacted;

(h) a ‘termination procedure’ allowing service providers to request to terminate the assignment of a controllable unit and ensuring that all affected parties are notified [without undue delay];

(i) a 're-activation procedure' allowing system operators to make suspended controllable units available again for the provision of balancing or local services.

TITLE IV

MARKET BASED PROCUREMENT FOR LOCAL SERVICES

Article 38

Principles and requirements for the procurement of local services

1. Each system operator shall choose the most efficient and effective solution or combination of solutions for solving a congestion or voltage issue in accordance with the applicable national regulatory framework, including grid expansion or reinforcement, and procurement of local services. The selection criteria shall be transparent and coordinated while ensuring efficient, reliable, and secure operation of the transmission and distribution systems. System operators shall be entitled to use different criteria and consider different options depending on different time horizons.

2. As a general rule, ~~S~~system operators shall procure local services within a bidding zone, including redispatching of generation, energy storage and demand response, in accordance with a market-based mechanism, unless the regulatory authority has granted a derogation according to Article 39. With regards to the procurement of reactive power as a measure to solve voltage issues, the procurement mechanism (market-based or non-market-based) shall be determined in the national terms and conditions.

~~3. Before granting or extending a derogation, the regulatory authority shall, at its own initiative or at request of at least one system operator, request the relevant system operator(s) to make an assessment on the market based procurement of local services for parts or the whole transmission or distribution grid in at least the following cases:~~

~~(a) the reasons for procuring the local services in accordance with a non-market-based mechanism, as concluded by the derogation approved by the regulatory authority in accordance with Article 39, are no longer applicable to parts or the whole transmission or distribution grid or to some technologies, resources or products;~~

~~(b) demonstrated efficiency of a market-based concept from pilot or regulatory demonstrative projects; or~~

~~(c) the market-based procurement of local services is inefficient.~~

~~4. After the assessment as referred to in paragraph 3, the regulatory authority shall determine whether the procurement of local services should take place or continue. If so, the national regulatory authority shall decide:~~

~~whether extending an existing derogation approved in accordance with Article 39 for the~~

~~cases described in paragraph 3(a) and (b); or~~

~~whether a derogation is granted according to Article 39 for the case described in paragraph 3(c).~~

~~5.~~3. [At least 6 months before starting the procurement of local services in accordance with a market-based mechanism], the relevant system operator(s) shall submit a proposal for a roadmap to implement market-based procurement of local services for the relevant part of the grids, technologies or type of resources to the regulatory authority for approval [within 3 months].

~~6.~~4. The roadmap in accordance with paragraph 5 shall be made publicly available.

Article 39

Derogation from market-based procurement of local services

1. The regulatory authority shall have the right to, at the request of one or more system operators or at its own initiative, grant the relevant system operators a derogation from Article 38(2) in order to procure local services based on a non-market-based mechanism according to Article 13(3) of Regulation (EU) 2019/943 and Articles 32(1) and 40(5) of Directive (EU) 2019/944.

2. The derogation process shall be transparent, non-discriminatory, non-biased, well documented and based on reasoned grounds.

3. System operators may only use non-market-based solutions if the competent national authority has come to the conclusion, after a thorough assessment, that market-based procurement is not a viable measure to efficiently and effectively solve congestion or voltage issues. In its assessment which will be the basis for the decision on a derogation from market-based procurement, ~~The derogation issued by~~ the regulatory authority shall at least:

   (a) take into account the latest DNDPs including estimated needs for local services and available resources, DSOs observability areas, and the national assessment on flexible connection agreements, where applicable;

   (b) specify, where relevant, the parts of the system, the voltage levels, the system users, the time periods, and the products, especially short-term and long-term products that it applies;

   (c) take into account the ~~size~~ number of the DSO(s) in the respective Member State;

(d) specify its duration; and

(e) be published on its website.; and

(e)(f)take into account the conditions referred to in Article 13(3) of Regulation (EU) 2019/943 or Articles 32(1) and 40(5) of Directive (EU) 2019/944.

4. The derogation may be granted for a maximum period of two years.

5. The regulatory authority shall have the right to revoke a decision granting a derogation if the circumstances and underlying reasons no longer apply.

6. The regulatory authority shall notify its decision to the relevant SOs, ACER and the European Commission. The decision shall also be published on its website.

Article 40

Criteria for applying flexible connection agreements

1. When assessing the procurement of local services pursuant to Article 38 and Article 53 to solve congestion or voltage issues, system operators shall not consider the effect of flexible connection agreements established pursuant to Article 6a of Directive (EU) 2019/944, as amended by Directive (EU) 2024/1711, except for the cases where such flexible connection agreements are established as permanent solution in accordance with Article 6a(1) of Directive (EU) 2019/944.

2. Activation of flexible connection agreements shall not lead to market-distortion and shall comply with the following principles:

   (a) without prejudice to Article 31 and Article 58, system operators shall not limit the possibility for system users with flexible connection agreements to provide balancing and local services in the relevant markets;

   (b) when flexible connection agreements and markets for local services co-exist, activation of flexible connection agreements shall be subject to coordination with relevant available products for local services, through a mechanism specified in the rules for market-based procurement of local services pursuant to Article 41 that ensures effectiveness and cost-efficiency; and

   (c) when the activation of a flexible connection agreement is notified by the concerned system operator to a balance responsible party [later than 30 min before the cross-zonal intra-day gate closure time], the activated volume of the flexible connection agreement shall be included in the imbalance adjustment to that balance responsible party,

determined pursuant to Article 49 of Commission Regulation (EU) 2017/2195.

Article 41

Rules for market-based procurement of local services

1. All system operators of a Member State procuring local services in a market-based way shall define the rules for the market-based procurement of local services in the proposal for the terms and conditions for service providers developed pursuant to Article 19.

2. The rules for the market-based procurement of local services shall consider the national specificities and shall:

   (a) be objective, transparent, non-discriminatory and technology neutral, supporting competition among market participants;

   (b) take into account the particularities of the different resources providing the local services;

   (c) ensure efficient access to local markets establishing adequate economic signals and avoiding distorting incentives for both service providers and system operators, minimising the possibilities for withholding of capacities and market abuse;

   (d) avoid market fragmentation if it leads to inefficiencies;

   (e) ensure coherence in the interaction across different electricity markets and different time frames including the scheduling process pursuant to Title 6 of Part III of the Commission Regulation (EU) 2017/1485 and the imbalance settlement process pursuant to Chapter 4 of Title V of the Commission Regulation (EU) 2017/2195; and

   (f) guarantee protection of confidential data as well as transparency of the ~~tendering~~ bidding process ensuring that no service provider has access to preferential information over other service pursuant to Article 46~~Article 46~~.

3. The proposal in paragraph 1 shall contain at least:

   (a) the tasks and responsibilities of the procuring system operators, the requesting system operators, the connecting system operators, the impacted system operators, the operators of flexibility information system(s), the service providers and other market participants, pursuant to Article 42~~Article 42~~, including the requirements for the tasks assigned to a third party;

   ~~(b) provisions on the coordination of the operators under (a) with operators of other markets, and the rules governing the interrelation whether sequential, parallel,~~

~~simultaneous or other – of the local markets and the day-ahead, intraday, and balancing markets pursuant to Article 43;~~

~~(c)~~(b) the processes and the responsibilities for the selection and activation of bids, applying the requirements of Article 43~~Article 43~~, and for the procurement, pricing and settlement of the service provision in accordance with the requirements pursuant to Article 44;

~~(d)~~(c) a mechanism for coordinating the activation of flexible connection agreements and of relevant products for local services pursuant to Article 40(2)(b), when flexible connection agreements and markets for local services co-exist; and

~~(e)~~(d) the information to be published, pursuant to Article 46~~Article 46~~.

4. When local services are procured as capacity products, the activation of the respective energy bids from the contracted resources shall be subject to competition with other available non-contracted energy bids in the respective market, if such activation market is established.

5. When local services are procured by tender procedure, and when service providers are allowed to make offers with CU, SPU, SPG not yet connected, registered or not yet prequalified pursuant to Title III, the national terms and conditions pursuant to paragraph 1 shall clarify the details on timelines for registering and prequalifying CU, SPU, SPGs and other elements of the tender.

6. By 3 years after entry into force of this Regulation, ENTSO-E and EU DSO entity shall develop a proposal for a Union-wide methodology for further specifying aspects of the market-based procurement of congestion management service in accordance with Article 10, including, but not limited to, the list of product attributes, the procurement methods, ~~the coordination with other markets,~~ stakeholders information and transparency.

Article 42

Requirements for procuring system operators

1. Each procuring system operator shall act in a non-discriminatory manner when procuring and using congestion management or voltage control products.

2. Each procuring system operator shall not exchange preferential, confidential, and commercially sensitive information with affiliated companies and service providers.

3. Each procuring system operator shall identify bids, SPUs, part of SPGs or volumes that can solve the congestion or voltage issue in accordance with the requirements in Article 56 and

Article 57.

4. Each procuring system operator shall ensure that the procurement and activation of local services does not have an impact on the consistency of the trade positions, either by performing an immediate activation on the opposite direction for every local services activation, or by netting several local service activations and performing an overall activation on the opposite direction before the balancing timeframe. The costs of activation of local services shall be kept separate from balancing.

5. Each procuring system operator shall provide, maintain, and operate IT solutions that:

   (a) implement the procurement processes, the pricing rules and settlement pursuant to Article 44;

   (b) communicate with the service providers and other system operators as applicable, to exchange the required data for the procurement of the services, including in the context of Title VII and Article 58~~Article 58~~, as well as the results of the procurement; and

   (c) communicate as applicable with the flexibility information system(s).

6. Each procuring system operator shall coordinate with other procuring system operators in accordance with the rules for the market-based procurement of local services pursuant to Article 41. ~~Subject to the service provider's consent, the procuring system operator shall forward bids – combined or not – to other markets, while ensuring the necessary transparency and following the pricing mechanism and settlement principles pursuant to Article 44.~~

7. All procuring system operators in one Member State shall have a common information platform on market-based procurement for local services, standardised definitions and standardised use of locational information. The rules pursuant to Article 41 shall specify the requirements for the coordination and interoperability of all market-based processes for the procurement of local services.

8. System operators may delegate the task of local market operation through a non-discriminatory selection process. The requirements for local market operation shall include at least:

   a. neutrality and transparency in case that several system operators, service providers or stakeholders are involved;

   b. technical, personal, operational and organisational expertise and resources with regard to the operation of local markets;

c. appropriate market surveillance arrangements in place in compliance with Article 15 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency as amended by Regulation (EU) No 2024/1106 of 11 April 2024; and

d. ~~Any third party which acts as market operator of local services shall be fully unbundled~~ full unbundling from the market activities of production and supply.

Article 43

Coordination and interoperability between local and day-ahead, intraday, and balancing markets

~~1. If bids offered in day-ahead, intraday and balancing markets are used for solving congestion issues or voltage issues, the rules for the market-based procurement of local services pursuant to Article 41 shall specify the process for this.~~

~~2.~~1. Each service provider shall be allowed to submit ~~the same bid~~its flexibility capacity or flexibility energy ~~in several markets~~ to all markets to foster value stacking, but this bid shall not be selected twice. When a bid has not been selected in a market, or the service for which the bid was selected is no longer needed, the service provider shall be allowed to submit ~~this bid~~its flexibility capacity or flexibility energy to another market. Each service provider shall be allowed to register a controllable unit in different SPGs for different services, ~~following the requirements to ensure that there is no double activation of this controllable unit for the same imbalance settlement period.~~ National BRP rules ensure that market participants are balanced until delivery.

~~3.~~2. Each service provider may offer its services in another market either itself or through an intermediary or a procuring system operator that forwards the bids, provided that the concerned service provider has given its consent. If combined and/or forwarded bids are allowed, the rules for the market-based procurement of local services pursuant to Article 41 shall include at least:

(a) the requirements for combining and/or forwarding bids to other markets;

(b) how information on consent of combining and/or forwarding bid is processed;

(c) how locational information is included;

(d) measures to maintain transparency for transferred bids;

(e) whether and under which conditions service providers are allowed to change pricing and volumes or to withdraw bids;

(f) liabilities and responsibilities for all market participants when transferred bids cannot be fully activated;

(g) how forwarded and/or combined bids are priced and how service providers are compensated;

(h) measures to avoid that the same bid is selected twice in separate markets or by different system operators; and

(i) how forwarded and/or combined bids are handled with respect to validation of service provision.

Article 44

Rules for procurement pricing and settlement for market-based local services

1. The procurement rules shall at least include the process for the procurement of local services through products, including the case of procurement by a tender procedure, the characteristics of the procured products, the bid selection criteria, the pricing mechanism, pursuant to paragraphs 2 and 3, and the settlement process pursuant to paragraphs 4 and 5.

2. The pricing mechanism for market-based procurement of local services shall:

   (a) ensure economic and efficient activation of bids;

   (b) take into account the actual market structure and concentration; and

   (c) provide incentives for long-term market development.

3. The pricing mechanism for market-based procurement of local services shall allow for:

   (a) variations depending on different products, on the voltage level of the identified issue, on different time horizons, on different liquidity of markets, on specific local features and on the purpose of the provided service – be it capacity and/or energy;

   (b) predetermined prices as part of the offer process for availability and/or activation of resources contracted in advance subject to an assessment of the economic efficiency, which shall be part of the proposal pursuant to Article 41;

   (c) energy-only payments and/or capacity payments, subject to an assessment of the economic efficiency, which shall be part of the proposal pursuant to Article 41; and

(d) deviation from general price mechanisms in long-term, day-ahead, intraday or balancing markets when procured in those markets.

4. The rules for the settlement of market-based procured local services shall include at least a procedure for:

(a) calculating the activated volume of local services energy, using the respective baseline, when necessary;

(b) claiming the recalculation of the activated volume of local services energy; and

(c) validating, when grid limitations or temporary limits are set, that the constraints are respected.

5. Each relevant system operator, as specified in the rules for market-based procurement of local services pursuant to Article 41~~Article 41~~, shall be responsible for the calculation of the activated local services at least for:

(a) each market time unit as defined in the product characteristics;

(b) each direction, with a negative sign indicating relative energy withdrawal or capacity reduction by the service provider, and a positive sign indicating relative energy injection or capacity increase by the service provider;

(c) each SPU or each SPG.

6. Where applicable, the relevant system operators shall be responsible for the settlement of all activated volumes of local services energy calculated pursuant to this Article, with the concerned service providers.

Article 45

Data exchange related to settlement of local services

1. Each relevant system operator, as specified in the national terms and conditions pursuant to Article 41, and eligible market party shall be entitled to receive the necessary measurement values sent by the MDA or necessary activation information sent by the service provider for the calculation of the activated volume of local service energy at least:

(a) for each market time unit as defined in the product characteristics;

(b) in a standardised data exchange format; and

(c) when updated data is available.

2. Each relevant system operator shall, based on the national terms and conditions pursuant to Article 41, receive the baseline necessary for the calculation of the activated volume of local services energy by the nationally assigned party responsible to provide the baseline, but at least:

   (a) in a standardised data exchange format; and

   (b) when updated data is available.

3. Where required for the validation of the activated volume of local services, each relevant system operator, as specified in the national terms and conditions pursuant to Article 41, shall, on request, receive:

   (a) ex-ante the necessary information to map the local services energy to individual controllable units which are part of the concerned SPUs or SPGs from the service provider;

   (b) the necessary metering or measurement values for controllable units which are part of the concerned SPUs or SPGs or the necessary metering values of the accounting point; and

   (c) the necessary baseline of controllable units which are part of the concerned SPUs or SPGs or the necessary baseline of the accounting point.

4. Where according to the rules for settlement pursuant to Article 44, temporary limits and grid limitation apply, each procuring system operator shall be entitled to receive the necessary information regarding the grid limitation from the system operator who applied such limitation.

5. Where an imbalance adjustment is applied as part of an aggregation model, the relevant TSO shall be entitled to receive the necessary information to apply the imbalance adjustments to the concerned BRPs for each activated local and for each activated balancing service in line with Commission Regulation (EU) 2017/2195.

6. Each recipient of data pursuant to paragraphs 1 to 5 shall ensure the processability of the received data. In case the data is not processable the recipient shall inform the sender without undue delay about the error.

Article 46

Publication of information

1. Each procuring system operator shall publish clear information on the market sessions,

including the number and structure of market sessions, gate closure times as well as information on the products traded on the platform they operate pursuant to the national terms and conditions.

2. Based on the expected congestion or voltage issues on their grid, system operators shall publish, at least as frequently as the network development plans, relevant information to promote liquidity on local markets, such as indicative but non-binding information for the expected need for local services.

3. The system operators shall publish the information that is necessary for the operation of local markets, which shall include at least:

   (a) product needs, specifying the direction of the activation, the foreseen utilisation patterns, expected volumes, with sufficient time and locational granularity and detailed per different time horizons; and

   (b) locational information for the participation of any single or aggregated resource to provide the needed services, including where relevant the impact factor.

4. Following market results of local services, system operators shall publish no later than one day after the service is procured at least the aggregated, and anonymised, if required pursuant to paragraph 5, information on offered and selected bids for local services, such as volume per direction and time period and the resulting cost.

5. Subject to the national terms and conditions pursuant to Article 41, procuring system operators may not publish the information on offered prices and volumes of procured capacity or energy bids if justified for reasons of market abuse concerns and if not detrimental to the effective functioning of the electricity markets. The procuring system operators shall report such unpublished information at least once a year to the relevant regulatory authority in accordance with Article 59 of Directive (EU) 2019/944.

~~8.~~9. All the system operators of a Member State shall publish the information referred to in this Article on a single platform on national level.

Article 47

List of product attributes

1. The product requirements for each congestion management product and voltage control product defined in the table of equivalences pursuant to Article 24 shall be determined based on at least the following attributes:

   (a) availability window;

(b) preparation period;

(c) ramping period;

(d) full activation time;

(e) validity period;

(f) mode of activation;

(g) location;

(h) minimum and maximum quantity;

(i) deactivation period;

(j) minimum and maximum duration;

(k) recovery time or minimum duration between the end of deactivation period and the following activation;

(l) direction of activation; and

(m) divisibility.

2. In addition to the attributes as referred to in paragraph 1, the product requirements for each voltage control product through reactive power defined in the table of equivalences pursuant to Article 24 shall be determined based on at least the following attributes:

(a) the capability to receive the setpoint in real time remotely or offline;

(b) operating mode;

(c) reference voltage;

(d) slope of voltage/reactive power characteristic (V/Q);

(e) response time following a step change in voltage;

(f) voltage setpoint range, tolerance and step in reference to the voltage control operating mode;

(g) reactive power setpoint range, tolerance and step in reference to the reactive power operating mode; and

(h) target power factor, tolerance and response time, in reference to the power factor

operating mode.

3. When system operators define new local products, they shall set up their product requirements using at least the attributes in accordance with paragraphs 1 and 2.

Article 48

Requirements for the definition of local products

1. The national terms and conditions for service providers shall include a list of congestion management and voltage control products. If ~~products from day-ahead or intraday markets or~~ balancing products are used for congestion management or voltage control, they shall be included in the list of products.

2. The system operators shall standardise the local products where appropriate avoiding product fragmentation.

3. When defining the new local products, the system operators shall consider both current and future system needs in terms of capacity or energy, both short-term and long-term, as described in the TNDPs and DNDPs as well as current and future ability of service providers to meet the product requirements. The product definition shall facilitate the effective use of the local products for multiple system operators´ needs.

4. The local products shall correspond with the specific needs of system operators, considering at least:

   (a) dependency to network topology;

   (b) size and predictability of the congestion or voltage issue;

   (c) expected local market liquidity to enable market-based congestion management or voltage control;

   (d) type of system users available in the area(s) with a congestion or voltage issue; and

   (e) any features that may impact the availability of potential controllable units.

5. The product requirements shall ensure the effective and non-discriminatory participation of system users and service providers for providing local services.

TITLE V

OWNERSHIP OF ENERGY STORAGE FACILITIES BY SYSTEM OPERATORS

Article 49

Requirements and conditions for the ownership, development or operation of an energy storage facility by system operators

1. Energy storage services shall be market-based and competitive. By way of derogation and following regulatory authorities' approval, system operators may own, develop or operate an energy storage facility, if it is a fully integrated network component or if it is a necessity according to Articles 36(2) and 54(2) of Directive (EU) 2019/944.

2. Where an energy storage facility does not qualify as a fully integrated network component, its ownership, development or operation by the system operators needs to prove necessary in accordance with the conditions of points (a) to (c) of Articles 36(2) and 54(2) of Directive (EU) 2019/944.

3. The tendering procedure of paragraph 4 shall not preclude the possibility of submission of offers for shared ownership and operation of a storage facility between the system operator and a third party.

4. The tendering procedure of point (a) of Articles 36(2) and 54(2) by the system operator requesting a derogation shall be open, non-discriminatory and shall ensure at least that:

   (a) the relevant system operator shall publish the technical specifications of the energy storage facility and other relevant design parameters;

   (b) the relevant requirements are able to attract a range of potential providers as wide as possible;

   (c) the procurement process is set-up in a technology-neutral way, allowing bidders to propose new and innovative technologies to meet the service requirements as laid out in the technical specifications;

   (d) a clear and transparent evaluation methodology for proposals is used;

   (e) include information on capacity or energy or other relevant criteria, applying for the third party in case of shared ownership, the estimated utilisation pattern and expected volumes of the system operators' part energy storage, considering charge and discharge, with sufficient granularity or other relevant information; and

   (f) include information on economic arrangements for shared ownership and operation.

5. The system operator requesting a derogation shall submit the proposed tendering documents to the regulatory authority for approval. Before submitting the proposed tendering documents for approval, the system operator requesting a derogation shall publicly consult on the proposed tendering documents including the proposed contract with the third party.

6. Following conclusion of the tendering procedure, the system operator requesting a derogation should notify the regulatory authority with regard to:

   (a) the outcome of the successful tendering process specifying at least the successful participant, the overall participation of market participants, financial aspects and specifications of the facility; or

   (b) the outcome of the unsuccessful tendering process specifying at least the number of participants and the reason(s) for not awarding the contract. The relevant system operator shall also provide the necessary information and data for the regulatory authority to verify that only unacceptable high offers were received, or only legally inadmissible submissions took place.

   (c) an assessment indicating whether shared ownership of the storage facility is ~~a more~~ economically efficient ~~compared to full system operators' ownership~~, in case there is an offer for shared ownership.

7. The regulatory authority may require system operators to relaunch a tendering procedure to procure the needed services from a third party, pursuant to Articles 36(2)(a) and 54(2)(a) of the Directive (EU) 2019/944, if the procedure is not compliant with the regulatory authority's approval pursuant to paragraph 5 or the information provided by the system operator pursuant to paragraph 6 is incomplete.

8. Regarding the system operator's need of the storage facility and the necessity of a derogation, in case the tender is unsuccessful the regulatory authority shall consider and assess the following in order to grant the derogation:

   (a) the relevant system operator justified the need for the requested storage facility, and does have such need, in order to fulfil its obligations;

   (b) the relevant system operator cannot obtain the required storage services, including shared ownership, from a market participant cost-efficiently and timely; and

   (c) the relevant system operator, by using the storage facility, does not distort competition.

9. The regulatory authority shall publish its assessment in case a derogation for full or shared ownership is granted to the system operator or in case a request for derogation is rejected.

Article 50

Requirements and conditions for shared ownership, development or operation of an energy storage facility by system operators and third parties

1. By way of derogation and following the regulatory authority's approval, the system operators may share the ownership, development or operation of an energy storage facility with a third party. Such sharing shall be determined on the basis of a percentage, a sharing in time, season, capacity, output or any other defined shared aspect as approved by the regulatory authority.

2. As regards the requirements and conditions for the granting of a derogation to a system operator to share the ownership and operation of an energy storage facility, Article 49 applies.

3. In case derogation for shared ownership is granted by the regulatory authority pursuant to Article 49 the relevant system operator and the third party shall sign a shared energy storage ownership and operations agreement which shall at least:

   (a) include the share of cost including connection, development, ownership, operations, management and cessation of activity of the energy storage facility;

   (b) include connection agreement and related network charges to apply to the third party;

   (c) include provisions concerning changes in ownership control and the bankruptcy of the third-party;

   (d) ensure that the relevant system operator shall not provide any subsidies to the contracting third party, nor shall offer preferential treatment to the contracting third party over other system users as co-owner of the storage facility.

4. Following the granting of derogation for shared ownership pursuant to Article 49, the third party shall:

   (a) own and operate its part of energy storage without further constraint, according to the terms of the relevant agreement with the relevant system operator.

   (b) enable the relevant system operator to use its part of the energy storage facility to fulfil its obligations for the efficient, reliable and secure operation of its system;

   (c) be considered as any other market participant while operating its part of energy storage; and

   (d) be responsible for the imbalance it causes and for the purchase or the sale of the energy for its part in accordance with terms and conditions for balance responsible parties

pursuant to Article 18 of the Commission Regulation (EU) 2017/2195.

Article 51

Assessment of cost and benefits of phasing out system operators' ownership and operation of energy storage facilities

1. The regulatory authority shall conduct a regular public consultation on the existing energy storage facilities to identify the availability or interest of any third party to undertake the energy storage facility operated by the system operator to provide market-based storage services. This public consultation shall include an updated evaluation of costs compared to the estimated costs of the system operators' ownership as indicated in the tender led to the derogation.

2. The regulatory authority shall ensure that the parties participating in the public consultation provide the necessary information to prove their interest, their capability to own and operate the facility and the undertaking of the obligations the transfer of ownership implies according to national legislation.

3. Prior to the public consultation of paragraph 1, the system operators shall provide to the regulatory authority the following updated costs:

   (a) the costs of owning, operating and managing energy storage while providing the needed system operators services;

   (b) the costs induced by transferring the energy storage activity to a third-party; and

   (c) the costs of ceasing and decommissioning energy storage activity.

4. If the regulatory authority determines on the basis of the result of the public consultation of paragraph 1 that there is availability or interest to undertake the energy storage facility operated by the system operator, the regulatory authority shall undertake a comparison of cost and benefits related to the phasing out of system operators ownership and operation of energy storage facilities.

5. No later than six months after the end of the public consultation, the regulatory authority shall decide whether the activities of the system operator will phase out or not according to Articles 36(3) and 54(4) of Directive (EU) 2019/944.

6. In case the regulatory authority decides the phasing out, it shall take appropriate measures to ensure that system operators cease the operation of the storage facility within 18 months.

TITLE VI

DISTRIBUTION NETWORK DEVELOPMENT PLANS

Article 52

Content and requirements of the Distribution Network Development Plan (DNDP)

1. The DNDP pursuant to Article 32(3) of Directive (EU) 2019/944 shall include at least:

   (a) a distribution network planning methodology, which shall at least ensure that:

      (i) the planned development of the distribution system includes effective and cost-efficient measures, including investment in distribution system infrastructure, use of local services considered as described in Article 53 or other solutions, that are necessary to ensure adequacy of the distribution system to meet forecasted supply and demand and its secure and efficient operation;

      (ii) it includes planning criteria, including principles, standards, requirements, drivers and objectives considered for planning the development of the distribution system;

      (iii) it considers particular characteristics at national and at DSO level, including between different voltage levels and regions;

      (iv) it considers scenarios as described in point (b); and

      (v) it considers available grid capacity for connection of new system users.

   (b) the scenarios and assumptions used to identify network development needs, with a comprehensive description that shall include at least the scenario building methodology and relevant datasets. These scenarios shall:

      (i) reflect the most plausible futures of the electricity distribution system for the next five to ten years, including anticipatory needs defined in accordance with relevant national processes;

      (ii) be coordinated between the concerned distribution and transmission system operators;

      (iii) encompass, at least, current and forecasted electricity demand, generation and storage capacities and consider national energy and climate plans, local energy strategies and other relevant development factors.

   (c) information on planned and ongoing investments that may be integrated in a timely

manner, including investment on distribution system assets and infrastructure such as metering, supervisory and control systems, with particular emphasis on the main distribution infrastructure required to connect new electricity generation, especially installations generating electricity from renewable sources, energy storage facilities and new loads. This information shall cover the next five to ten years and its level of detail may be differentiated considering the voltage levels or other criteria.

(d) information on local services in accordance with Article 53.

2. The public consultation referred to in Article 32(4) of Directive (EU) 2019/944 shall last for a period of at least six weeks. With regard to this process, each DSO shall make publicly available at least the following:

(a) the consultation documents, which shall include the proposed DNDP that the DSO wishes to consult on and the scenarios that were used for its development in accordance with point (b) of paragraph 1;

(b) the results of the consultation, which shall include feedback on how the comments received have been considered; and

(c) the DNDP, following consideration of the consultation results.

3. Each DSO shall submit to the regulatory authority at least the documents referred to in points (b) and (c) of paragraph 2.

4. The regulatory authority may request amendments to the consulted DNDP, pursuant to Article 32(4) of Directive (EU) 2019/944. The DSO shall submit to the regulatory authority the final version of the DNDP and an explanation on whether and how these requested amendments have been integrated in accordance with national rules. The DSO shall publish the final version of the DNDP.

5. System operators in each Member State shall ensure, where relevant, that their development plans are coordinated and consistent and that the most up-to-date relevant data and information available during their development, is exchanged between them and considered.

6. The information published pursuant to paragraph 2 and paragraph 4 shall be published on the DSO's website or on a central publication and communication platform, if so required by the relevant regulatory authority.

7. The scope of published and exchanged information shall ensure that the confidentiality required at the national level is maintained and that the information does not distort the operation of markets for the procurement of local services.

Article 53

Local services in the DNDP

1. When planning the development of the distribution system, each DSO shall consider the use of local services for any of the following purposes, where such use is deemed cost-effective from the point of view of system users while ensuring secure and efficient system operation:

   (a) to alleviate or postpone the need to reinforce or expand the grid; or

   (b) to address congestion and/or voltage issues in the grid, until a planned grid reinforcement project is completed.

2. With regard to considering the use of local services pursuant to paragraph 1, the DNDP shall include at least:

   (a) an assessment made by the relevant DSO of current and forecasted needs for local services for solving congestion or voltage issues on its grid;

   (b) a description of how the cost-effectiveness of local services is assessed, including the assessment methodology, criteria, data, assumptions and results; and

   (c) information on the local services the DSO estimates to need in the medium and long-term, considering the assessment referred to in points (a) and (b) and the development of the distribution system proposed in the plan. This information shall be provided with as much locational and time granularity as possible, to enable system users to identify if estimated needs are relevant for them, considering information available when preparing the DNDP.

TITLE VII

TSO-DSO COORDINATION AND DSO-DSO COORDINATION

Article 54

National terms and conditions for TSO-DSO and DSO-DSO coordination

1. No later than [6 months] after the approval of the national rules of procedure of a Member State pursuant to Article 4, all system operators of a Member State shall develop a proposal for national terms and conditions for TSO-DSO and DSO-DSO coordination.

2. The national terms and conditions for TSO-DSO and DSO-DSO coordination shall ensure that:

   (a) the coordination between system operators at national level is compatible with the requirements for TSO-DSO coordination set out in Commission Regulation (EU) 2017/1485 and at national level;

   (b) actions to solve balancing, congestion or voltage issues:

      (i) shall not create or aggravate congestion or voltage issues on other systems or regenerate problems that have been solved by actions taken by operators of those systems or endanger system security; and

      (ii) shall preserve and enable an efficient operation of the system and ensure that the general principles defined in Article 31 and Article 58 of this Regulation as well as the requirements in Article 23(3) and Article 23(4) on preparation, activation and coordination of remedial actions and Title I Chapter 5 of Commission Regulation (EU) 2017/1485 on contingency analysis and handling are taken into account.

   (c) balancing, congestion and voltage issues are dealt with in a consistent and efficient manner in each Member State, regardless of whether these issues affect one or more system operators; and

   (d) available resources to provide balancing and local services are optimally used, by enabling the delivery of local services at least cost and where they provide the most value to the whole system, consistent with market outcomes.

3. The national terms and conditions for TSO-DSO and DSO-DSO coordination shall at least specify:

   (a) criteria, rules, requirements and processes for establishing the DSO observability area

pursuant to Article 55;

(b) criteria, rules, requirements and processes for forecasting and detecting congestion and voltage issues pursuant to Article 56;

(c) rules, requirements and processes for solving congestion and voltage issues pursuant to Article 57;

(d) criteria, rules, requirements, methodologies and processes for setting temporary limits pursuant to Article 58;

(e) criteria, rules, requirements and processes for data exchange between DSOs and between DSOs and TSOs pursuant to Article 59; and

(f) requirements related with the confidentiality obligations pursuant to Article 18.

Article 55

DSO observability area

1. The national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 shall include criteria for establishing the DSO observability area. These criteria shall consider at least:

   (a) electrical topology;

   (b) grid voltages;

   (c) standard grid topology, as well as relevant maintenance topologies;

   (d) information on current and forecasted congestion and/or voltage issues affecting DSO grids; and

   (e) differences between DSO systems in terms of their design and operation.

2. The DSO observability area shall include the DSO's own distribution system and the relevant parts of other distribution and transmission systems for which the DSO shall be entitled to receive structural, forecast, schedule and real-time data in accordance with Article 59, that are necessary to determine the condition of its own system with respect to relevant operational limits, to solve congestion or voltage issues and to maintain secure operation of its own system.

3. When establishing its DSO observability area, the DSO shall apply the following principles:

   (a) the DSO shall transparently involve in the process of establishing the DSO observability

area all potentially impacted system operators. As a minimum, all system operators with at least one electrical connection to the concerned DSO shall be treated as potentially impacted system operators. The DSO shall invite all potentially impacted system operators, shall inform the relevant regulatory authority and shall include an announcement on its public website [within at least 2 weeks] prior to the beginning of the process to establish its DSO observability area;

(b) the DSO, in cooperation with all potentially impacted system operators referred to in point (a), shall determine the following:

(i) those impacted system operators whose grids or parts of their grids may be relevant for determining the condition of its own grid and for forecasting, detecting or solving congestion or voltage issues and the relevant parts of those grids that shall be included in the observability area, in accordance with paragraph 2; and

(ii) those impacted system operators whose grids may be impacted by congestion or voltage issues on the DSO's own grid or by actions performed on grids other than the grids of those impacted system operators, to solve these issues.

(c) each impacted system operator referred to in point (i) shall provide to the DSO a list of grid elements and system users included in the relevant parts of its grid referred to in the same point, and shall update this list at least every three years and upon any significant change in the concerned system elements and system users, however not less than [3 months] before:

(i) the planned commissioning of a new grid element or system user;

(ii) the planned final removal from service of the grid element or system user; and

(iii) the planned significant modifications in the grid element or system user.

4. Each DSO shall:

(a) establish its DSO observability area [within 6 months] after the approval of national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 and shall submit a report to the regulatory authority that shall include a description of the DSO observability area and the impacted system operators; and

(b) assess its DSO observability area at least when preparing the distribution network development plan pursuant to Article 32(3) of Directive (EU) 2019/944.

5. All relevant system operators shall cooperate in the process of establishing DSO

observability areas and shall exchange necessary data, in accordance with paragraph 3 and Article 59.

Article 56

Forecasting and detecting congestion and voltage issues

1. Each DSO shall be responsible for forecasting and detecting congestion and voltage issues on its grid.

2. The national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 shall include a minimum set of timeframes to be applied by each DSO for forecasting and detecting congestion or voltage issues on its grid. Each DSO, in coordination with impacted system operators in its DSO observability area, may define additional timeframes. The timeframes defined pursuant to this paragraph shall be consistent with the operational security analysis timeframes pursuant to Article 72 of Commission Regulation (EU) 2017/1485 and coordinated with day-ahead and intraday market timeframes pursuant to Article 2 of Commission Regulation (EU) 2015/1022 and with the balancing timeframe pursuant to Commission Regulation (EU) 2017/2195.

3. Each DSO shall perform analyses at the timeframes defined pursuant to paragraph 2, to forecast and detect congestion or voltage issues on its grid and to identify solutions to address these issues and ensure that the relevant operational limits on its grid are not exceeded. For the day-ahead, intraday and balancing timeframes, these analyses shall be performed with a granularity equal to the imbalance settlement period. These analyses shall use the information obtained through the data exchanges pursuant to Article 59 and Article 61 and shall at least consider:

   (a) one or several different actual or planned grid topologies;

   (b) applicable voltage levels;

   (c) best available forecasts for generation and consumption;

   (d) schedule data; and

   (e) previously awarded bids, if applicable.

4. Each DSO shall share the results of the analyses referred to in paragraph 3 with the system operators whose grids are impacted according to these analyses, to allow these system operators to verify that operational limits on their grids are respected.

Article 57

Solving congestion and voltage issues

1. Each system operator shall be responsible for solving congestion and voltage issues on its grid. In this respect, each system operator:

   (a) may procure local services from service providing groups or service providing units connected to other system operators' grids;

   (b) shall implement solutions that respect grid prequalification results in accordance with Article 31 and temporary limits in accordance with Article 58;

   (c) shall coordinate with connecting and impacted system operators and exchange all necessary information in relation to actions to solve congestion or voltage issues on its grid, to enable those operators:

      (i) to apply the procedures of grid prequalification pursuant to Article 31 and temporary limits pursuant to Article 58; and

      (ii) to assess the impact of such actions and verify that operational limits on their grids are not exceeded.

   (d) shall apply processes that are consistent with the regional operational security coordination process pursuant to Article 76(1) of Commission Regulation (EU) 2017/1485 or other coordination process engaging more than one TSO, as applicable; and

   (e) shall be ~~responsible~~ conduct the tasks assigned to them in the national terms and conditions pursuant to Article 41 to arrange the activation of procured local services in an effective, reliable and cost-efficient manner ~~and~~ or to initiate actions to activate selected local services.

2. To contribute to solving congestion or voltage issues on other grids, each system operator shall:

   (a) cooperate with system operators of those grids and consider grid-reconfiguration on its grid; and

   (b) cooperate with procuring system operators to facilitate and enable the delivery of local services by service providing groups or service providing units connected to its grid;

3. In cases where, due to unforeseen events, temporary limits that affect a bid selected to provide balancing or local services are identified after the time to communicate such limits

to the responsible parties pursuant to point (c) of Article 58(2), the relevant system operators shall coordinate actions to solve any issues arising. In case the affected bid was selected as part of a coordinated action pursuant to Article 42(2) of Regulation (EU) 2019/943, the relevant TSOs shall coordinate a solution in accordance with Article 42(4) of Regulation (EU) 2019/943.

4. Each system operator shall use digital tools, independently or in cooperation with other system operators, to forecast and detect congestion and voltage issues on its grid and to identify solutions in accordance with Article 56 and to solve such issues in accordance with this Article.

Article 58

Short-term procedures to account for temporary limits

1. The connecting system operators and impacted system operators shall have the right to set or update temporary limits on grid elements, bids, SPUs, SPGs or parts of SPGs in the operational planning to ensure that the delivery of the balancing or local services does not compromise the safe operation of the transmission and distribution systems. The connecting system operators and impacted system operators shall have the right to set or update temporary limits when a grid prequalification is approved or conditionally approved in accordance with Article 31(3)(b).

2. Each connecting system operator or impacted system operator shall apply the following process to set or update temporary limits for all relevant timeframes:

   (a) each system operator shall forecast its future grid statuses and identify situations where the provision of balancing or local services from SPU(s), SPG(s) or parts of SPG(s) may compromise the safe operation of the connecting grid or may create or aggravate congestion or voltage issues in the impacted grids. This analysis shall at least consider:

      (i) one or several different actual or planned network topologies;

      (ii) voltage levels;

      (iii) forecasted generation and consumption;

      (iv) scheduled generation and consumption;

      (v) if applicable, previously awarded bids; and

      (vi) the delivery power if the awarded bids from SPU(s), SPG(s) or parts of SPG(s) are activated alone or in combination.

(b) each system operator shall communicate its temporary limits as identified in paragraph 2 to the parties responsible for applying or considering such limits.

(c) each system operator shall communicate its temporary limits when they are identified in the operational planning process as follows:

(i) for balancing services, at the latest before the bids are processed by the balancing processes in accordance with Articles 24 and 32 of Commission Regulation (EU) 2017/2195; and

(ii) for local services, at the latest before the bids are processed as a remedial action to be used in the cross-border day-ahead and intraday process, in particular those affected by Article 76(1)(b) of Commission Regulation (EU) 2017/1485, where applicable, and national day-ahead and intraday processes within one bidding zone. This process shall not be used to cancel previously awarded bids.

3. Each system operator shall minimise its temporary limits by implementing efficient national criteria, the process pursuant to paragraph 2 and meeting the following requirements:

(a) setting temporary limits on grid elements, or on the combination of bids, SPUs, parts of SPG, or SPGs. As last resort, the temporary limits shall be set on individual bids, SPUs or SPGs;

(b) when possible and if agreed by the connected system operators and the impacted system operators, setting temporary limits as accumulated maximum delivery of active power from balancing, congestion management or voltage control services considering the timeline of each market process; and

(c) optimising safety margins to minimise the number of temporary limits while still considering system operators' limitations sufficiently.

4. The national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 shall:

(a) specify the process as referred to in paragraph 2 and define the methodology for connecting system operators and impacted system operators to set or update temporary limits. This process shall be consistent with Article 182(5) of Regulation (EU) 2017/1485 for balancing services. The methodology to calculate the temporary limits shall be public, transparent, verifiable, and accurate;

(b) define the concerned parties responsible for applying the temporary limits pursuant to paragraph 2(b) including the procuring system operator(s) and the concerned service provider(s); and

(c) define efficient national criteria to minimise temporary limits as referred to in paragraph 3.

5. The system operators shall annually report to the regulatory authority on the application of temporary limits on grid elements and on bids and volumes not activated due to temporary limits and the reasons for such limits in the connecting or impacted grids.

Article 59

Data exchange between DSOs and between DSOs and TSO

1. Data exchange between system operators shall ensure:

(a) that each system operator has access to data related to other system operators' systems, that are necessary to determine the condition of its own system, to forecast and detect congestion and voltage issues and to identify solutions;

(b) the coordinated access of all system operators to all available resources to provide local and, where relevant, balancing services, and the optimal selection and activation of selected resources; and

(c) that each system operator whose system may be impacted by congestion or voltage issues on other systems or by actions to solve such issues or to balance those systems, has access to all necessary data in order to assess the impact on its system and ensure its secure operation.

2. Each DSO shall be responsible for providing and using high quality data and information.

3. Each DSO shall receive information related to its DSO observability area established pursuant to Article 55 from impacted system operators referred to in point (c) of Article 55(3), based on the following categories:

(a) structural data in accordance with paragraph 4;

(b) schedule and forecast data in accordance with paragraph 5; and

(c) real-time data in accordance with paragraph 6.

4. Structural data shall include technical data and information regarding:

(a) substations by voltage;

(b) lines that connect the substations referred to in point (a);

(c) transformers from the substations referred to in point (a);

(d) SGUs pursuant to Article 2 of Commission Regulation (EU) 2017/1485;

(e) controllable units, SPUs and SPGs; and

(f) reactors and capacitors connected to the substations referred to in point (a).

5. Schedule and forecast data shall include:

(a) schedule of planned outages, forecasts regarding potential congestion and voltage issues in terms of duration and location, and remedial actions as needed to coordinate actions;

(b) schedule and forecast data, available pursuant to Articles 46(1), 49, 52(2) and 53(1)(b) of Commission Regulation (EU) 2017/1485;

(c) relevant information about the impact of SPUs and SPGs connected to other system operators' grids on power flows on the DSO's own grid elements, where applicable; and

(d) temporary limits pursuant to Article 58, where applicable.

6. Real-time data shall include available information, if required ~~about at least~~:

(a) actual topology, busbar voltages, active and reactive power flows;

(b) real time measurements for SPGs, parts of SPGs or SPUs; and

(c) real time measurements for SGUs.

7. Each system operator shall timely share relevant information about contracted, procured, selected and activated balancing and local services with impacted, connecting and requesting system operators. Information shall be shared as soon as it is generated, in particular when capacity is contracted and when capacity and energy bids are selected.

8. The national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 shall determine the applicability and scope of data to be exchanged pursuant to paragraphs 4, 5, 6 and 7, which shall be limited to the necessary and usable data for:

(a) establishing the DSO observability area in accordance with Article 55;

(b) forecasting grid conditions, detecting congestion and voltage issues and identifying solutions in accordance with Article 56;

(c) solving these issues in accordance with Article 57; and

(d) fulfilling the requirements referred to in paragraph 1.

9. Data exchanged pursuant to this Article shall be delivered with a granularity, periodicity

and timing defined in the national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54, that shall be appropriate for the intended use and proportionate.

10. The national terms and conditions for TSO-DSO and DSO-DSO coordination pursuant to Article 54 shall establish a process to review the applicability, scope, granularity, periodicity and timing of data exchanges pursuant to this article to ensure data exchange requirements are consistent with advances in the procurement of local services and in the capabilities of system operators to use such data.

11. At the request of a relevant system operator, each system operator shall share relevant data provided by service providers pursuant to Article 61 with the necessary granularity.

TITLE VIII

DATA EXCHANGE REQUIREMENTS FROM SERVICE PROVIDERS AND SYSTEM USERS

Article 60

Organisation, roles, responsibilities, and quality of data exchange

1. Each service provider and system user shall be responsible for providing high quality data and information, in accordance with this Title.

2. The national terms and conditions for service providers pursuant to Article 19 shall define between whom the information specified in Article 61 shall be exchanged and shall ensure:

   (a) that the requested data is limited to what is necessary and usable information for system operators to fulfil their tasks and ensure secure and efficient system operation and that a process is established for reviewing data exchange requirements to ensure consistency with advances in the procurement of local services and in the capabilities of system operators to use such data;

   (b) that the level of granularity of the data requirements is proportionate and adapted to the justified technical needs of the products; and

   (c) non-duplication and efficiency in the data exchange processes, infrastructure and content. In particular, the provisions of Commission Regulation 2017/1485 regarding data exchange between system operators and SGUs referred to in Article 2 of that Regulation, shall be considered when defining requirements for data exchange pursuant to this Title.

3. For each service, the national terms and conditions for service providers developed pursuant to Article 19 shall determine the applicability, scope, granularity, periodicity and timing of the data exchange in the following categories:

   (a) structural data in accordance with Article 61(2);

   (b) schedule and forecast data in accordance with Article 61(3);

   (c) data in real-time in accordance with Article 61(5) and Article 61(6);

   (d) data necessary for grid prequalification, in accordance with Article 31;

   (e) data necessary for the product prequalification and product verification processes in accordance with Article 26, Article 27 and Article 28; and

(f) data necessary for performance of activation tests, in accordance with Article 27 and Article 28.

4. The data exchange requirements referred to in paragraph 3 shall be determined on the basis of the following criteria:

(a) the size and characteristics of the SPU and SPG;

(b) the voltage level of connection point of the CUs; and

(c) the characteristics of the services.

5. With the exception of the data exchange procedures pursuant to Article 36 and Article 37, the national terms and conditions for service providers pursuant to Article 19 shall:

(a) specify the procedures and format for the data exchange with service providers in accordance with this Title; and

(b) standardise communication requirements for that data exchange, and define a process and a timeline for that standardisation.

6. Unless the national terms and conditions for service providers assign the relevant responsibility to a third party, the following shall apply:

(a) each service provider shall be responsible for:

(i) providing data in accordance with Article 61;

(ii) registering data of its SPU(s) or SPG(s) in the relevant SP module of the flexibility information system in accordance with Article 26(1)(b); and

(iii) updating data of its SPU(s) or SPG(s) in the relevant SP module of the flexibility information system in accordance with Article 30(1)(b); and

(b) each system user shall be responsible for:

(i) registering data of its CU(s) in the relevant CU module of the flexibility information system in accordance with Article 26(1)(a); and

(ii) updating data of its CU(s) in the relevant CU module of the flexibility information system in accordance with Article 30(1)(a).

Article 61

Data to be provided by service providers and system users

1. Each service provider shall be responsible to provide data for its SPU(s) and SPG(s) in accordance with the requirements of this article. These requirements shall be further specified in the national terms and conditions for service providers pursuant to Article 19. The national terms and conditions for service providers shall specify the data that system users shall be responsible to provide regarding their CU(s), pursuant to Article 60(6)(b).

2. Each service provider shall provide structural data for its SPU(s) and SPG(s) as part of the prequalification and verification processes defined in Title III. These structural data shall include:

   (a) metering point identification related to each CU;

   (b) the maximum active and/or reactive power available for congestion management and voltage control service for each CU being part of SPU and for each CU being part of SPG;

   (c) the potential contribution of each CU being part of SPU and of each CU being part of SPG to the delivery of each congestion management and voltage control service.

3. Each service provider shall provide the following schedule data, if required:

   (a) program scheduled or a calculated baseline of SPG, parts of SPG or SPU;

   (b) the contribution of parts of SPG to the bid of SPG;

   (c) the contribution of SPUs, SPGs or parts of SPG to the bids per balance responsible party; and

   (d) scheduled unavailability of SPUs, SPGs and parts of SPGs.

4. The schedule data defined in paragraph 3 shall be provided at least in day ahead and shall be updated after subsequent market sessions.

5. Each service provider shall provide the following real time data, if required:

   (a) operation status of the SPU;

   (b) active and reactive power flow of SPU, SPG, or parts of SPG, if applicable;

   (c) unexpected unavailability of the SPU/SPG;

   (d) voltage at the point of connection, where available;

(e) data of storage devices and state of charge; and

(f) data to monitor the provision of the service.

6. The information exchange associated with the provision of voltage control services with use of reactive power shall include the following:

(a) bidirectional real-time data exchange between the SPU/SPG and system operators; and

(b) data exchange from system operators to SPU/SPG including at least a setpoint for the provision of the voltage control services.

7. The national terms and conditions for service providers pursuant to Article 19 shall set out quality requirements to ensure that provided data in accordance with this Article are up-to-date, correct and precise. Each system operator shall establish a process to validate the quality of data provided by service providers against quality requirements.

8. Service providers shall not be required to provide real time data at CU level for SPU(s) or SPG(s) that consist only of small CUs.

TITLE IX

DEROGATIONS

Article 62

Derogations

1. A regulatory authority in accordance with Article 59 of Directive (EU) 2019/944 may, at the request of a system operator or at its own initiative, grant the relevant system operator(s) a derogation from one or more provisions of this Regulation in accordance with paragraphs 2 to 6.

2. A system operator may request a derogation from the following requirements: [to be decided later].

3. The derogation process shall be transparent, non-discriminatory, non-biased, well documented and based on a reasoned request.

4. The system operator shall file a written request for derogation to the relevant regulatory authority at the latest six months prior to the day of application of the provisions from which the derogation is requested.

5. The relevant regulatory authority shall adopt a decision concerning any request for derogation within six months from the day after it receives the request. That time limit may be extended by three months before its expiry where the relevant regulatory authority requires further information from the system operator(s) requesting the derogation. The additional period shall begin when the complete information has been received.

6. The relevant regulatory authority shall issue a reasoned decision concerning a request for a derogation or a derogation granted at its own initiative. Where the relevant regulatory authority grants a derogation, it shall specify its duration. The derogation may be granted only once and for a maximum period of two years.

TITLE X

REPORTING AND MONITORING

Article 63

ENTSO-E and EU DSO entity report on demand response

1. At least [once every two years], ENTSO-E and the EU DSO Entity shall publish a report on demand response covering the previous two calendar years, respecting the confidentiality of information in accordance with Article 18.

2. The report on demand response shall include at least the following information:

   (a) on the market-based procurement of services:

      (i) where market-based procurement of congestion management and voltage control services has been applied, where derogations have been applied for or granted;

      (ii) types and volumes of procured products;

      (iii) methods of procurement used for different types of products;

   (b) on the implemented aggregation models:

      (i) the different types of models, included the application of a financial transfer,

      (ii) the implementation of a financial compensation, including the costs taken into account, and, if applicable the relevant benefits; and

   (c) on the implemented baselining methods:

      (i) the different baselining methods published in the register pursuant to Article 22;

      (ii) an assessment of the ones that could be harmonised at European level, considering the costs and benefits of baselining in general, and more specifically the costs and benefits of whether further standardisation of the baselining methods brings advantages in achieving the aims of Regulation (EU) 2019/943.

3. Before the first publication of the final report, ENTSO-E and EU DSO Entity shall prepare a proposal for a draft report. This proposal shall define the structure of the report, the content and data that will be reported. The proposal shall be delivered to ACER which shall be entitled to require amendments within [two months] after the submission of the proposal.

4. ENTSO-E and EU DSO Entity shall publish the report on internet and submit it to ACER

no later than [six months] after the end of the last year it refers to. ACER shall be entitled to require changes to the structure and content for the next report.

5. ENTSO-E and EU DSO Entity shall have access to relevant data from market participants or national flexibility information systems area to perform the reporting tasks pursuant to this Article.

Article 64

Monitoring

1. ACER shall monitor the implementation of this Regulation in accordance with Article 32(1) of Regulation (EU) 2019/943, publishing regularly a European Report. This report shall focus on monitoring, describing and analysing the implementation of this Regulation, as well as reporting on the progress made concerning the integration of demand response in electricity markets in Europe, respecting the confidentiality of information in accordance with Article 18.

2. ACER shall draw up by [12 months] after the entry into force of this Regulation a list of the relevant information to be communicated by EU DSO entity and ENTSO-E to ACER in accordance with Article 30(5) of Regulation (EU) 2019/943. The list of relevant information may be subject to updates. EU DSO entity and ENTSO-E shall maintain a comprehensive, standardised format, digital data archive of the information required by ACER.

3. EU DSO entity and ENTSO-E shall submit to ACER the information required to perform the tasks in accordance with paragraphs 1 and 2.

4. Market participants and other relevant organisations for the integration of demand response in the electricity markets shall submit to ACER, at its request, the information required for monitoring in accordance with paragraphs 1 and 2, except for information already obtained by the relevant regulatory authorities in accordance with Article 59 of Directive (EU) 2019/944, EU DSO entity or ENTSO-E in the context of their respective implementation monitoring tasks.

TITLE XI

TRANSITIONAL AND FINAL PROVISIONS

Article 65

Final and transitional provisions

1. Until flexibility information system as described in the national terms and conditions for the flexibility information system is implemented, system operators and operator(s) of flexibility information system(s) shall use existing or may operate IT solutions and tools meeting the basic functionalities of the flexibility information system to provide for the possibility of offering services on the basis of this Regulation.

2. Member States shall ensure that no later than 2 years after the approval of the national terms and conditions for a flexibility information system pursuant to Article 33~~Article 33~~, flexibility information systems that are already in place at the time of the publishing of this Regulation are updated by the system operators responsible for at least one module of the flexibility information system to follow the provisions stated in this Regulation, or are replaced by these system operators with new flexibility information systems.

3. All flexibility information system operators shall establish and make functional their services at latest 3 years after the approval of the national terms and conditions for flexibility information system pursuant to Article 33~~Article 33~~.

4. Until national terms and conditions for the market-based procurement of local services pursuant to Article 41~~Article 41~~ are implemented, system operators may use existing or develop interim solutions and tools for operating local markets.

Article 66

Entry into force

1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

2. This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, xx Month 202x.
For the Commission

The President

Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (OJ L 220, 25.8.2017, p. 1).

Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

([7]) Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (OJ L 112, 27.4.2016, p. 1).

([8]) Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection (OJ L 223, 18.8.2016, p. 10).

([9]) Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules (OJ L 241, 8.9.2016, p. 1).

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