

# Maximum price for balancing energy

ENTSO-E proposal

# Background and ENTSO-E work

- ACER published a decision on the methodology for pricing balancing energy (24 January 2020):
  - *"This pricing methodology sets the technical price limits for balancing energy prices, including both bidding and clearing prices, equal to 99,999€/MWh and -99,999€/MWh for both positive and negative balancing energy"*
- This has raised questions and concerns among market participants and TSOs
- ENTSO-E initiated a task force to develop a Proposal for Amendment (PfA) on Pricing Methodology for adjusting the technical price limits for balancing energy to ensure a smooth transition towards European integrated balancing energy markets (MARI and PICASSO)
  - Fingrid has been the only Nordic TSO represented in the task force

<b><u>PfA drafting schedule</u></b>	2021									2022	
	May	June	July	August	September	October	November	December	January	February	
Drafting	█										
WG AS Commenting + MC Approval		█									
ENTSO-E Consultation		█	█	█							
Inclusion of Comments				█							
ACER decision period (6 months)				█	█	█	█	█	█	█	
PICASSO accession										█	

# PfA in a nutshell

- The maximum price for all balancing energy product bids and the maximum value of the cross border marginal price shall be 15 000 €/MWh. The minimum price for all balancing energy product bids and the minimum value of the cross border marginal price shall be -15 000 €/MWh.
- All TSOs will regularly assess the efficient functioning of the market and shall justify whether the proposed price limits should be maintained or amended
  - No automatic increase of the price limits is foreseen

Due to the limited time:

Reasoning for the proposal can be found from the explanatory document and report available on ENTSO-E website

# Consultation is open – your feedback is valuable

- **Consultation** regarding the Proposal for Amendment of Pricing Methodology opened 2 Jun 2021 and **closes 2 Aug 2021**
- You can give your views through the ENTSO-E website
  - Motivation: The price limits affect all market participants
- **Stakeholder workshop** will be held on **15 Jun 2021**
- The Proposal for Amendment and all the relevant documents and information can be found on ENTSO-E website:
  - <https://consultations.entsoe.eu/markets/proposal-for-amendment-of-pricing-methodology/>
- You can also contact me: [petteri.pakalen@fingrid.fi](mailto:petteri.pakalen@fingrid.fi)