

Annex 5 - EBGL Objectives

The Electricity Balancing Guideline (EBGL) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBGL regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBGL aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBGL states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

CMP326 has an impact on Article 18 Terms & Conditions (T&Cs) and therefore it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase.

It is also important that the CMP326 solution(s) put forward does not detrimentally impact the EBGL Article 3 Objectives themselves and therefore we will be seeking industry views on any such impacts as part of both the Workgroup Consultation (please see Question 8 of this Workgroup Consultation) and subsequent Code Administrator Consultation.

For reference, the Electricity Balancing Guideline (EBGL) Article 3 (Objectives and regulatory aspects) are:

1. *This Regulation aims at:*

- (a) Fostering effective competition, non-discrimination and transparency in balancing markets;*
- (b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*