

DEFINITIONS AND ABBREVIATIONS

This Annex contains all the definitions and abbreviations used in Agreement on the operation and settlement of the Baltic coordinated balancing area (hereafter - Agreement). Within the agreement and annexes following abbreviations and definitions shall have the following meanings:

Already allocated capacity (AAC) – the total amount of allocated transmission rights;

AC imbalance flow – the difference between the AC scheduled and AC actual measured flow exchange of power system (includes imbalance netting volume);

Accounting period – the time period for which the settlement is made. The accounting period is one calendar month in EET;

Allocated volume – an energy volume physically injected or withdrawn from the system and attributed to a balance responsible party for the calculation of the imbalance of that balance responsible party;

Area balancing price – means the balancing energy market price that reflects the cross-border marginal price for the satisfied balancing energy demand (either through bid activation or demand netting) for normal activation as calculated by the European mFRR platform AOF, and the marginal price of local activations for normal activation purposes;

Area control error (ACE) – the difference between measured physical flow and final external schedules of coordinated balancing area during imbalance settlement period in MWh-s;

Balance responsible party (BRP) – market participant or its chosen representative responsible for its imbalances;

Balancing – all actions and processes, on all timelines, through which TSOs ensure, in a continuous way, the maintenance of system frequency within a predefined stability range, and compliance with the amount of reserves needed with respect to the required quality;

Balancing energy – energy used by TSOs to perform balancing and provided by a balancing service provider;

Balancing energy reference price – either the area balancing price or the value of avoided activation;

Balancing energy gate closure time (GCT) – the point in time when submission or update of a balancing energy bid for a standard product on a common merit order list is no longer permitted;

Balancing market – the entirety of institutional, commercial and operational arrangements that establish market-based management of balancing;

Balancing services – balancing energy or balancing capacity, or both;

Balancing service provider (BSP) – a market participant with reserve-providing units or reserve-providing groups able to provide balancing services to TSOs;

Baltic ACE – the Baltic's not netted imbalance, which is settled through the trade of imbalance energy with the open balance provider of the Baltic power system;

Baltic coordinated balancing area (Baltic CoBA) – a cooperation between TSOs of Estonia, Latvia and Lithuania with respect to the exchange of balancing services, sharing of reserves, operating the imbalance netting process and imbalance settlement;

Baltic CoBA imbalance position – the direction of all Baltic BRPs' imbalances in a given ISP;

Baltic not netted imbalance – the Baltic's not netted imbalance, which is settled through the trade of imbalance energy with the open balance provider of the Baltic system;

Baltic power system – the power systems of Estonia, Latvia and Lithuania;

Baltic TSOs – the transmission system operators for electricity of Estonia, Latvia and Lithuania;

Common merit order list (CMOL) – a list of balancing energy bids sorted in order of their bid prices, used for the activation of balancing energy bids within a coordinated balancing area;

Connecting TSO – the TSO that operates the scheduling area in which balancing service providers and balance responsible parties shall be compliant with the terms and conditions related to balancing;

Cross-border interconnection – a physical transmission link (e.g. tie-lines) which connects two power systems;

Cross-zonal capacity within the balancing timeframe (CZCBT) – the capability of the interconnected power systems to accommodate energy exchange for balancing purposes among Estonian, Latvian, Lithuanian power systems and from Finnish, Swedish, Polish, Russian and Belarusian power systems as well as the capability of energy exchange for balancing purposes from Estonian, Latvian, Lithuanian power systems to Finnish, Swedish, Polish, Russian and Belarusian power systems. Cross-zonal capacity within the balancing timeframe has to always include the direction whether it is from or to the relevant power system, i.e. up activation or down activation;

Deactivation period – the time period for ramping, from full delivery or withdrawal back to a set point;

Delivery period – the time period of delivery during which the balancing service provider delivers the full requested change of power in-feed to or the full requested change of withdrawals to the system;

Divisibility – the possibility for the TSO to use only part of the balancing energy bids offered by the balancing service provider, either in terms of power activation or time duration;

Downward activation (negative balancing energy) – balancing energy bid activation in order to reduce generation or increase consumption;

Specific Emergency reserve (ER) mFRR product – energy product different from a standard product specified in Annex 2;

Exchange of balancing energy – the activation of balancing energy bids for the delivery of balancing energy to a TSO in a different scheduling area than the one in which the activated balancing service provider is connected;

Full activation time – the time period between the activation request by a TSO and the corresponding full activation of the concerned product;

Imbalance – an energy volume calculated for a balance responsible party and representing the difference between the allocated volume attributed to that balance responsible party and the final position of that balance responsible party, including any imbalance adjustment applied to that balance responsible party, within a given imbalance settlement period;

Imbalance adjustment – an energy volume representing the balancing energy from a balancing service provider and applied by the connecting TSO for an imbalance settlement period to the concerned balance responsible parties, for the calculation of the imbalance of these balance responsible parties;

Imbalance price – the price, positive, zero, or negative, in each imbalance settlement period for an imbalance in each direction;

Imbalance settlement – a financial settlement mechanism for charging or paying balance responsible parties for their imbalances;

Imbalance settlement period (ISP) – the time unit for which balance responsible parties' imbalance is calculated and is equal to 60 min;

Internal net imbalance energy volume – the difference between the AC scheduled, AC actual measured and imbalance netting flow exchange of power system and shall be equal to internal imbalance volume of BRPs (netted per direction);

Internal total imbalance energy volume – imbalance volume of the system based on internal BRP imbalances per directions for short and long;

Marginal pricing – a principle according to which the price of the last activated balancing energy bid following merit order applies to all activated bids during the particular imbalance settlement period (pay-as-cleared);

Manual frequency restoration reserves (mFRR) – the active power reserves activated manually to restore system frequency to the nominal frequency and for synchronous area consisting of more than one LFC area power balance to the scheduled value;

Measured AC balance – measured flow on AC cross-border metering points of power system;

Merit order list (MOL) – a list of balancing energy bids of a Connecting TSO's control area by product sorted in order of their bid prices;

Neutrality component – an additional component that is used in the calculation of the imbalance prices through the application of which the Baltic TSOs achieve financial neutrality during a respective accounting period;

Nominated TSO – assigned TSO, who is responsible for initiating activation of balancing energy bids in normal system operation state with purpose to minimize Baltic ACE;

Normal activation – means an energy volume, representing both the satisfied balancing energy demand (either through bid activation or demand netting) as calculated by the European mFRR platform AOF and the activation of balancing energy bids from Baltic CMOL with aim of minimizing the Baltic ACE;

NTC – net transmission capacity of the designated cross-border interconnections is the maximum trading capacity, which is permitted in transmission cross-border interconnections compatible with operational security standards and taking into account the technical uncertainties on planned network conditions for each TSO;

Open balance provider (OBP) – electricity trader or transmission system operator, which provides power system balancing services for the Baltic CoBA unintended exchange of energy;

Position – the declared energy volume of a balance responsible party used for the calculation of its imbalance;

Preparation period – the time duration between the request by the TSO and start of the energy delivery;

Responsible TSO – TSO, who performs the calculation of cross-zonal capacity within the balancing timeframe;

Requesting TSO – the TSO that requests the delivery of balancing energy;

Scheduled AC balance – fixed energy flow from day ahead, intra-day markets and balancing activities on AC cross-border interconnections of power system;

Settlement coordinator – a TSO that is responsible for carrying out Baltic CoBA settlement, and for the trade of Baltic not netted imbalance energy with the OBP;

Single portfolio – grid injection and offtake volumes are netted into a single balance responsible party's account;

Single pricing – for a given ISP in a given imbalance price area, the price for negative imbalance and the price for positive imbalance are equal in sign and size;

Standard product – a harmonised balancing energy product defined by all TSOs for the exchange of balancing services;

Special activation – activation of balancing energy bids for other purposes than Baltic CoBA balancing purposes and can be specified as special activation countertrade or special activation other;

TSO – a transmission system operator for electricity;

TSO-TSO model – a model for the exchange of balancing services where the balancing service provider provides balancing services to its connecting TSO, which then provides these balancing services to the requesting TSO;

Total transfer capacity (TTC) – total transfer capacity of the designated cross-border interconnections is the maximum transmission of active power, which is permitted in transmission cross-border interconnections compatible with operational security standards applicable for each TSO;

Upward activation (positive balancing energy) – balancing energy bid activation in order to increase generation or reduce consumption;

Validity period – the time period when the balancing energy bid offered by the balancing service provider can be activated, whereas all the characteristics of the product are respected. The validity period is defined by a beginning time and an ending time.

Value of avoided activation – in case there is no balancing energy demand and no balancing energy activation for that imbalance price area for that ISP, a reference price that can be calculated by the TSO or TSOs of a given imbalance price area after the balancing energy gate closure time for a given ISP.