

Market participant	LFC concept document topic	LFC concept document chapter reference	Question/remark from market participants/NRAs	Baltic TSOs response
Anonymous	General concept of Baltic load-frequency control as described in paragraph 3	3	In section 3.1 Objective and high-level concept point 2) it is stated that Frequency restoration process (FRP) is further described in Chapter 0. The Company notes that Chapter number is incorrect and it should be Chapter 6. In section 3.2 Roles & Responsibilities „All TSOs of Baltic LFC block shall:“ point 3) It is mentioned that ramping restrictions will be defined. Company asks TSO to clarify what ramping restriction might look like and how they are going to be calculated. Will those restrictions limit big and flexible generation units from participating in balancing market?	The chapter numbering will be amended. Ramping restrictions will be set in a separate document according to the Commission Regulation (EU) 2017/1485 Article 137(3) and (4). Ramping restriction limits the change of active power output and are necessary to avoid unnecessary frequency deviations caused by fast changes of active power output of generating units or HVDC units
Baltic NRAs	General concept of Baltic load-frequency control as described in paragraph 3	3	Procure non-frequency ancillary services is not directly related with this document, however, it would be helpful if some information regarding procurement of such services is provided in this document. It is not clear how TSOs plan to procure non-frequency ancillary services and does not explore opportunities if it is possible to procure it outside LFC area. It is case TSOs could clearly communicate about such a plan to apply or not to apply such products in this document.	Information about Baltic TSOs intentions concerning procurement of non-frequency ancillary services is added in the LFC concept Chapter 2.1.
Baltic NRAs	General concept of Baltic load-frequency control as described in paragraph 3	3	More explanation would be needed how Baltic balancing market would work in isolated operation. Additionally, regarding possibility of system isolated operation (as there would be only one interconnection with CE synchronous area), if the reserve need determination for LFC block that has been given in LFC concept document also takes into account the possible case when Baltic region would work in isolated operation?	Baltic TSOs are developing a separate process to handle the sudden isolation from CESA. The LFC concept document does not include scope of isolated operation.
Baltic NRAs	General concept of Baltic load-frequency control as described in paragraph 3	3	In section 3.1. it is stated that: "The Baltic LFC block TSOs will implement following load frequency control structure processes: <.>" Also, in section 7.2: "Baltic TSOs do not foresee to implement frequency replacement process (RP) process therefore joining with the TERRE platform could be considered if there would be interest from market participants to provide the standard product of RR defined in the Replacement Reserves Implementation Framework, pursuant to Article 19(1) of the EBGL (FAT is 30 minutes) and implementation of RP process should be based cost-benefit analysis." Regarding SOGL RR is decided on a LFC area level. Based on the LFC concept document NRAs consider that any of TSO does not plan to introduce RR both on Baltic States level (jointly) or on the national level (individually). Please take into account that the initiative and need to procure RR should not be established by market participants, but by the TSO in case if there is not enough supply for mFRR orders. Creation of separate RR market could reduce mFRR market liquidity. In this case TSOs should clearly communicate about such a plan to apply or not to apply specific products in this document.	Chapter 7.2 is amended to reflect the common Baltic TSO positions regarding RR and restoration process.
Eesti Energia	General concept of Baltic load-frequency control as described in paragraph 3	3	We in general support the proposed concept of LFC block but we are also of the opinion that for implementing the common LFC reserves capacity market among proposed LFC areas, level playing field should be established between market participants. If Lithuania will establish its national capacity mechanism or Lithuanian and Latvian TSOs procure storage capacities for intervening frequency restoration market, then we cannot support establishment of a common Baltic balancing capacity market.	In order to install storage facilities TSOs are obliged to comply with relevant legal requirements and compliance with those requirements must be acknowledged by NRAs. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs. The capacity mechanisms are implemented by member state.
FuseBox	General concept of Baltic load-frequency control as described in paragraph 3	3	No comments, roles and responsibilities are mainly based on EU regulations.	Acknowledged
Anonymous	General comment	4.2.1	In section 4.2.1 it is stated that "Additionally, to frequency restoration process Baltic TSOs may apply additional measures, such as procurement of energy in the intraday market for countertrade purposes." This statement requires clarification. Will procurement of energy in the intraday market replace balancing bid activations? If yes, in which cases and at what price?	It is expected that usage of Intraday market could relieve the activated FRR balancing capacity for the purposes of countertrade, such as disconnections of HVDC lines due to fault, and allow restoration of FRR balancing capacity to ensure readiness for disturbances in the systems. Conditions on procurement of energy in intraday market should be aligned and confirmed by relevant NRAs as costs for countertrade shall be transparent and based on market prices.
Baltic NRAs	General comment	4.1,4.2	Comparison with currently applicable values could be provided in order to inform market participants about the future changes with are related with a market interaction.	Currently the Baltic TSOs monitor and manage the Baltic regions imbalance with BRELL network. The agreement is that the Baltic TSOs minimise imbalance within hourly timeframe. In the case of CESA the imbalance is monitored in 15 minute timeframe and the imbalances cannot exceed pre defined values more than 30% and 5% of the year. The CESA FRCE rules for imbalance management are more strict and need active LFC from Baltic TSOs.
Anonymous	FCR prequalification concept as described in paragraph 5	5	Deadband $\pm 20$ mHz	According to Commission Regulation (EU) 2017/1485 Annex 5 Table 1 the maximum combined effect of inherent frequency response insensitivity and possible intentional frequency response dead band of the governor of the FCR providing units or FCR providing groups in the Central European synchronous area is $\pm 10$ mHz.
Anonymous	FCR prequalification concept as described in paragraph 5	5	In section 5.2 it is stated that FCR provision has no maximum time, the only exception applies to FCR providers which rely on an energy reservoir that limits their FCR availability. "These providers shall activate their FCR as long as the frequency deviation persists, unless their energy reservoir is exhausted in either the positive or negative direction". What will be the consequences for FCR providers which will not be limited by energy reservoir and will not be able to cover long-lasting unidirectional frequency deviation? Are there going to be any penalties for undelivered FCR services?	TSOs shall inspect the FCR activations and if it is revealed that FCR reserve unit is unable to provide FCR services according to the prequalification, the TSO can demand additional prequalification measurements and if the quality is not ensured, TSO can terminate the prequalification entirely and the reserve unit cannot provide FCR capacity bids. More information about regular FCR and limited energy resource FCR providers shall be provided in the FCR prequalification documentation.
Baltic NRAs	FCR prequalification concept as described in paragraph 5	5	Prequalification process set in this paragraph 5.3 shall be compliant with Article 155 of SOGL. NRAs would like to highlight importance to make them publicly available as soon as they are approved, and market participants could make reasonable investment decisions. In this process TSOs should specify what is considered as a breach of quality parameters of FCR provision service in order to assess if prequalification of FCR providers shall be re-assessed, because such TSO right is not implicitly defined in Article 155 of SOGL. When a market participant corrects breaches, it must be given the right to be to the certain extent re-assessed in order to once again qualify as a service provider. The re-prequalification process scope does not necessary must be as broad as initial prequalification, if possible.	Recommendations will be taken into account in the preparation of prequalification process. It is foreseen in the concept document to develop it by Q4 2021.
Eesti Energia	FCR prequalification concept as described in paragraph 5	5	Considering that synchronisation to the rest of the CESA will be carried out by means of a single double-circuit AC LitPol interconnector and that the proposed formula describes the minimum necessary FCR size in CESA considering the N-2 incident, we see that it is more adequate to use LitPol AC interconnector capacity 500 MW as a reference as this is the single AC connection to the CESA system – losing this means that Baltic countries are operating in emergency island mode which can lead to system collapse and blackout.	Baltic TSOs are developing a separate process to handle the sudden isolation from CESA. Baltic TSOs are in the process of negotiating the potential support received through the HVDC connections. The CESA AC connection will only have Baltic imbalance allowed and no trade is allocated for the connection. Trade with Poland is operated via the new Harmony Link (700 MW) that will start operation in 2025.
Eesti Energia	FCR prequalification concept as described in paragraph 5	5	We propose to modify p. 2 and p. 3 in the prequalification re-assessment criteria for the FCR providers (page 19) to set them in accordance with the provisions of Article 40 point 4(b) of Directive 2019/944, which explicitly states that TSOs shall procure balancing services from all qualified electricity undertakings and market participants on non-discriminatory basis. In order to avoid discrimination, we propose the following wording for replacing current p.2 and p.3: "in case modifications have been carried out, which have an impact on control capability and as a result the equipment does not correspond to the obligatory minimum control capability requirements".	The proposal shall be taken into account during the drafting of the prequalification requirements and will be reflected in the documents. The prequalification requirements will be published by the end of 2021 Q4.
FuseBox	FCR prequalification concept as described in paragraph 5	5	Prequalification processes should be harmonized between Baltic TSOs to enable smooth access to ancillary markets in all 3 countries simultaneously. The concept should provide level-playing field to all market participants to qualify, and the process should be designed as user-friendly and convenient as possible.	Prequalification process is responsibility of connecting TSO under SO GL. TSOs intention is to harmonize prequalification principles as much as possible in the Baltic states.
SIA INZENERIJA	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Characteristics of aFRR. Minimum quantity 1 MW; Bid granularity 1 MW. A lower minimum quantity (eg 0,5 MW) and bid granularity (eg 0,1MW) allow more participants; creates more competition and lower prices for aFRR offers. More participants can also make the system more reliable. It is possible that a lower price can be difficult, then a higher one, and it requires more administrative resources. Question: What is the justification for setting such a Minimum quantity of 1 MW; Bid granularity 1 MW ?	Minimum bid quantity and granularity of 1 MW are defined by the MARI and PICASSO platforms. Baltic TSOs would high-light that aggregation of multiple reserve providing units into an aggregated reserve unit is allowed.
SIA INZENERIJA	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Determining accessible volume of FRR reserve for each LFC area Accessible volume of upward FRR, MW; Accessible volume of downward FRR, MW. Questions: - How many hours a year are these volumes available? - how many participants can provide this amount to EE; LV and LT? - What volumes of aFRR are available, how many hours and how many potential participants can provide these volumes?	FRR reserves will be provided by providers which will be validated according to the prequalification process - principles described in the Article 6.3 of the concept. Number of potential providers will not be limited and reserves will be procured on market base procurement.
Anonymous	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Section 6.2.1 table, Parameter Divisibility. "Maximum size of indivisible bids shall not be higher than the largest technical minimum production or consumption of the pre-qualified generation or load unit of the BSP." Company asks for clarification, what technical minimum will be used if unit has several technical minimums. For example, unit can operate from 10 MW to 30 MW and from 70 MW to 120 MW while generation from 30 MW to 70 MW is not possible.	If the Unit has several technical minimums, then for each technical minimum a separate prequalification should be carried out to make sure that for each technical minimum the requirements are fulfilled. More details shall be described in the mFRR prequalification requirement documentation.

Anonymous	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Have the TSOs considered the scenario of a windy day after year 2025, when a total installed wind power capacity is 1500 MW and there is an unpredicted high wind speed hours which cause wind power plants cut-off (for e.g. from 1,4 GW output to 0)? In this scenario the incident volume might be greater than a described reference incident (NordBalt) in a negative direction of 700 MW.	The imbalances from wind power are estimated based on 2019 data and scaled to match the wind power generation capacity of 2025 according to the table 8. The dimensioning incident is defined as the largest expected N-1 failure of generation, load or HVDC-interconnector. The simultaneous outage of all wind power generators is not considered to be a N-1 failure. In case the Baltic LFC block shall have a single wind park with the capacity of 1500 MW, then the FRR dimensioning process shall take into account the largest incident and will recalculate the necessary FRR demand that reflects the new largest incident.
Anonymous	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	In section 6.3 FRR prequalification process it is mentioned that "During prequalification test of mFRR the technical minimum shall be determined and this technical minimum is considered as a maximum indivisible part of the bid that can be provided." Company asks for clarification, what technical minimum will be used if unit has several technical minimums. For example, unit can operate from 10 MW to 30 MW and from 70 MW to 120 MW while generation from 30 MW to 70 MW is not possible.	If the Unit has several technical minimums, then for each technical minimum a separate prequalification should be carried out to make sure that for each technical minimum the requirements are fulfilled. More details shall be described in the mFRR prequalification requirement documentation.
Baltic NRAs	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Based on the LFC concept document NRAs consider that any of TSO does not plan to introduce specific balancing products regarding Article 26(1) of EBGL both on Baltic States level (jointly) or on the national level (individually). It is case TSOs should clearly communicate about such a plan to apply or not to apply specific products in this document.	Article 6.2 shall be amended with clear statement that Baltic TSOs do not plan to apply specific products
Baltic NRAs	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Requirements set in this paragraph 6.2 shall be compliant with mFRR IF[1] and aFRR IF[2]. ([1] <a href="https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Annexes%20to%20the%20DECISION%20OF%20THE%20AGENCY%20FOR%20THE%20CA/ACER%20Decision%20on%20the%20Implementation%20framework%20for%20mFRR%20Platform%20-%20Annex%20I.pdf">https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Annexes%20to%20the%20DECISION%20OF%20THE%20AGENCY%20FOR%20THE%20CA/ACER%20Decision%20on%20the%20Implementation%20framework%20for%20mFRR%20Platform%20-%20Annex%20I.pdf</a> ) ([2] <a href="https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Annexes%20to%20the%20DECISION%20OF%20THE%20AGENCY%20FOR%20THE%20C3/ACER%20Decision%20on%20the%20Implementation%20framework%20for%20aFRR%20Platform%20-%20Annex%20I.pdf">https://acer.europa.eu/Official_documents/Acts_of_the_Agency/Annexes%20to%20the%20DECISION%20OF%20THE%20AGENCY%20FOR%20THE%20C3/ACER%20Decision%20on%20the%20Implementation%20framework%20for%20aFRR%20Platform%20-%20Annex%20I.pdf</a> )	The requirements have been drafted in alignment with the Implementation Framework documents.
Baltic NRAs	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	NRAs suggest clarifying Table 6 row „Location“ by clearly stating that the location is a bidding zone as defined in the mFRR IF Article 6(3). Identification of the power plant is additional information which should be requested based on terms and condition for the BSP regarding mFRR IF Article 6(4). Therefore, these two aspects should be clearly separated or explained.	Proposal is accepted. Location will be defined in the concept strictly as a bidding zone. Identification of the power plant and additional information will be requested based on terms and conditions for the BSPs. Explanation will be added to the concept document.
Baltic NRAs	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Table 7, row „Divisibility“ value 0,01 MW should be adjusted or clarified / explained since it seems that the value is not in line with aFRR IF Article 7(1)(c) which states that bid graduality shall be not less than 1 MW.	The 0,01 MW is the activation step of aFRR. The TSOs load-frequency restoration controller calculates the necessary activation of aFRR, this value is calculated in the accuracy of 0,01 MW.
Baltic NRAs	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	References to SOGL implementing acts (TCMs) or comparison of principles regarding dimensioning which are applied in other countries is missing. Also, more explanation how calculation results provided in this section is derived could be provided. I. e. input data, interim calculation steps, etc. E. g. it is not clear what documents is referred in case of "SAFA Policy 1 statistical approach".	Additional information shall be provided for the LFC concept document and further descriptions are to be added to the FRR dimensioning methodology that shall be developed.
Baltic NRAs	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	Prequalification process set in this paragraph 6.3 shall be compliant with SOGL Article 159. NRAs would like to highlight that is of utter importance to make them publicly available as soon as they are approved that market participants could make reasonable investment decisions.	Recommendations will be taken into account in the preparation of prequalification process. It is foreseen in the concept document to develop it by Q4 2021.
Baltic NRAs	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	Technical requirements set in section 6 shall be compliant with SOGL Article 158. Section 6 seems to be missing some of explanations regarding minimum technical requirements for FRR. It provides fewer explanations compared to the FCR case in section 5.2.	FRR minimum technical requirements are described in table 6 and 7.
Baltic NRAs	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	In this process TSO should specify what is considered as a breach of quality parameters of FRR provision service in order to assess if prequalification of FRR providers shall be re-assessed, because such TSO right is not implicitly defined in Article 159 of SOGL. When a market participant corrects breaches, it must be given the right to be to the certain extent re-assessed in order to once again qualify as a service provider. The re-prequalification process scope does not necessary must be as broad as initial prequalification, if possible.	mFRR and aFRR prequalification process documents are to be published in 2021 Q4. The specifics of re-prequalification process shall be captured in the documents.
Eesti Energia	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	Please clarify the bidding process of future Baltic aFRR energy and capacity markets and how they relate to the aFRR standard product.	All the bids provided for the energy and capacity markets have to be prequalified and aligned with the standard product described in the document. More information will be provided within "Baltic aFRR balancing energy market rules and technical requirements (concept)" that will be published in 2021 Q4.
Eesti Energia	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Please share the complete analysis for the FRR dimensioning.	Additional information shall be provided for the LFC concept document and further descriptions are to be added to the FRR dimensioning methodology that shall be developed.
Eesti Energia	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Considering that the synchronisation takes place in 2025 and there will be a steep increase in RES capacities as well as imbalances during 2020-2025, we recommend using 2025 scenario for mFRR and aFRR market dimensioning.	Best estimates for year 2025 scenario was used as the baseline for the aFRR and mFRR dimensioning calculations.
Eesti Energia	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Please explain how the „Upward aFRR need, MW“ and „Downward aFRR need, MW“ values are calculated (Table 12).	Chapter 6.5.2 describes the statistical approach how aFRR capacity is calculated to cover 1st and 99th percentile values of the imbalance variation. Additional information shall be provided for the LFC concept document and further descriptions are to be added to the FRR dimensioning methodology that shall be developed.
Eesti Energia	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Please explain the meaning of sections 6.5.3 and 6.5.5. Are the reserves in this context physical capacities located in that LFC area?	These capacities are the financial obligation procured by each LFC area to cover the total LFC block FRR demand. The physical location of these capacities is not determined by this distribution. The physical location shall be determined by the capacity market results that takes into consideration the available and reserved cross-zonal capacities.
Eesti Energia	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Please explain Table 17. What does accessible volume per LFC area mean?	Accessible volume for an LFC area is the balancing capacity that is needed to cover the largest incident of that LFC area. E.g. Estonia's largest incident is Estlink 2. In case Estlink 2 is importing the Estonia's LFC area will need to have access to 650 MW upward balancing capacity to cover the largest incident.
Eesti Energia	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	We propose to modify p. 2 and p. 3 in the prequalification re-assessment criteria for the FCR providers (page 19) to set them in accordance with the provisions of Article 40 point 4(b) of Directive 2019/944, which explicitly states that TSOs shall procure balancing services from all qualified electricity undertakings and market participants on non-discriminatory basis. In order to avoid discrimination, we propose the following wording for replacing current p.2 and p.3: "in case modifications have been carried out, which have an impact on control capability and as a result the equipment does not correspond to the obligatory minimum control capability requirements".	The proposal shall be taken into account during the drafting of the prequalification requirements and will be reflected in the documents. The prequalification requirements will be published by the end of 2021 Q4.
FuseBox	aFRR and mFRR characteristics as described in paragraph 6.2	6.2	The characteristics of aFRR and mFRR are based on EU standard products characteristics. Since today existing mFRR is a standard product then in this respect no major changes should be foreseen. If there are changes compared to existing products these should be highlighted and the need explained to market participants early on.	Acknowledged
FuseBox	aFRR and mFRR prequalification concept as described in paragraph 6.3	6.3	Regarding mFRR, which is already in the market no major changes in qualification is expected. If there are changes these should be highlighted and the need explained to market participants early on.	Acknowledged
Ignitis group	aFRR and mFRR dimensioning concept as described in paragraph 6.5	6.5	Pay attention that numbers presented in Table No. 8 should be aligned with numbers that are indicated in other official documents[1]. ( <a href="https://ec.europa.eu/energy/sites/ener/files/documents/ee_final_necp_main_en.pdf">https://ec.europa.eu/energy/sites/ener/files/documents/ee_final_necp_main_en.pdf</a> ); <a href="https://ec.europa.eu/energy/sites/ener/files/documents/lv_final_necp_main_en.pdf">https://ec.europa.eu/energy/sites/ener/files/documents/lv_final_necp_main_en.pdf</a> ; <a href="https://ec.europa.eu/energy/sites/ener/files/documents/lt_final_necp_main_en.pdf">https://ec.europa.eu/energy/sites/ener/files/documents/lt_final_necp_main_en.pdf</a> )	The RES capacities used for the LFC concept document are one scenario that was taken into consideration and TSOs have largely followed the perspective of RES increase in their regions. The FRR dimensioning methodology that will be developed shall assess the latest available data for FRR dimensioning.
Anonymous	General comment	7.2	In page 34 in point 1) "The BSPs send to the connecting TSOs the balancing energy bids for standard or specific products or integrated scheduling process bids8 or update the balancing energy bids, until the balancing energy gate closure time (BE GCT);" Is bids8 a typing error or it has a meaning? If it has a meaning, this should be defined in the document.	Typing error is corrected.
Anonymous	General comment	7.2	In page 35 it is stated "Baltic TSOs do not foresee to implement frequency replacement process (RP) process therefore joining with the TERRE platform could be considered if there would be interest from market participants to provide the standard product of RR defined in the Replacement Reserves Implementation Framework, pursuant to Article 19(1) of the EBGL (FAT is 30 minutes) and implementation of RP process should be based cost-benefit analysis." Company wants to know how this interest from market participants to provide the standard product of RR should be provided to TSO.	Chapter 7.2 is amended to reflect the common Baltic TSO positions regarding RR and restoration process.
Baltic NRAs	Baltic aFRR balancing energy market concept as described in paragraph 7.3	7.3	7.3 Cross border capacity limits (CBCL) acronym is not explained in the document.	Abbreviation description is included
Eesti Energia	Baltic aFRR balancing energy market concept as described in paragraph 7.3	7.3	We propose to open aFRR market already in 2021 (together with mFRR) as an incentive for the market participants (potential BSPs) to invest in new capacities and/or upgrades as early as possible and thereby minimize the chance of having insufficient reserves by the time of desynchronisation.	Baltic TSOs propose the roadmap for the establishment of aFRR balancing energy market by integration with European aFRR balancing energy platform Picasso. Expected go-live by 2024. Baltic TSOs already started the activities on implementation of aFRR with first milestone in 2021 to publish common Baltic aFRR balancing energy market rules and technical requirements (concept). Implementation roadmap that is provided in article 7.3 also foresees involvement of the market participants with testing.
Eesti Energia	Baltic aFRR balancing energy market concept as described in paragraph 7.3	7.3	Please explain – does joining PICASSO platform mean, that BSP can participate in the aFRR markets of neighbouring countries and the BSPs in neighbouring countries can participate in our aFRR market. Hence, can we participate in Finland's aFRR market in 2024?	Joining to the Picasso platform means, that BSPs will participate already in the European aFRR balancing energy market through single activation optimisation function (AOF) from Common merit order list (CMOL) and common balancing energy pricing.

Eesti Energia	Baltic mFRR balancing energy market concept as described in paragraph 7.4	7.4	Please explain – does integration with MARI platform mean, that BSP can participate in the mFRR markets of neighbouring countries and the BSPs in neighbouring countries can participate in our mFRR market already starting from 2023 Q3?	Joining to the MARI platform means, that BSPs will participate already in the European mFRR balancing energy market through single activation optimisation function (AOF) from Common merit order list (CMOL) and common balancing energy pricing.
FuseBox	Baltic aFRR balancing energy market concept as described in paragraph 7.3	7.3	Since currently Baltic TSOs operate a common Baltic balancing market, which in turn connects to MARI then would be interested in to understand how the design is planned with PICASSO platform.	aFRR balancing energy market implementation is described in article 7.3. Baltic TSOs foresee that implementation of aFRR balancing market in Baltics shall include joining to the European aFRR platform Picasso. Baltic TSOs, foresee to apply common aFRR balancing market rules and technical requirements
FuseBox	Baltic mFRR balancing energy market concept as described in paragraph 7.4	7.4	It is welcomed that the changes in Baltic mFRR market shall be limited to TSO procedures and no major changes for market participants are foreseen.	Acknowledged
SIA INZENIERIJA	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	As no specific resources are listed, comments are not possible.	The full list of possible TSO resources is not known at this point of time.
Anonymous	Baltic balancing capacity markets prequalification processes concept as described in paragraph 8.3	8.3	It is mentioned that each Baltic TSO shall start with the pre-qualification process for capacity units in its systems for FCR and FRR balancing capacity provision by latest of Q4 2022 and Baltic TSOs assess the volumes of prequalified reserve providing units if the available capacities fulfill the dimensioned capacities for LFC block and LFC areas by the end of 2023 each Baltic TSO shall start with the pre-qualification process for capacity units in its systems for FCR and FRR balancing capacity provision by latest of Q4 2022 and - Baltic TSOs assess the volumes of prequalified reserve providing units if the available capacities fulfill the dimensioned capacities for LFC block and LFC areas by the end of 2023. If the prequalified reserve providing units do not fulfill the dimensioned volumes Baltic TSOs need to take actions to ensure the dimensioned reserve capacities are available to synchronize with CESA.  Section 5.3 describes different parameters that shall be tested during the prequalification process. Does it mean that only existing units will be able to pass the prequalification process? From a market participant's perspective, undergoing projects should be also eligible for prequalification, taking into account that FCR procurement process will start only from 2025 Q1	Prequalification of LFC reserve units is continuous process and no limitation for old or new reserve units is set. Baltic TSOs need to assess the availability of reserves before synchronization to understand the volumes of reserves available in the Baltic balancing market. Prequalification process can be completed only for completed projects, when generators are fully connected to the network.
Anonymous	Baltic LFC block proposal for exchange and sharing of balancing reserve capacity concept as described in paragraph 8.8	8.8	In section 8.8.3 FRR capacity sharing rules it is mentioned "upward regulation capacity" and "downward regulation capacity". Company asks to clarify if this means "upward balancing capacity" and "downward balancing capacity". If yes, this should be changed in the text. If no, company asks to add regulation definition to 1 chapter "Abbreviations and Definition".	Yes, balancing capacity is meant. The changes will be made.
Anonymous	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	It is mentioned that "Considering existing practices in EU countries the maximum bid size might be expected to be in range from 20% till 40% of total Baltic LFC block reserve volumes."  The maximum bid size should be evaluated not only using existing practices in EU countries, but also taking into consideration specifics of Baltic LFC block (installed capacities, technical minimum of generation or consumption units, etc.).	TSOs will consider technical capabilities of power generating capacities currently operating in the Baltic power systems in the study, results of the study will be provided and explained to market participants in form of public consultations.
Anonymous	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	Is it foreseen what % of balancing reserves capacity needed is going to be owned by TSOs? What would be the activation price cap of such resources? What reserves (FCR, aFRR, mFRR) could be provided using TSO resources. Is this approach compatible with the provisions of the Directive 2019/944 on common rules for the internal market for electricity (article 54) and Electricity balancing guidelines? Usage of TSO resources for balancing services can be treated as discriminatory approach that can limit effective competition.	There is no forecast on the share of balancing reserves to be owned by TSOs. In case resources of TSOs would be used, the activation price cap should be at Value of Lost Load (VoLL), so that there would be no market impact of using TSO resources. TSOs are aware of the EU legislation and must operate according to the principles stated in these legislations. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs
Anonymous	What measures are necessary in addition to those that are described in paragraph 8.3 to ensure that BSPs shall prequalify their resources by the end of 2023?	8.3	From a market participant's perspective, it would be useful to know if the foreseen TSOs assets are going to have a priority over the market participants assets in balancing reserve capacity market. Are TSO owned balancing energy assets in the future will be treated in the same way as currently Estonian TSO controlled balancing energy assets?	TSOs do not foresee TSO resources to have priority over market participant's resources. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs.
Baltic NRAs	Balancing capacity market framework concept as described in paragraph 8.5	8.5	Based on the LFC concept document NRAs consider that any of TSO does not plan to apply for derogation regarding Article 6 (9) and (10) of Regulation 2019/943 on Baltic States level (jointly) or on the national level (individually). It is these TSOs should clearly communicate about such a plan to apply or not to apply such derogations in this document. Since, such information is crucial for market participants in order to establish investment decisions.	Document article 8.5.3 is amended
Baltic NRAs	Balancing capacity market framework concept as described in paragraph 8.5	8.5	NRAs also indicated that the information of limits to exchange the reserve within LFC block and outside the LFC block is missing.	Limits for exchange and sharing the reserves between different LFC blocks are described in article 8.8.4. Baltic TSOs plans to perform study to determine the limits for exchange and sharing within LFC block as described in article 8.9.1
Baltic NRAs	Balancing capacity market framework concept as described in paragraph 8.5	8.5	Additionally, market-based approach for cross zonal capacity allocation could be explained in more detail for market participants.	Baltic TSOs foresee to develop detailed description of proposed method of market based approach in the dedicated proposal by Baltic TSOs in accordance with Article 33.1 of Commission Regulation (EU) 2017/2195. Document will be submitted for public consultation in early 2022.
Baltic NRAs	Balancing capacity market framework concept as described in paragraph 8.5	8.5	TSO should include more arguments about selected method about cross-zonal market and more explanations, why this kind of model is chosen for implementation for market participants.	Baltic TSOs indicates four main reasons for application of Market based approach that is provided in the Article 8.4.2
Baltic NRAs	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Section 8.2 contains that: "LITGRID AB highlights that establishment of common Baltic balancing capacity market requires to ensure non-discriminatory conditions for all Baltic market participants participating in common Baltic balancing capacity market. Harmonised tariff and tax regulatory framework for market participants that use gas as primary energy source shall be established. Non-discriminatory conditions shall ensure that market participants that use gas as primary energy source can participate in Baltic balancing capacity market on an equal terms and conditions with market participants from other areas and market participants using primary energy sources other than gas. Above mentioned non-discriminatory condition should be evaluated and confirmed by Baltic NRAs for the establishment common Baltic balancing capacity market as described in this Concept document." Lithuanian NRA NERC within respective competence efforts to create a level playing field regarding natural gas tariff framework harmonisation among Baltic States. Please note that implementation and content of Government of the Republic of Lithuania resolution of 7th of November 2012 No 1354 "On the "Order of Determination of the necessary supply volume of the liquefied natural gas terminal and booking of the consumption capacity of the natural gas approval" which sets differentiation of tariffs / rates setting among customers is approved by the Government of the Republic of Lithuania – therefore amendment process is not in control of NERC. Thus, TSOs should cooperate with other authorities as well.  In order to provide guidance regarding above mentioned issues LFC concept document requires more detail information from TSOs or additional studies. NERC consider that such evaluation whether there is a level playing field may potentially be evaluated and decided when assessment of proposal regarding Article 33(1) of EBGL (Article 5(3)(b)) will be done.	Creation of harmonized of gas tariff and tax regulatory structure is not within competence of Baltic TSO. Nevertheless, TSOs intend to harmonize applicable requirements as much as possible.
Baltic NRAs	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Cross border marginal price (CBMP), locational marginal price (LMP) acronyms are not explained in the document.	Document is amended with explanation of abbreviations.
Baltic NRAs	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Regarding EBGL Article 38(3) there are two balancing capacity cooperation methods: Exchange and sharing. However, in the document these definitions are not used as they are defined in the EBGL (e. g. as synonyms). NRAs suggest adjusting the wording of the document in order to cover both methods and clearly indicate which method TSOs plans to choose. If technically possible sharing of balancing capacity reserves method is preferred since it reduce the total amount of procured balancing capacity within the LFC areas and save procurement costs.	Baltic TSOs foresee both exchange and sharing of balancing capacities. CZC allocation method is described in article 8.4.2
Baltic NRAs	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	NRAs ask to evaluate the possibility in section 8.9. of LFC concept document to add information about imbalance settlement period (ISP 15) process, if the ISP 15 will be implemented together with synchronization with Continental Europe (CE), or about the possible derogation in a year 2025.	Baltic TSOs have added section "9.1.1. Implementation of 15-minute imbalance settlement period" in the document

Baltic NRAs	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	Considering EBGL and SPBC decision[1] requirements TSOs have a right to set maximum bid sizes, however such decision must be harmonized on the balancing capacity cooperation level. Also, decision must be justified. NRAs notes that reserve capacity sizes should be carefully assessed in order to ensure maximum welfare of the market. Bid size limits could create unjustified barriers for market entry or minimize market welfare (due to scale economics). Also, requirements must be set without prejudice to Article 3 and 10 of Regulation 2019/943 – “principles regarding the operation of electricity markets” and “technical bidding limits”. [1] <a href="https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20Decisions/ACER%20Decision%2011-2020%20on%20standards%20for%20balancing%20capacity.pdf">https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Individual%20Decisions/ACER%20Decision%2011-2020%20on%20standards%20for%20balancing%20capacity.pdf</a>	Baltic TSOs take a note of the comment
Baltic NRAs	General comment	8.4	“According to the EBGL reliability margin calculated pursuant to the CAMM shall be used for operating and exchanging FCR, additional cross zonal capacity shall not be allocated” – phrasing could be improved considering Article 38(4) of EBGL. Because additional CZC could be allocated for FRR.	TSOs improved wording in the concept according to the comment. “According to the EBGL: (1) reliability margin calculated pursuant to the CAMM shall be used for operating and exchanging FCR, additional cross zonal capacity shall not be allocated; (2) cross-zonal capacity allocated for the exchange of balancing capacity or sharing of reserves shall be used for frequency restoration reserves”.
Baltic NRAs	Market-based cross-zonal capacity allocation for Baltic LFC block concept as described in paragraph 8.4.2	8.4.2	NRAs supports the idea to implement market-based CZCA method as interim measure before it is sufficiently possible to implement conceptually more advantageous method – co-optimised CZCA method. However, NRAs would provide their final decision regarding the selection of the model based on the justification provided in proposals regarding Articles 33(1) and 38(1).	Feedback accepted
Baltic NRAs	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	Baltic TSOs asks Baltic NRAs to provide guidance on the usage of TSO resources to reduce the procured capacity. NRAs would like to have more information on the possible resources owned by TSOs, and future operations, as well as possible resources in the market. Therefore, NRAs will provide such assessment with a separate letter after multilateral discussion and discussions with European Commission’s representatives.	Further discussions on reserve market design are welcomed by Baltic TSOs.
Eesti Energia	aFRR capacity market concept as described in paragraph 8.7.1	8.7.1	With reference to our comment to Question 1, we urge the TSOs to ensure level playing field at Baltic aFRR balancing capacity and energy market, which should serve as the main precondition for cross-border cooperation.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	aFRR capacity market concept as described in paragraph 8.7.1	8.7.1	As already written in the answer to Question 9, we propose that TSOs carry out all tasks in an accelerated manner to make sure that aFRR capacity markets are available already in 2021 at least on piloting level.	Baltic TSOs notes that procurement of aFRR service is foreseen only from Baltic states synchronisation with Continental Europe and including the testing phase periods in 2024. Until Baltic states operates in IPS/UPS systems there is no legal, technical and economical justification for TSOs to procure aFRR service
Eesti Energia	aFRR capacity market concept as described in paragraph 8.7.1	8.7.1	As already written in the answer to Question 11, we propose that the minimum bid quantity and granularity shall be 0,1 MW to facilitate the participation of energy storage, aggregation and demand response facilities with reference to EC 2019/944 Article 40 p 4 (b).	Minimum bid quantity and granularity of 1 MW are defined by the MARI and PICASSO platforms. Baltic TSOs would high-light that aggregation of multiple reserve providing units into an aggregated reserve unit is allowed.
Eesti Energia	Balancing capacity market framework concept as described in paragraph 8.5	8.5	Please explain the essence of the validity periods (paragraph 8.5.3) and why are there 96 validity periods?	Validity period corresponds to the balancing market time unit (MTU) for which bid is provided. Since balancing market time unit is planned to be 15 minutes, auction is daily and for 24 hours, there are 96 validity periods (MTUs) for which bids can be provided. Bids can be provided for some or all validity periods.
Eesti Energia	Balancing capacity market framework concept as described in paragraph 8.5	8.5	We propose that the minimum bid quantity and granularity shall be 0,1 MW to facilitate the participation of energy storage, aggregation and demand response facilities with reference to EC 2019/944 Article 40 p 4 (b); 4. In performing the task referred to in point (j) of paragraph 1, transmission system operators shall procure balancing services subject to the following: (a) transparent, non-discriminatory and market-based procedures; (b) the participation of all qualified electricity undertakings and market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation.	Minimum bid quantity and granularity of 1 MW are defined by the MARI and PICASSO platforms. Baltic TSOs would high-light that aggregation of multiple reserve providing units into an aggregated reserve unit is allowed.
Eesti Energia	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Please explain the meaning of “Baltic TSOs have agreed also to strive to implement the common LFC reserves capacity market among two or all LFC areas”.	Baltic TSOs have concluded Memorandum of Understanding in which, along with commitment to establish common Baltic LFC block, also commit to work together on establishment of common Baltic LFC reserves capacity market. Working is improved in the paragraph 8.1 of the Concept.
Eesti Energia	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Please explain the positions of AST and Elering regarding the remark highlighted by Litgrid (harmonised tariff and tax regulatory framework for market participants that use gas as primary energy source). You are probably aware that Lithuania is planning to introduce national capacity mechanism as soon as possible. How are you evaluating this initiative in terms of ensuring non-discriminatory conditions for all market participants? According to our opinion introduction of such capacity mechanism would create very significant distortion of competition in the planned LFC block.	Decision of implementation of capacity mechanisms is not within competency of TSOs. Furthermore, it should be noted, that before introducing capacity mechanisms, the Member States shall conduct a comprehensive study of the possible effects of such mechanisms on the neighbouring Member States.
Eesti Energia	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Please explain how these two principles correlate: - “Baltic TSOs have agreed that each TSO shall be responsible to procure and provide its LFC area distributed share of dimensioned LFC block reserves.”; and - “Market mechanisms shall promote exchange of balancing capacity through cross borders”. Are the TSOs planning a pan-Baltic market or shall the markets be based on country level?	Principle “Baltic TSOs have agreed that each TSO shall be responsible to procure and provide its LFC area distributed share of dimensioned LFC block reserves” in the content of common Baltic balancing capacity market corresponds to the responsibility for each TSO to cover the respective costs in amount in accordance with distributed share of dimensioned LFC block reserves.
Eesti Energia	Baltic balancing capacity markets prequalification processes concept as described in paragraph 8.3	8.3	We propose to TSOs to revise their current time schedule and take more aggressive approach so that FCR and aFRR markets would be up and running already in 2021 at least on piloting level. We welcome Elering’s efforts with Fingrid to offer Estonian market participants to participate in Fingrid’s aFRR market already in 2020 and hope this experience can be used to expedite piloting Baltic aFRR and FCR market.	Baltic TSOs highlights the importance of introduction of new markets such as FCR and aFRR, which shall follow the requirements of Continental Europe and future European balancing energy platforms. If part of market and technical requirements are defined on European level, there is still significant part of requirements that should be defined on the regional level involving the stakeholders through public consultations and approval processes. Baltic TSOs proposed the balancing market development roadmap considering the scope of required implementation and also experience of similar projects in Nordics and Continental Europe.
Eesti Energia	Baltic balancing capacity markets prequalification processes concept as described in paragraph 8.3	8.3	In proposed action plan Baltic TSOs envisage “taking action to ensure that the dimensioned reserve capacities are available to synchronise with CESA”. We would like to remind to TSOs that according to applied EU regulation No 2019-943 and internal electricity market directive (2019-944), procurement of such capacities shall be market-based (e.g. procuring the necessary services from the market) and organised in such a way as to be non-discriminatory between the market participants. Therefore, we expect TSOs to take timely action in order to figure out whether any investment support is required for bringing these capacities to the market and if needed, then provide “early bird” incentives to attract BSPs interest in carrying out qualification tests (for example opening the market a few years earlier than the absolute final deadline).	In article 8.3 Baltic TSOs provide description on the approach for the prequalification process where BSP can prequalify for the balancing capacity services for the new products which are required for Baltic states synchronisation with Continental Europe.
Eesti Energia	Baltic balancing capacity markets prequalification processes concept as described in paragraph 8.3	8.3	With reference to paragraph 7.2, we hereby also declare our interest in providing the standard product of RR in the Replacement Reserves Implementation Framework. Please clarify what is the reasoning of TSOs regarding non-implementation of frequency replacement process and not joining the TERRE platform.	Chapter 7.2 is amended to reflect the common Baltic TSO positions regarding RR and restoration process.
Eesti Energia	Baltic LFC block proposal for exchange and sharing of balancing reserve capacity concept as described in paragraph 8.8	8.8	With reference to our comment to Question 1, we urge the TSOs to ensure level playing field between the market participants when it comes to sharing of balancing reserve capacity.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	Baltic LFC block proposal for exchange and sharing of balancing reserve capacity concept as described in paragraph 8.8	8.8	Referring to our answer to Question 2, we see that the amount of FCR capacities the other CESA countries can offer should be strictly limited due to the single AC connection to CESA.	After the desynchronisation, the Baltic power systems shall be part of CESA. As written in the concept document “As the FCR obligations of the synchronous area are distributed between all TSOs of the synchronous area and all TSOs have to support the synchronous area FCP, then FCR sharing within synchronous area is not allowed to reduce the required FCR. ”
Eesti Energia	Baltic LFC block proposal for exchange and sharing of balancing reserve capacity concept as described in paragraph 8.8	8.8	We agree that CESA should be self-sufficient in terms of required FCR capacities and receiving reserves from other SAs (Nordic and IPS/UPS) should not be allowed.	Feedback accepted
Eesti Energia	Baltic LFC block proposal for exchange and sharing of balancing reserve capacity concept as described in paragraph 8.8	8.8	We welcome paragraph 8.8.5 and stress that all such agreements between LFC areas, LFC blocks or neighbouring synchronous areas need to be bilateral and take into account the interests of market participants.	Feedback accepted
Eesti Energia	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	We would like to note that the planned study of TSOs can by no means be treated as a market test in order to evaluate market participants’ readiness to provide required reserves. Market’s ability to provide the required services should be tested via public tendering only. All the necessary balancing capacities to ensure the security of supply on a Baltic level need to be procured via market-based mechanisms. Any other alternative options for procuring required reserves may be executed only in case the market-based mechanisms have explicitly failed to produce the required results.	In the study TSOs intending to analyse necessity to introduce restrictions for the capacity market in order to ensure required level of security of supply of the Baltic power systems in accordance with Commission Regulation (EU) 2017/1485 requirements. Results of the study will be consulted with market participants.
Eesti Energia	FCR capacity market concept as described in paragraph 8.6	8.6	With reference to our comment to Question 1, we urge the TSOs to ensure level playing field at Baltic FCR market, which should serve as the main precondition for cross-border cooperation.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	FCR capacity market concept as described in paragraph 8.6	8.6	As already written in the answer to Question 9, we propose that TSOs carry out all tasks in an accelerated manner to make sure that FCR capacity markets are available already in 2021 at least on piloting level. In order the market to be operational with enough market participants offering solutions to cover systems demand we suggest expediting timeline so that Baltic balancing market could go live in 2021.	Baltic TSOs notes that procurement of FCR service is foreseen only from Baltic states synchronisation with Continental Europe and including the testing phase periods in 2024. Until Baltic states operates in IPS/UPS systems there is no legal, technical and economical justification for TSOs to procure FCR service
Eesti Energia	FCR capacity market concept as described in paragraph 8.6	8.6	As already written in the answer to Question 2, we see that the FCR dimensioning formula should be modified to consider specific Baltic conditions (namely – one single connection to CESA).	Baltic TSOs are developing a separate process to handle the sudden isolation from CESA. Baltic TSOs are in the process of negotiating the potential support received through the HVDC connections.

Eesti Energia	FCR capacity market concept as described in paragraph 8.6	8.6	As already written in the answer to Question 11, we propose that the minimum bid quantity and granularity shall be 0,1 MW to facilitate the participation of energy storage, aggregation and demand response facilities with reference to EC 2019/944 Article 40 p 4 (b). Modern information technologies are readily available to facilitate connection and operation of smaller units in the market platforms that are used to handle FCR market.	Minimum bid quantity and granularity of 1 MW are defined by the MARI and PICASSO platforms. Baltic TSOs would high-light that aggregation of multiple reserve providing units into an aggregated reserve unit is allowed.
Eesti Energia	Market-based cross-zonal capacity allocation for Baltic LFC block concept as described in paragraph 8.4.2	8.4.2	Proposed time schedule (go live 2025 Q1) does not seem to be ambitious at all and moreover practically prohibits functioning market to be able to offer necessary capabilities to exist in required volume on 2025. In order the market to be operational with enough market participants offering solutions to cover systems demand we suggest expediting timeline so that Baltic balancing market could go live in 2022 at least on piloting level.	Baltic TSOs proposes the implementation roadmap of balancing capacity market considering the Implementation framework and requirements as defined by Commission Regulation (EU) 2017/2195. Baltic TSOs proposed the balancing market development roadmap considering the scope of required implementation and also experience of similar projects in Nordics and Continental Europe.
Eesti Energia	mFRR capacity market concept as described in paragraph 8.7.2	8.7.2	With reference to our comment to Question 1, we urge the TSOs to ensure level playing field at Baltic mFRR balancing capacity and energy market, which should serve as the main precondition for cross-border cooperation.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	mFRR capacity market concept as described in paragraph 8.7.2	8.7.2	As already written in the answer to Question 9, we propose that TSOs carry out all tasks in an accelerated manner to make sure that mFRR capacity markets are available already in 2021 at least on piloting level.	Baltic TSOs proposes the implementation roadmap of balancing capacity market considering the Implementation framework and requirements as defined by Commission Regulation (EU) 2017/2195. Baltic TSOs proposed the balancing market development roadmap considering the scope of required implementation and also experience of similar projects in Nordics and Continental Europe.
Eesti Energia	mFRR capacity market concept as described in paragraph 8.7.2	8.7.2	As already written in the answer to the Question 11, we propose that the minimum bid quantity and granularity shall be 0,1 MW to facilitate the participation of energy storage, aggregation and demand response facilities with reference to EC 2019/944 Article 40 p 4 (b).	Minimum bid quantity and granularity of 1 MW are defined by the MARI and PICASSO platforms. Baltic TSOs would high-light that aggregation of multiple reserve providing units into an aggregated reserve unit is allowed.
Eesti Energia	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	We resolutely object the proposal according to which TSOs will be participating in balancing market and provide their resources to reduce the procured capacity from the market. We would like to remind to TSOs that according to applied EU regulation No 2019-943 and internal electricity market directive (2019-944), procurement of such capacities shall be market-based and organised in such a way as to be non-discriminatory between the market participants. If lack of reserves should appear in the market, then relevant market-based mechanisms should be introduced to achieve the necessary level of resources. As regards the resources the TSOs currently own, then we suggest that TSOs should sell them to market participants which are allowed to participate in the balancing market (TSOs are not).	Comment from the market participant will be considered in the development of LFC block reserve markets. TSOs are aware of the EU legislation and must operate according to the principles stated in these legislations. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs
Eesti Energia	What measures are necessary in addition to those that are described in paragraph 8.3 to ensure that BSPs shall prequalify their resources by the end of 2023?	8.3	We propose: 1. introduction of a capacity mechanism to support the investments in new capacities, in case MAF 2020 should show lack of resource adequacy in the Baltic states. 2. providing "early bird" incentives to attract BSPs interest in carrying out qualification tests sooner, for example opening the market a few years earlier than the proposed final timelines at least on piloting level). 3. Graduality. After piloting we suggest moving gradually up in market demand volumes in all the proposed market instruments to meet 2025 requirements. This step-by-step approach is critical to incentivise market participants.	Capacity mechanisms are implemented by member state, TSOs are not entitled to take any actions in order to cancel implementation of capacity mechanisms. TSOs are not technically ready yet to begin organize FCR and aFRR processes, but TSOs intention is to develop market framework as soon as possible. Baltic TSOs proposed the balancing market development roadmap considering the scope of required implementation and also experience of similar projects in Nordics and Continental Europe.
FuseBox	aFRR capacity market concept as described in paragraph 8.7.1	8.7.1	It is welcomed to apply best practices from Nordic aFRR capacity market.	Feedback accepted
FuseBox	Balancing capacity market framework concept as described in paragraph 8.5	8.5	The minimum bid and granularity for FCR capacity product should be 0,1 MW. FCR is not EU standard product and there are no such requirements to have 1 MW as minimum. In Finland FCR for normal operation has minimum bid quantity of 0,1 MW and the proposal is to follow similar product characteristics in Baltics as well. This would enable flexibility for smaller units to participate in the market.	Baltic TSOs wish to follow the EU FCR Cooperation principles, which states that the minimum bid and granularity are 1 MW. More information can be found on <a href="https://www.entsoe.eu/network_codes/eb/fcr/">https://www.entsoe.eu/network_codes/eb/fcr/</a>
FuseBox	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Baltic countries should establish common reserves capacity market, which provides equal terms for generation and demand providers to participate.	TSOs intention is to comply with legal requirements of Article 6 of Commission Regulation (EU) 2019/943
FuseBox	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	Considering Baltic location and size the study is needed.	Baltic TSOs take a note of the comment
FuseBox	FCR capacity market concept as described in paragraph 8.6	8.6	Should be explained why FCR could be only provided as symmetrical product. Again, in Finland FCR for disturbances is not a symmetrical product and this characteristic enables and motivates demand to participate in the market.	In Baltics FCR product outside the requirements of Commission Regulation (EU) 2017/1485 Article 154(6) is not foreseen. According to the Regulation FCR providing unit needs to respond to the frequency deviations in both directions.
FuseBox	Market-based cross-zonal capacity allocation for Baltic LFC block concept as described in paragraph 8.4.2	8.4.2	It is welcomed to have the same approach with Nordic TSOs.	Feedback accepted
FuseBox	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	Balancing capacity market should be market based and TSOs own resources used as an emergency when there is no available bids in the market.	TSOs agree with this comment. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs
Ignitis group	Balancing capacity market objective and high-level concept as defined in paragraph 8.1	8.1	Please give an extensive explanation of how the common Baltic balancing capacity market will operate if a harmonized regulatory framework in the Baltic States is not created (e.g. taxes that are applied to market participants that use gas as primary energy source differ in the countries). What actions will be taken in order to solve these issues?	In the process of implementation of LFC concept, Baltic TSOs will cooperate in order to harmonize requirements for the BSPs. It must be noted, that not all elements (e.g. taxes) are within the competence of TSOs. Furthermore, requirements defined by connecting TSO according to Commission Regulation (EU) 2017/2195 and Commission Regulation (EU) 2017/1485 shall be defined locally
Ignitis group	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	We would like to note that the presented minimal level of nationally procured FRR that is calculated from the total dimensioned FRR capacity is too broad (range from 0% till 50%), therefore we kindly ask Baltic TSOs to narrow and concretize this range as much as possible.	Range of minimal level of nationally procured FRR in the concept is initial estimation for the study and minimal level will be determined as a result of the study, results of the study will be provided and explained to market participants in form of public consultations.
Ignitis group	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	In order to ensure more competition in the market and taking in mind the power generating capacities that currently operate in the Baltic States, please ensure that the maximum reserve capacity bid size is not less than 40% of total Baltic LFC block reserve volumes. If Baltic TSOs choose a smaller threshold, please present an extensive explanation why larger assets are discriminated.	TSOs will consider technical capabilities of power generating capacities currently operating in the Baltic power systems in the study, results of the study will be provided and explained to market participants in form of public consultations.
Ignitis group	Baltic security of supply study for balancing capacities as described in paragraph 8.9.1	8.9.1	Please ensure that public consultation for market participants is organized during preparation of the study which will be prepared in order to analyze the specific requirements for Baltic balancing capacity market.	Results of the study will be provided and explained to market participants in form of public consultations.
Ignitis group	Usage of TSO resources for balancing services as described in paragraph 8.9.2	8.9.2	Please pay attention that according to EU legislation, TSOs cannot operate electricity generation[1] as well as energy storage[2] facilities, therefore TSO resources cannot be used for balancing services. TSO resources can be used only as a "last resort" instrument, when there are insufficient balancing capacities in the market. Taking this into account, it should be noted that some market participants might approach Baltic national regulatory authorities or even European Commission if TSOs decide to compete with other balancing market participants by using their own resources for balancing services. ( <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0072&amp;from=EN">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0072&amp;from=EN</a> <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:3A32019L0944">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:3A32019L0944</a> , Article 54 )	Comment from the market participant will be considered in the development of LFC block reserve markets. TSOs are aware of the EU legislation and must operate according to the principles stated in these legislations. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs
AS Latvenergo	General comment	General comment	Pointed out on necessity for harmonization of requirements within Baltics during pre-qualification process, the need to ensure non-discrimination, transparency and timeliness of the process. Recommended to differentiate the requirements for pre-qualification depending on the grounds for pre-qualification.	Prequalification process is responsibility of connecting TSO under SO GL. TSOs intention is to harmonize prequalification principles as much as possible in the Baltic states.
Baltic NRAs	General comment	General comment	All principles and processes included in LFC concept document must be in line with Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing and Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation, Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing, Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity and their implementing documents, i. e. terms, conditions and methodologies approved by respective national regulatory authorities (TCMs).	Baltic TSOs take a note of the comment
Baltic NRAs	General comment	General comment	NRAs asks to evaluate the possibility to improve roadmaps (page 31, 36, 37, 38, 55, 57, 58 and 63) with more detailed time scale, including quarters (Q) period.	Request to improve roadmaps with more detailed time scale, including quarters (Q) period, is considered by TSOs and improvements are included in the updated LFC concept for Table 18.Roadmap for implementing LFC block FRR dimensioning process; Table 20.Roadmap for implementation of aFRR balancing energy market within one LFC Area; Table 21.MARI implementation roadmap; Table 27.Baltic TSOs roadmap to develop CZC allocation method; Table 29.FCR capacity market roadmap; Table 31.aFRR capacity market roadmap; Table 32.mFRR capacity market roadmap. The roadmap for Figure 17.Roadmap summary for Baltic LFC block and balancing markets, is not updated to keep the high-level view on all the related projects.
Baltic NRAs	General comment	General comment	NRAs would like to draw attention to the fact that non-raising objections about general principles contained in the LFC concept document does not mean that additional requests cannot be followed from NRAs side in the future.	Baltic TSOs take a note of the comment

Baltic NRAs	General comment	General comment	It is not clear if all currently approved CESA proposals would be applicable for a new Baltic LFC block then when Baltic States join CESA after synchronisation with CESA project. At that time, TSO would have to follow the legislation whose current version is in force in that synchronous zone at that time. Please note that SOGL implicitly states that proposals shall be approved by "All NRAs of SA". However, when Baltic States join CESA after synchronisation with CESA project – definition what is considered as "All NRAs of SA" changes. Since, currently applicable proposals would not be approved by all future NRAs it is considered if currently applicable approved CESA proposals should be amended and approved by all future NRAs before Baltic LFC block is established if necessary. Also, it should be analysed and identified if proposals' requirements scope cover Baltic LFC block and if there is a need to amend those proposals. E. g. in case when proposal provides a limited list of LFC blocks or requirements applicable only for specific LFC block (like in this document[1]). Also, TSOs should not issue new requirements unilaterally which are not yet defined in the SOGL or SOGL implementing acts (TCMS). [1] All TSOs' proposal for the determination of LFC blocks for the Synchronous Area Continental Europe in accordance with Article 141(2) of the Commission Regulation (EU) 2017/1485 of 2 August establishing a guideline on electricity transmission system operation <a href="https://europeanpublicdownloads.entsoe.eu/clean-documents/nc-tasks/SOGL/SOGL_A141.2_171128%20CE%20LFC%20blocks%20determination%20proposal_fo%20consultation_180114.pdf">https://europeanpublicdownloads.entsoe.eu/clean-documents/nc-tasks/SOGL/SOGL_A141.2_171128%20CE%20LFC%20blocks%20determination%20proposal_fo%20consultation_180114.pdf</a> )	TSOs take a note of a comment. TSOs will develop position this matter and initiate discussion with CE TSOs.
Baltic NRAs	General comment	General comment	Additional clarification should be provided regarding selected values "values, which are the limit values for the ACE for LFC block and LFC areas. The ACE shall not exceed these values for more than: • level 1: 30 % of the time intervals of the year respectively; • level 2: 5 % of the time intervals of the year. NRAs are of the opinion that the concrete values should be approved by NRAs regarding Article 6 (3)(d) according to the Article 118(1)(d).	These values shall be calculated based on the CESA methodology and provided for the LFC block. LFC block shall develop methodology how to share these for all the LFC areas and will send the methodology for Baltic NRAs approval.
Eesti Energia	General comment	General comment	We are of the opinion that for implementing the common LFC reserves capacity market among proposed LFC areas, level playing field should be established between market participants.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	General comment	General comment	We would like to remind to TSOs that according to applied EU regulation No 2019-943 and internal electricity market directive (2019-944), procurement of FCR and aFRR capacities shall be market-based (e.g. procuring the necessary services from the market) and organised in such a way as to be non-discriminatory between the market participants.	TSOs fully support market based approach and are in opinion, that any intervention in market based processes shall be justified, necessary for safe/stable system operation and allowed by NRAs
Eesti Energia	General comment	General comment	We urge the TSOs to ensure level playing field at Baltic balancing capacity and energy markets, which should serve as the main precondition for cross-border cooperation.	Level playing field will be ensured by harmonisation or requirements as much as possible (taking into account the competence and functions of TSOs)
Eesti Energia	General comment	General comment	Too many timelines end up in proposed concept document in 2025. According to our opinion this timeline is too close to prospective synchronisation of the Baltic grid with the Central European grid. We suggest that Baltic TSOs take more ambitious approach so that minimal necessary required preparations would be ready already in 2022 so that market activities could be introduced at least on piloting level.	Objective date for Baltic States synchronisation with Continental Europe is 2025 therefore it is naturally that all required changes to achieve are also finalized and completed by 2025. All projects and activities that can be implemented in early stage are planned in accordance with required implementation framework and considering the scope of and similar projects in Nordic and Continental Europe
Eesti Energia	General comment	General comment	In order the FCR, aFRR and mFRR market to be operational with enough market participants offering solutions to cover systems demand we suggest expediting timeline so that Baltic balancing market could go live in 2021.	Baltic TSOs proposes the implementation roadmap of balancing capacity market considering the Implementation framework and requirements as defined by ER regulation. Baltic TSOs proposed the balancing market development roadmap considering the scope of required implementation and also experience of similar projects in Nordics and Continental Europe.
Eesti Energia	General comment	General comment	We propose introduction of a capacity mechanism to support the investments in new capacities, in case MAF 2020 should show lack of resource adequacy in the Baltic states.	Baltic TSOs take a note of the comment
Eesti Energia	General comment	General comment	We propose to modify the prequalification re-assessment criteria for the FCR and aFRR providers to set them in accordance with the provisions of Article 40 point 4(b) of Directive 2019/944, which explicitly states that TSOs shall procure balancing services from all qualified electricity undertakings and market participants on non-discriminatory basis. In order to avoid discrimination, we propose the following wording for replacing current p.2 and p.3: "in case modifications have been carried out, which have an impact on control capability and as a result the equipment does not correspond to the obligatory minimum control capability requirements".	The proposal shall be taken into account during the drafting of the prequalification requirements and will be reflected in the documents. The prequalification requirements will be published by the end of 2021 Q4.
Eesti Energia	General comment	General comment	We hereby express our interest to provide also the standard product of RR. We are aware that there are market participants with the same interest in the Baltics, therefore we are asking for the views of TSOs in this respect.	Chapter 7.2 is amended to reflect the common Baltic TSO positions regarding RR and restoration process.
Eesti Energia	General comment	General comment	We resolutely object the proposal according to which TSOs will be participating in balancing market and provide their resources to reduce the procured capacity from the market.	Comment from the market participant will be considered in the development of LFC block reserve markets. The solution for operation of TSO resources has not been agreed as of now and requires further elaboration between TSOs and NRAs of the region. TSOs in LFC propose, the TSO resources would be used only as the last resort in case there is no more offers available at the market. Though, the amount of procured balancing capacity shall take into account TSOs own resources, the TSO resources would participate only on balancing energy market. Balancing energy price shall be set by marginal pricing and no price cap will be implemented. In merit order list for balancing energy, in reality, the TSO resources would take effect only in case no price situation of market (offer from market is smaller than demand). TSO resources price would be set at the Value of Lost Load (VoLL) price. Conditions on TSOs resources participation in Baltic balancing capacity market will be defined in the proposal pursuant to Commission Regulation (EU) 2017/2195 Article 33(1) which shall be approved by Baltic NRAs
Ignitis group	General comment	General comment	We would like to emphasize that harmonization and integration processes should be done not only in the balancing market, but also in day-ahead and intra-day energy markets. Baltic bidding zones are one of the smallest in European electricity market. Furthermore, during the symposium organized by ENTSO-E, ACER and EC stated that "Member State borders shall be considered in BZ configurations, TSOs shall strive for similar BZ sizes". In essence, the only obvious argument against making any changes in the Baltic region is that "merging will disrupt the borders of bidding zones with state borders". However, bidding zones should be delineated irrespective of current Member States' borders, along the lines of longstanding structural congestions. This principle is clearly laid down in Article 14(1) of Regulation (EU) 2019/943. Therefore, we strongly urge Baltic TSOs to evaluate the option of merging 3 Baltic bidding zones into one. We are certain that this move should significantly increase Baltic market efficiency, enable liquid financial forward trading and have a positive effect on competition by reducing market concentration. At the same time we envision no significant drawbacks of this change.	Baltic TSOs appreciates the recommendation to improve harmonization and integration processes within day-ahead and intra-day energy markets. The bidding zone review shall be done following relevant ACER decision and considering the recommendation for most appropriate solution for Baltic states from the timing and data availability perspective. In relation to LFC concept Baltic TSOs would like to note, that the bidding zone review is outside the scope of LFC concept document.
Ignitis group	General comment	General comment	What is the maximum level (% of NTC value) of CZC reservation used by Nordic TSOs for FRR products (both aFRR and mFRR)?	ACER approved Methodology for the market-based allocation process of cross-zonal capacity for the exchange of balancing capacity for the Nordic CCR foreseen maximum volume for the exchange of balancing capacity is set to 10% of NTC that might be increased up to 20%. Detailed principles are defined in the methodology.
Ignitis group	General comment	General comment	What is the maximum estimated level (% of NTC value) of CZC reservation which is intended to be used in the Baltic States for FRR products (both aFRR and mFRR)?	Baltic TSOs plan to contract the balancing capacity less than two days ahead and therefore, in line with Commission Regulation (EU) 2017/2195 Article 41(2) Baltic TSOs currently does not foresee additional limitation that is attributed to the NTC. Meaning, if socioeconomically most effective, then maximum level of NTC can be reserved for FRR products. Baltic TSOs foresee the limitations for the exchange of the balancing capacities in respect to the limitation for the exchange with LFC blocks that is described in chapter 8.8 of LFC concept document and possible limitation Minimum reserve volume physically maintained inside LFC area as described in chapter 8.9.1. of LFC concept document.
Ignitis group	General comment	General comment	Please explain the main differences in mFRR and aFRR technical requirements. Also, in order to create sufficient possibilities for market participants to prepare their power generating capacities for new balancing services, please present detailed mFRR and aFRR technical requirements as soon as possible (already in 2020).	aFRR is automatically activated by activation signal sent by the TSOs load-frequency controller system. Activation signal is sent to the aFRR providing reserve unit every 10 seconds. mFRR is manually activated on direct activation or scheduled activation. The main differences are described in the tables 6 and 7 of the LFC concept document that cover the technical characteristics of mFRR and aFRR.
Ignitis group	General comment	General comment	Do we understand correctly that if market participants present their interest to provide the standard product of RR, then Baltic TSOs will organize public consultation regarding implementation of RP process and preparation of cost-benefit analysis?	Chapter 7.2 is amended to reflect the common Baltic TSO positions regarding RR and restoration process.