

IFIEC Europe answer to the ENTSO-E consultation on the harmonization of terms and conditions for BSPs

IFIEC Europe would like to thank ENTSO-E for this all TSOs' proposal for the harmonization of terms and conditions for BSPs in accordance with Article 20(3)(F) and Article 21(3)(f) of the Commission Regulation (EU) 207/2195 of 23 November 2017 establishing a guideline on electricity balancing.

IFIEC Europe is very strongly in favor of an efficient and effective harmonization of terms and conditions for BSPs, as this could lead to a more efficient and effective market functioning. BSPs would encounter much less barriers to entry to enter markets in other Member States (or even other products), which should increase liquidity and competition to the benefit of consumers. IFIEC Europe is however very adamant that such harmonization should not lead to any retrogradation of the situation for any BSPs in any Member State, as it would be unacceptable if the status quo would not even be maintained.

On the proposal itself, IFIEC Europe is surprised that the TSOs propose that a full switching process could take up to six weeks, which seem unnecessarily long and would entail a barrier to entry. IFIEC Europe would expect that for a Guideline which has been established in 2017, a much less conservative and more market-oriented harmonized approach would be proposed after 8 years of reflection and on-going market evolutions and return on experience (including evolutions in data exchange, metering, valorization of flexibility, participation of flexible assets, ...).

IFIEC Europe also wonders to what extent it is still relevant to do a full prequalification of all assets at entry into market and/or every switch between BSPs, including tests, as this creates a massive barrier to entry and barrier for switching (related a.o. to the complexity and costs for switching due to the switching process duration and conditions). IFIEC Europe wonders to what extent prequalification, other than for communication means and protocols, is still relevant and whether correct participation and delivery to the different system services should not be sufficient (including potentially a better follow-up and penalty scheme), without any prior need for prequalification or requalification. Allowing instantaneous switching in combination with a more effective, efficient and smart follow-up could potentially achieve similar results while ensuring more benefits for market functioning and an overall lower system cost.