

## Operational rules of elastic aFRR demand mechanism in Slovenian LFC area

### *Rules of elastic aFRR demand mechanism in PICASSO platform*

1. Legal basis for using elastic aFRR demand mechanism for balancing energy from aFRR:
  - Implementation framework for the European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation in accordance with Article 21 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing, 05 July 2024<sup>1</sup>.
2. Use of elastic aFRR demand mechanism:
  - aFRR demand in PICASSO platform can be divided accordingly into:
    - o Inelastic aFRR demand - part of demand, which will be covered regardless of balancing energy bid price.
    - o Elastic aFRR demand - part of demand, which will be covered if the price of balancing energy bid price will not exceed value of the defined threshold.
  - Inelastic aFRR demand and elastic aFRR demand may be covered both from local balancing energy bids submitted to PICASSO platform and from balancing energy bids submitted by other TSOs to PICASSO platform.
  - Elastic aFRR demand mechanism may be implemented and used by TSO after approval of local NRA.

### *Operational rules for use of elastic aFRR demand in Slovenian LFC area*

1. Legal basis for using elastic aFRR demand mechanism by TSOs in PICASSO platform:
  - Terms and Conditions for balancing service providers adopted according to Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing;
  - Frequency Restoration Reserve (FRR) Dimensioning Rules, pursuant to Article 157 of Commission Regulation (EU) 2017/1485 of 2 August 2017 (SO GL).
2. Determination of power and price threshold of elastic aFRR demand:
  - For each optimization cycle of PICASSO platform, for the purposes of using elastic aFRR demand mechanism, TSO will determine the following thresholds:
    - o Power threshold for inelastic aFRR demand [MW] is determined separately for the aFRR upward and downward direction:
      - For the upward aFRR demand, the threshold is determined as the minimum required volume of upward aFRR balancing capacity.
      - For the downward aFRR demand, the threshold is determined as the minimum required volume of downward aFRR balancing capacity.
    - o Price threshold for elastic aFRR demand [€/MWh] is determined separately for the aFRR upward and downward direction as a fixed value. Initial values or its changes will be published on ELES website<sup>2</sup> before application.
3. Automatic/Manual Frequency Restoration Reserve dimensioning rules:
  - As ELES is part of the Load-Frequency Control block Slovenia–Croatia–Bosnia and Herzegovina (hereinafter: LFC block SHB), the block-level methodology directly influences the dimensioning of the Slovenian aFRR and mFRR requirements. Although the FRR dimensioning for the LFC block is performed once per year, the Slovenian FRR requirement, or its distribution between aFRR and mFRR, may be revised during the year if operational needs arise. The aFRR/mFRR dimensioning is performed in four consequent steps:
    - o The total positive and negative FRR requirements for the entire LFC block SHB are determined. The FRR dimensioning is performed in accordance with SO GL<sup>3</sup>.

<sup>1</sup> [ACER Decision 08-2024 on aFRRIF-Annex II.pdf](#)

<sup>2</sup> [System Services News](#)

<sup>3</sup> [Regulation - 2017/1485 - EN - EUR-Lex](#) (SO GL)

- The total FRR requirement of the LFC block is allocated among the block members, resulting in the FRR volume each TSO must procure. The allocation follows the methodology defined in the Operational Agreement of the Load-Frequency Control (LFC) Block SHB<sup>4</sup>.
  - ELES determines the aFRR requirement for the Slovenian control area using probabilistic and/or deterministic methodologies in line with the non-binding guidance of the Synchronous Area Framework Agreement (SAFA)<sup>5</sup>. The SAFA-based probabilistic/deterministic results, together with FRCE performance indicators, serve as the basis for the expert assessment of the required aFRR volume. Although aFRR dimensioning is normally performed once per year, the required volume may be adjusted if additional needs arise during the year.
  - Once the aFRR requirement is established, the mFRR requirement is calculated as:  
$$\text{mFRR} = \text{FRR} - \text{aFRR}.$$

Thus, mFRR represents the remaining share of the Slovenian FRR requirement after deducting the required aFRR volume. Currently the minimum required volume of aFRR should be equal to or higher than 60 MW.
- ELES may impose reserve requirements exceeding the minimum dimensioned volumes when justified by system characteristics or operational experience.

#### ***Publication and transparency***

1. The power threshold and the price threshold, separately for aFRR upward and downward direction, will be published by PICASSO platform provider for each QH (15-minute period) up to 45 minutes after the end of the respective QH. The publication is available at Transnet BW website<sup>6</sup>.

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<sup>4</sup> [Transparency Platform](#) (LFC block operational agreement download area)

<sup>5</sup> [System Operations Reports](#) (SAFA, see SAFA documents section)

<sup>6</sup> [Ancillary Services - Energy Market - TransnetBW](#)