

CREOS RESPONSE TO THE PUBLIC CONSULTATION FOR BALANCE RESPONSIBLE PARTIES IN THE LUXEMBOURG SCHEDULING AREA.

30/09/2025

Introduction:

The Grid Data Management department of Creos Luxembourg SA organised a public consultation from 18 June to 23 July 2025.

This public consultation is regarding the Terms and conditions for Balance Responsible Parties in the Luxembourg scheduling area in accordance with Article 18 of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing system.

Hereafter Creos Luxembourg S.A. replied to the comments received during the consultation and proposes the following modifications and reformulations (Only one market participant provided comments to the consultation on the 23rd of July 2025).

If you have any questions or suggestions regarding this document, please feel free to contact us by email at consultation_BRP_Terms_and_Conditions@creos.net by October 31st, 2025 latest.

I. Comment Enovos Luxembourg S.A.:

1. Operational Aspects

a) Precision in adapting maximum values (Art. 3.7)

We recommend that the process for adjusting declared maximum values for energy and power be more clearly defined. Please provide a link to relevant electronic forms and specify recipients' email addresses.

We understand from the study of the document 20250515_Balancing_Agreement_EN that maximum values must be adapted for power (total) as well as for energy (per week resp. per day). This aspect unfortunately is not clearly mentioned in the consulted document 20250313_Creos_Terms_and_conditions_BRP_v4_EN.pdf and therefore makes the calculation of the minimum amount of the bank guarantee untransparent. We suggest refining the wording on the declared maximum power and energy and the related calculation of the minimum value of the bank guarantee and to clearly reference the Balancing Agreement document.

We suggest the following wording:

*The Balance Responsible Party must deposit a bank guarantee to the Balance Coordinator depending on the amount of the maximum **energy** values.*

In the formula, we recommend using the exact same wording as in Annex 1 of the Balancing agreement to prevent any ambiguity.

FC-Cons_max, 168h = declared max. energy per week [MWh] for FC-Cons

FC-Export_max, day = declared max. energy per day [MWh] for FC-Export



Answer Creos Luxembourg S.A.:

We suggest reformulating the entire article 4 as following, including the remarks under 2a. / 2b. / 2c. / 2d. of the Enovos comments:

~~A Balance Responsible Party is allowed to supply end customers in the entire Luxembourg scheduling area, both injection and consumption. This applies to end customers whose delivery points are located in a transmission grid as well as in a distribution grid. Each delivery point must always be assigned to a balancing perimeter of a Balance Responsible Party.~~

~~A Balance Responsible Party is also permitted to exchange energy with other balancing perimeters in the scheduling area.~~

The status of Balance Responsible Party for a balancing perimeter begins with the definition of the EIC identification code within the framework of a balancing agreement between the Balance Responsible Party and the Balance Coordinator. For each balancing agreement, a Balance Responsible Party can specify a maximum of 10 unique EIC codes, i.e. balancing perimeter. Changes in the assignment of these EIC codes are possible at any time and must be confirmed by the Balance Coordinator. No sub-balancing perimeters can be assigned.

The specified EIC codes must be available to the Balance Responsible Party, otherwise he must request the allocation of an EIC code from a Local Issuing Office (LIO) in accordance with the ENTSO-E Reference Manual. The Balance Responsible Party must declare to the Balance Coordinator the maximum values of energy and power ~~needs~~ to be ~~declared~~ **exchanged** in the scheduling for each balancing perimeter. The notification of changes to these maximum values can be carried out with at least 5 working days in written or electronic form. ~~In the first quarter of each year, the Balance Coordinator shall check the declared maximum values against the actual billing data for the previous year. In case of a difference of more than $\pm 20\%$ from the declared maximum values~~ ~~If the maximum values declared are exceeded several times~~, the Balance Coordinator informs the Balance Responsible Party about the necessary adjustment of the maximum values by the Balance Responsible Party. If the Balance Responsible Party does not comply with the request for adjustment, the Balance Coordinator shall be entitled to issue a written warning according to Article 11.

The Balance Responsible Party must provide financial security to the Balance Coordinator in order to put one or more balancing perimeter into operation.

This financial security can take the form of:

- (i) **an unconditional and irrevocable bank guarantee** issued either by the Balance Responsible Party or by its parent company, provided it is issued by a financial institution established in an EU Member State, a member of the European Free Trade Association, or in the United Kingdom, and meets the requirements of a first-demand guarantee; or



(ii) a **cash deposit**, made by bank transfer to an account designated by the Balance Coordinator. This deposit shall serve as financial security under the same conditions as a bank guarantee. Upon request, the Balance Coordinator shall provide the payment instructions and confirm the reception of the funds; or

(iii) a demonstration of **creditworthiness** through an acceptable long-term credit rating, as defined below; or

(iv) a **valid, unconditional and irrevocable parental guarantee** issued by the parent company and provided that the parent company has an acceptable credit rating, as defined below.

A credit rating is considered acceptable if it corresponds to:

- at least **BBB+** by Standard & Poor's or Fitch Ratings, or
- at least **Baa1** by Moody's Investor Services.

Proof of the applicable credit rating must be submitted no later than the start date of the balancing perimeter and must be renewed annually by 1st of January.

If no proof is provided within the required timeframe, or if, at any time, the Balance Responsible Party or the parent company no longer meets the acceptable credit rating criteria, it shall immediately notify the Balance Coordinator by registered mail, and shall, within fifteen (15) Business Days, provide the Balance Coordinator with a new financial security (bank guarantee or cash deposit) meeting the requirements set out above, calculated based on the following formula: ~~The Balance Responsible Party must deposit a bank guarantee to the Balance Coordinator depending on the amount of the maximum energy values. The amount of the bank guarantee to be provided by the Balance Responsible Party is considered appropriate if it is not less than the value calculated using the following formula. The last 12 fully completed calendar months prior to the provision of the bank guarantee must always be considered.~~

Minimum amount of the bank guarantee or cash deposit =

$$FC-Cons_{max,168h} \times \emptyset reBAP_{12months} + 2 \times FC-Export_{max,day} \times \emptyset reBAP_{12months}$$

with

$FC-Cons_{max,168h}$ = ~~Maximum Declared~~ value of the maximum energy ~~to deliver to end customer within one week per week~~ [MWh] for FC-CONS (forecast consumption)

$FC-Export_{max,day}$ = ~~Maximum Declared~~ value of the maximum energy ~~of executed trades within one per day~~ [MWh] for FC-Export

$\emptyset reBAP_{12months}$ = Average imbalance price of the last 12 **fully completed** calendar months



Both the Balance Coordinator and the Balance Responsible Party are entitled to request an adjustment of the amount of the bank guarantee or the cash deposit if either:

- the maximum values declared by the Balance Responsible Party change, or
- the average imbalance price has changed,

and as a result, the recalculated amount deviates by 20% or more compared to the currently deposited bank guarantee or cash deposit.

The bank guarantee or cash deposit shall be returned:

- (i) if the balancing agreement is terminated and all outstanding obligations are settled;
- (ii) if it is replaced by another valid guarantee meeting the applicable criteria; or
- (iii) if the Balance Responsible Party or its parent company subsequently demonstrates an acceptable credit rating in accordance with the applicable provisions. In the case of a credit rating held by the parent company, the return of the bank guarantee or the cash deposit is subject to the provision of a valid, unconditional and irrevocable parental guarantee in favour of the Balance Coordinator.

The bank guarantee must explicitly state that the issuing bank undertakes to fulfil payment obligations on behalf of the Balance Responsible Party **immediately and without condition** upon first written request from the Balance Coordinator, without requiring any prior claim, justification, or legal proceedings.

~~However, a Balance Responsible Party can be exempted from the deposit of a bank guarantee if he independently proves his creditworthiness by means of a sufficiently high credit rating. Similarly, if the bank guarantee is deposited by the parent company it is also possible to prove the parent company creditworthiness. When concluding the balancing agreement, the Balance Coordinator communicates the valuation amount to be shown. It should be noted that this information is not final and may change over the course of the term of the agreement. The currently valid evaluation criteria can be viewed at any time on the website of the Balance Coordinator.~~

~~Proof of exemption from the bank guarantee must be submitted no later than the start date of the assignment of responsibility for a balancing perimeter. Subsequently, the proof must be provided annually by 1 January of each year at the latest by the Balance Responsible Party or the parent company, if the bank guarantee is deposited by them. If the proof is not provided, the immediate provision of a bank guarantee by the Balance Responsible Party becomes necessary.~~

~~Both the Balance Coordinator and the Balance Responsible Party are entitled to request an adjustment of the amount of the bank guarantee if the maximum values declared by the Balance Responsible Party change and thus the recalculated amount shows a deviation of 20% compared to the currently deposited bank guarantee.~~



The bank guarantee will only be returned by the Balance Coordinator in the following cases:

- The balancing agreement was terminated and all debts of the Balance Responsible Party to the Balance Coordinator were settled.
- A new bank guarantee replaces the document held by the Balance Coordinator.

A bank guarantee or a valid exemption must be available in order to put the balancing perimeter into operation.

The bank guarantee must be issued by a financial institution that has its registered office in a Member State of the European Union, in a Member State of the European Free Trade Association or in the United Kingdom. If an irrevocable bank guarantee cannot be provided in time, a cash deposit may be temporarily accepted as guarantee.

The bank guarantee is a guarantee on first demand. In case that the bank guarantee is invoked, the terms of the bank guarantee must specify that the bank will refrain from requiring the Balance Coordinator to first claim the outstanding balance from the Balance Responsible Party.

In all cases in which the Balance Responsible Party fails to meet its payment obligations, the bank must assume the payment obligations of the Balance Responsible Party upon first request of the Balance Coordinator. This unconditional and irrevocable substitution as principal obliges the bank to pay the balance owed by the Balance Responsible Party to the Balance Coordinator without delay, up to the maximum amount specified in the bank guarantee. The bank guarantee must contain obligations of the bank in relation to the above.

If the bank guarantee is issued by the parent company, it must be provided under the same terms and must be accompanied by a valid and unconditional parental guarantee that complies with all applicable criteria.

If the bank guarantee is partially drawn upon, the Balance Responsible Party shall, upon request by the Balance Coordinator, provide a new or amended bank guarantee restoring the original guaranteed amount. Such replacement must be provided within ten (10) Business Days, unless otherwise agreed.

If the terms of the bank guarantee deposited for the Balance Responsible Party stipulate that the bank's financial obligations shall be reduced by any amount that is used as a debit to the bank guarantee, and if the Balance Coordinator has recourse to the bank guarantee, the Balance Coordinator is obliged to instruct his bank to provide the Balance Coordinator with a new bank guarantee in the same amount as the previous bank guarantee.

II. Comment Enovos Luxembourg S.A.:

b) Definition of “significant imbalances”

The term "significant imbalances" appears multiple times but lacks a quantitative definition. We ask Creos to specify precise thresholds (e.g., absolute deviation in MW resp. MWh or

percentage of schedule), or to reference a standard, so that BRPs can understand exactly when such imbalances become actionable.

Answer Creos Luxembourg S.A.:

We inserted the two following paragraphs under Article 11. in order to define significant deviations:

A deviation shall be considered significant when, for a given balancing perimeter:

- the absolute deviation between the final measured energy (injection or consumption) and the forecasted schedule exceeds 15% of declared values of FC-CONS or FC-PROD whichever of the two is higher over at least sixteen (16) consecutive quarter-hour periods within a single calendar day;

or

- the perimeter exhibits a continuous imbalance (same direction, exceeding $\pm 10\%$) between the netted measured energy (Quadrant 4 minus Quadrant 3) and the netted forecasted schedule (Quadrant 1 minus Quadrant 2) for three (3) or more consecutive days.

III. Comment Enovos Luxembourg S.A.:

c) Gradual implementation of warnings regime (Art. 11)

Article 11 outlines three written warnings before further action. Given the novelty of the new model, we propose an adaptation phase whereby this warning process is not enforced until after one year following entry into force. This will allow BRPs sufficient time to align their internal processes without immediate sanctions.

Answer Creos Luxembourg S.A.:

We recommend keeping the original wording, we consider an adaptation phase not as necessary. Balancing energy is intended exclusively for the compensation of imbalances caused by unavoidable and inherent inaccuracies in the forecasts of the Balance Responsible Parties for their balancing perimeter.

IV. Comment Enovos Luxembourg S.A.:

d) Clarification of timeframe to resolve situation in case of missing schedules

Article 11 mentions the refusal of the BRP to resolve the situation of unavailable schedules for two consecutive days. We think the notion of refusal should be linked to a realistic timeframe that is stated in working days to ensure that no undue penalization occurs due to weekend or public-holiday timing.

Answer Creos Luxembourg S.A.:

We base our position on the Regulation E08/09/ILR of 30 April 2008. We replaced the following paragraph under article 11:

In the event of a failure by the Balance Responsible Party to comply with its scheduling obligations, the procedures defined in Chapter 3 of the modified Regulation E08/09/ILR of 30 April 2008 shall apply.

~~If the Balance Responsible Party does not send a schedule to the Balance Coordinator for two consecutive days, and the Balance Responsible Party refuses to reach an agreement with the Balance Coordinator to resolve the situation, this shall be considered a failure of the Balance Responsible Party. In this case, the procedures established in the modified Decree E08/09/ILR of 30 April 2008, which describe the terms for regulating the default supply, will apply.~~

V. Comment Enovos Luxembourg S.A.:

2. Financial Aspects

a) Accepted rating agencies and minimum creditworthiness

We deem it necessary that the document gives explicit specifications of accepted rating agencies (e.g., Moody's, Standard & Poor's, Creditreform) and minimum ratings (e.g., BBB or higher). This will allow BRPs to arrange financial guarantees accordingly and avoid uncertainty as to what qualifies to be exempted from the deposit of a bank guarantee.

Answer Creos Luxembourg S.A.:

See Creos answer under point I) of this document.



VI. Comment Enovos Luxembourg S.A.:

b) Adjustment of guarantee in case of price shifts

We propose that a significant change in average balancing prices should also trigger a reassessment and potential adjustment of the banking guarantee to reflect changing risk exposure.

Answer Creos Luxembourg S.A.:

We agree to Enovos comment. We will add an explanation taking into consideration the impact of the reBAP price.

See Creos answer under point I) of this document.

VII. Comment Enovos Luxembourg S.A.:

c) Parental company guarantee (PCG) substitute option

We request that a duly executed Parent Company Guarantee be accepted in lieu of a bank guarantee. This offers flexibility for corporate groups while ensuring financial coverage.

Answer Creos Luxembourg S.A.:

See Creos answer under point I) of this document.

VIII. Comment Enovos Luxembourg S.A.:

d) Parent company creditworthiness acceptance

Finally, where the parent company demonstrates sufficient creditworthiness - meeting the minimum rating required as mentioned above - the creditworthiness of that parent should be accepted, and its payment guarantee should be permitted to cover obligations of the BRP subsidiary under these Terms and Conditions. This should also be possible in case proof of creditworthiness only becomes available later so a bank guarantee can become obsolete and be returned.

Answer Creos Luxembourg S.A.:

See Creos answer under point I) of this document.

IX. Comment Enovos Luxembourg S.A.:

Conclusion

Enovos supports the overall structure and intent of Creos' proposed Terms and Conditions and appreciates their alignment with EBGL standards. Our suggestions are intended to enhance clarity, reduce uncertainty, and facilitate a smooth transition to the new model.

We trust these detailed observations will assist Creos in refining the operational and financial provisions, and we remain available to discuss any of them further.

X. Additional comments Creos Luxembourg S.A.:

- **Article 2.:** Creos added the following definitions in Article 2.:
 - 10) FC-Export: Forecast of energy exported to other balancing perimeters
 - 11) "Business Day": means any day other than a Saturday, Sunday or public holiday in the Grand Duchy of Luxembourg.
 - 12) "ILR": means the Institut Luxembourgeois de Régulation, the national regulatory authority of the Grand Duchy of Luxembourg.
- **Article 3.:** Definition of **Balance Responsible Parties** will be changed into Definition of **Balance Responsibility**, as defined in EGBL standards
- **Article 4.:** Creos proposes to remove the first 2 paragraphs under Article 4: Requirements for becoming a Balance Responsible Party:
 - A Balance Responsible Party is allowed to supply end customers in the entire Luxembourg scheduling area, both injection and consumption. This applies to end customers whose delivery points are located in a transmission grid as well as in a distribution grid. Each delivery point must always be assigned to a balancing perimeter of a Balance Responsible Party.
 - A Balance Responsible Party is also permitted to exchange energy with other balancing perimeters in the scheduling area.
- **Article 4.:** Creos inserted the phrase: In the first quarter of each year, the Balance Coordinator checks the declared maximum values against the actual billing data for the previous year. If the values determined by the Balance Coordinator show a difference of more than $\pm 20\%$ from the declared maximum values
- **Article 11.:** **Decree** E08/09/ILR of 30 April 2008 will be replaced by [Regulation E08/09/ILR of 30 April 2008](#)
- **Article 11.:** Creos changed the last 3 paragraphs regarding the failure of comply with the scheduling of BRP:

The Balance Coordinator shall inform the ~~Luxembourgish Regulator~~ ILR of any anomalies detected ~~in the behaviour of scheduling~~, as well as of ~~each all~~ written warnings issued to the Balance Responsible Parties.

In case of 3 written warnings within a period of 12 month, the Balance Coordinator may ~~after consultation with the Luxembourgish Regulator~~, terminate the balancing agreement without notice. ~~The ILR shall be duly informed of such termination.~~

~~In the event of a failure by the Balance Responsible Party to comply with its scheduling obligations, the procedures defined in Chapter 3 of the modified Regulation E08/09/ILR of 30 April 2008¹ shall apply. These procedures govern the regulatory framework for the designation of a default supplier and the associated terms of supply. If the Balance Responsible Party does not send a schedule to the Balance Coordinator for two consecutive days, and the Balance Responsible Party refuses to reach an agreement with the Balance Coordinator to resolve the situation, this shall be considered a failure of the Balance Responsible Party. In this case, the procedures established in the modified Decree E08/09/ILR of 30 April 2008, which describe the terms for regulating the default supply, will apply.~~

The ILR shall be informed without delay when the Balance Responsible Party has demonstrably returned to compliant scheduling behaviour.

- o **Article 14.:** Creos inserted an article:

Article 14: Precedence of the Terms and Conditions

In the event of any conflict or inconsistency between the provisions of the balancing agreement and the Terms and Conditions, the provisions of the Terms and Conditions shall prevail.

This applies in particular where individual provisions of the Terms and Conditions have been reproduced, paraphrased or cross-referenced in the balancing agreement for operational or explanatory purposes.

¹ [Règlement E08/09/ILR du 30 avril 2008 déterminant les modalités décrivant le fonctionnement de la fourniture du dernier recours.](#)