

# CONSULTATION RESPONSE

## Terna consultation on PICASSO restoration

Brussels, 08 June 2025

Quantitative analysis on the impact of new measures		
Chapter 7	Paragraph 7.3.10	Page 17 onwards
Comment	Two main solutions were provided in the ARERA report following the imbalance spikes: i) Possibility of submitting in PICASSO the free-bids offers; ii) Possibility of sending an elastic demand	
Proposal	Run a quantitative analysis on the impact of the measures by simulating what would have happened with the new rules, in particular with respect to the formation of the imbalance prices	

Balancing volumes		
Chapter	Paragraph 7.3.10	Page 17 onwards
Comment	The methodology for determining the volumes used for the valuation of imbalances is unclear	
Proposal	Volumes of balancing energy - distinguished between resources activated at the Italian level and resources activated abroad - adopted for the calculation of imbalance prices should be specified and published	

Price formation monitoring		
Chapter 7	Paragraph 7.3.10	Page 17 onwards
Comment	We believe that the modification put in place by Terna should prevent spike price events like those which led to PICASSO disconnection. Thus, we understand that Terna excludes those prices that not aligned with Italian balancing demand.	

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Proposal	We suggest keeping constant monitoring of the price formation process, to prevent anomalies derived from the interconnection of the systems, as happened in the past.
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MARI roadmap		
Chapter A.15	n/a	n/a
Comment	The presented timeline during the webinar foresees an exact coincidence between the connection to MARI and the transition to a 15-minute MTU on SDAC	
Proposal	Review the timeline of the connection to MARI to avoid overlap. Inform market participants with sufficient notice and conduct proper joint testing before the go-live	

Secondary frequency-power control		
Annex A.15	Paragraph 7	Page 34
Comment	We flag potential critical issues arising from the introduction of the requirement that units must be <i>"able to receive and manage their own dedicated level signal processed by the Network Regulator."</i>	
Proposal	Define a communication protocol between Terna and market participants for managing the variation of the level signal; conduct a testing phase to validate its functionality; share a timeline with market participants for the proper management of the implementation of this new requirement; update PICASSO roadmap for reconnection accordingly, if needed	

Service Provision Methodology		
Annex A.15	Paragraph 7.3	Page 39

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Comment	The Annex does not provide indications on which technical actions market participants should implement in case of receiving anomalies on the level signals
Proposal	Specify better these actions, possibly providing examples/annotations, so that market participants can take the correct actions

mFRR reserved quantities		
Annex A.23	Paragraph 5.3.4	Page 36
Comment	The introduction specifies that, if a reserve has been allocated for the mFRR service, these quantities will be excluded from the offer conversion process and will not be sent to the aFRR platform	
Proposal	Publish the quantities reserved for the mFRR service in order to provide market participants with a clearer understanding of the offer conversion process towards PICASSO	

aFRR volumes		
Annex A.23	Paragraph 5.5	Page 42-43
Comment	We note the importance of providing more transparency towards market participants on the determination of prices and volumes within the PICASSO and MARI platforms	
Proposal	Publish the volumes for balancing energy from aFRR (and from mFRR when Terna accesses the MARI platform) submitted to the platform, both upwards and downwards, alongside the relative prices	

Elastic/inelastic demand		
Annex A.23	Paragraph 5.5	Page 42 onwards

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Comment	We note the importance of providing more transparency towards market participants on the determination of prices and volumes within the PICASSO platform
Proposal	Publish the breakdown of the elastic and inelastic demand at least for each imbalance settlement period (for example, by publishing the average, minimum, and maximum share of the elastic demand submitted during the aFRR Platform optimization cycles included in a given ISP)

## Contact

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