CONSULTATION RESPONSE

Terna network code consultation for manual Frequency Restoration Reserve" (MARI) accession

Brussels, 30 October 2025

We welcome Terna's connection to the MARI Platform on 25 November, as well as public workshop and the operational tests in October 2026. In particular, we support:

1. Clear and unambiguous rules for handling overlapping MB and mFRR instructions, including order priority and the resulting reference programme.
2. Transparent, consistent application of ramping constraints across A.23 and A.25, supported by worked examples covering variable schedules and consecutive imbalance settlement periods.
3. Adequate technical validation and clarification of the arrangements before implementation.

Chapter 4

Topic	Comment	Proposal
UVAZ participation in the FRR Platform	The rules governing participation by zonal virtual enabled units (UVAZ) should be sufficiently clear for balance-responsible parties and trading desks to understand which resources may contribute to balancing and how the resulting activation affects their commercial schedules. Any restrictions or exclusions should be objectively justified, published in advance and applied consistently.	Clarify the eligibility and operational conditions in a concise, consolidated provision. Publish worked examples showing the impact of an mFRR activation on the relevant reference programme and on the market participant's obligations. Avoid requirements that depend on unpublished or case-by-case interpretations.
Distinction between balancing and redispatching	The distinction between balancing energy and redispatching is relevant to market participants because it affects the interpretation of dispatch instructions, the expected programme and the settlement of resulting energy. The Code should make clear when a movement is classified as balancing and when it is classified as redispatching, including where the same resource can provide more than one service.	Specify the operational classification criteria and the corresponding programme and settlement treatment. Ensure that the classification can be identified from the dispatch instruction and relevant data, and that the same energy is not ambiguously attributed to different services.

Feasibility intervals	Feasibility intervals and the application of technical limits can affect which offers remain available for selection and the price/volume outcome of the balancing market.	Feasibility intervals should be limited to the maximum extent. Publish the calculation methodology, relevant timestamps and any changes to valid offer quantities. Provide examples covering changes in feasibility intervals during an ISP and explain how accepted quantities and the resulting reference programme are determined.

Chapter 7

Topic	Comment	Proposal
Economic settlement	The economic treatment of modulation energy should be traceable to the relevant dispatch instruction, accepted balancing quantity and reference programme. For trading and balance-responsible parties, uncertainty about the calculation or classification of energy can translate into avoidable settlement disputes and imbalance exposure.	Set out a transparent calculation sequence, identify the data sources and timestamps used, and provide numerical examples for upward and downward movements. Ensure that the same energy volume is treated consistently across the operational and economic provisions of the Code.
Settlement data and reconciliations	Market participants require timely and auditable data to reconcile dispatch instructions, programme updates, metered energy and settlement outcomes. Any correction to the data used for settlement should be identifiable and reproducible.	Specify the data to be made available, the publication timetable, the process for correcting errors and the audit trail linking a settlement item to the relevant order and programme. Provide a clear route and timetable for raising and resolving discrepancies.

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Annex 22

Topic	Comment	Proposal
Coherence between MB and European balancing platforms	Where the selection of resources on MSD/MB interacts with European balancing platforms, the rules should allow participants to understand how offer availability and accepted quantities are adjusted. The association does not comment on generator-specific technical requirements, but stresses the importance of predictable market-facing outcomes.	Ensure consistency with Annex A.23 and publish an explanatory example of how offers are adjusted following an mFRR acceptance, including the resulting valid quantities for MB and the information communicated to participants.
7.1.6. Feasability ranges	The amendments to Section 7.1.6 broaden the situations in which Terna may restrict a BSP's ability to modify subsequent nominations through feasibility ranges. In particular, the new Section 7.1.6.5 allows Terna to require UAS and UVAN resources to remain out of service when deemed necessary for the security of the Italian power system, while Section 7.1.6.6 introduces specific upper and lower limits for units needed to resolve intrazonal congestion or comply with production constraints. The final feasibility range is determined by applying the most restrictive limits established by Terna. While the underlying system security and adequacy objectives are understood, feasibility ranges are already extensively used and have a direct impact on market participants' ability to adjust unit schedules in subsequent market sessions. The capacity included within the range imposed by Terna is not freely available for participation in intraday markets, including XBID, thereby creating an opportunity cost for operators.	The new provisions further clarify that feasibility ranges may serve not only to preserve previously accepted or reserved quantities, but also to address broader system security needs, such as keeping a unit out of service, managing intrazonal congestion, or ensuring compliance with specific production constraints. In these circumstances, the resulting limitation on a unit's scheduling flexibility should be considered as capacity made available for the benefit of the system and should therefore be appropriately remunerated. Furthermore, the application of feasibility ranges may, in certain cases, lead to misalignments or operational issues in schedule formation, including the creation of schedules that are not fully consistent with the actual technical feasibility of the unit. These situations often require operators to submit reports and open settlement tickets with Terna, resulting in additional operational and administrative burdens.

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Annex 23

Topic	Comment	Proposal
Elastic demand – transparency	The use of elastic demand can influence the volume and price outcome of mFRR activation. Market participants need sufficient information to understand how elastic and inelastic demand contribute to the platform outcome and how this affects Italian balancing-market results.	Publish the methodology and a breakdown of elastic and inelastic demand at least by ISP, together with an explanation of how the values are used in the selection and conversion process.
mFRR activation in exceptional circumstances	Any exception to the standard mFRR activation timeline can affect the ability of market participants to follow instructions and reconcile their schedules. Exceptions should be clearly defined and should not create uncertainty about the applicable activation timing.	Define objectively the exceptional conditions, the decision process and the information communicated to affected participants. Retain standard platform timings wherever feasible and explain the fallback procedure when those timings cannot be met.
Linking logic between ISPs	The use of functional or technical linking between offers, activations or contiguous ISPs must be sufficiently precise to allow participants to anticipate whether successive activations can overlap and how ramp-up and ramp-down instructions interact.	Clarify the meaning of each linking mechanism, when it is applied, and the resulting obligations for each ISP. Provide worked examples for consecutive and overlapping activations, including the reference programme used for each step.
Programme update – without MB orders	The programme-update methodology should reflect variable reference profiles and the interaction with ramping constraints under Annex A.25. Simplified flat-profile examples are not sufficient to establish how the rules operate in realistic trading conditions.	Expand the methodology with numerical examples covering non-flat programmes, upward and downward activations, ramping across contiguous ISPs and the order in which accepted mFRR quantities and ramp constraints are applied.
Programme update – with MB orders	Where MB and mFRR orders coexist, market participants need a deterministic method to identify the applicable instruction and the resulting balancing reference programme. Unclear priority or update logic can create avoidable imbalance exposure.	Specify the priority and interaction rules for overlapping or successive MB and mFRR orders, including when an order is maintained, superseded or adjusted. Show the programme update step by step for representative cases.

mFRR successive activations	The treatment of successive mFRR activations and "maintain difference" instructions should be operationally feasible and predictable, particularly where the reference programme changes between consecutive ISPs.	Clarify the baseline against which the difference is maintained, how the instruction interacts with subsequent activations and how the expected programme is calculated. Validate the rules through dry-run scenarios before implementation.
Programme communication (PV)	Market participants must be able to rely on the programme values communicated by Terna to reconcile schedules and calculate their positions. If communicated values omit or inconsistently reflect dispatch orders, participants may face avoidable reconciliation and imbalance risks.	Confirm which published programme values are authoritative and final for each ISP, identify the relevant timestamp and version, and provide a correction and notification process where an order or accepted quantity is missing or amended.
Annex A.23 and Annex A.25 – Provisions concerning the go-live of the MARI platform and the management of mFRR orders	Regarding the provisions introduced for the launch of the MARI platform, significant regulatory and operational uncertainties remain, potentially jeopardizing a smooth and efficient implementation of the new market framework. In particular, the rules governing the execution and management of mFRR orders have not yet been fully defined, nor is it clear which final version of Annex A.23 will be applicable at the go-live date. Furthermore, the additional amendments under consultation for Annexes A.23 and A.25 address key operational and settlement aspects only shortly before MARI's launch, with the consultation closing on 2 November and platform connection scheduled for 25 November.	It would be advisable to consider a transitional solution for the connection to MARI that excludes the possibility of overlapping MB and mFRR orders on the same generation unit. This approach would significantly reduce operational complexity and the risk of misinterpreting implementation rules during the initial phase of MARI operations, while postponing the management of situations where both order types coexist until the regulatory framework and market participants' systems are fully stabilized.

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Annex 25

Topic	Comment	Proposal
Ramping constraints	The methodology for reconciling balancing reference programmes across contiguous ISPs should be consistent with the mFRR and MB order logic in Annex A.23. The application of ramping constraints before or after an activation can materially change the programme expected by market participants.	State explicitly the sequence used to apply ramping constraints and accepted mFRR/MB quantities. Provide worked examples for variable profiles, consecutive activations, upward and downward movements and transitions across ISP boundaries.
Coherence with Annex 23	Annex A.25 should be read together with Annex A.23, including the rules for overlapping MB and mFRR orders and successive activations. Inconsistencies between the two annexes would make it difficult for participants to reconstruct their expected programme.	Align terminology, calculation steps and examples across both annexes. Test the combined rules using representative variable schedules and publish the clarifications arising from the tests before the provisions take effect.

Annex 77

Topic	Comment	Proposal
pre-day-ahead (MGP) selection procedure	The pre-MGP selection procedure can affect market expectations and the information available to participants before the day-ahead market. Its use should remain predictable and limited to clearly defined system needs, avoiding uncertainty as to whether additional procurement may occur.	Define ex ante the objective triggers and exceptional circumstances for launching the procedure, the decision timeline and the relevant notification to the market. Explain how the procedure interacts with subsequent market stages and avoid unnecessary discretion where objective criteria can be specified.
Transparency on the preliminary session volumes	For participants to assess market outcomes and price formation, information on pre-MGP procurement should be sufficient to understand the volumes procured, the rationale for the intervention and its relationship with later market outcomes.	Publish, subject to legitimate confidentiality and security constraints, the timing, procured volumes, aggregate prices and ex post rationale for each activation of the procedure. Provide data in a consistent format and

		with a predictable publication timetable.
Coherence with other market timeframes	The pre-MGP procedure should not create avoidable uncertainty or distort the information available to participants in subsequent market stages. The rules should be transparent and applied consistently across market participants.	Clarify how accepted offers and resulting positions are reflected in subsequent processes, and publish the relevant methodology and data needed to understand the impact on later market outcomes.

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