



Le réseau
de transport
d'électricité

Market Rules

Manual Frequency Restoration and Complementary Reserves

Version 5 in force on 01 October 2025

The following translation is not binding

The authentic language for interpretation or execution of the Manual frequency restoration and Complementary reserve terms and conditions is French

SUMMARY

SUMMARY	2
7. Manual Frequency Restoration and Complementary Reserves	5
7.A. Foreword.....	5
7.A.1. Definitions.....	5
7.A.2. Link with the General Provisions of the Harmonised Terms and Conditions.....	14
7.B. Legal Framework.....	14
7.C. Entry into Force and Revision	14
7.C.1. Entry into Force	14
7.C.1. Deferred Entry into Force.....	15
7.C.2. Terms of Revision	15
7.D. Contractual Terms and Conditions	15
7.D.1. Prerequisites.....	15
7.D.2. Contract conditions	16
7.D.3. Termination of the mFRR-RR Participation Agreement	16
7.E. Participant Qualification	19
7.F. Management of the Balancing Perimeter	19
7.G. Qualification of Balancing Entities	19
7.G.1. General Case.....	19
7.G.2. Qualified Balancing Entity.....	19
7.H. Contracting of reserves.....	24
7.H.1. Definitions of Products Sought.....	24
7.H.2. Calculation of RTE’s Reserve Requirements.....	25
7.H.3. Contracting of the SPE0 Product	25
7.H.4. Contracting of the SPE product	31
7.H.5. Reserve Exchange	34
7.I. Programming	36
7.I.1. General	36
7.I.2. List of Commitments.....	36
7.J. Putting together energy bids	37
7.J.1. General principles.....	37
7.J.2. Exclusivity of the capacity provided	38
7.J.3. Submission of Bids on the Balancing Mechanism for BEs offered in the List of Commitments	38
7.K. Use of Balancing Bids by RTE	42
7.K.1. Performance of the TAO interface system implemented by the Participant.....	42

7.L. Control of Commitments	43
7.L.1. Failures and penalties	43
7.L.2. Activation tests	53
7.M. Remuneration	54
7.N. Invoicing and payment.....	54
7.N.1. Invoicing conditions.....	54
7.N.2. Payment terms	55
7.O. Financial security	56
7.P. Indicators and publications.....	56
7.AA ANNEXES	57
7.AA0. ANNEX: Reminder of the terms and conditions for annual call for tenders contracting 57	
7.AA0.1. Tender regulation	57
7.AA0.2. Prerequisites for participating in the call for tenders	57
7.AA0.3. Format of the Bid.....	57
7.AA0.4. Content of the Bid	58
7.AA0.5. Opening envelopes and assessing bids	61
7.AA0.6. Award	62
7.AA0.7. Formalisation of Initial Commitments following award.....	64
7.AA0.8. Notification of the award of the call for tenders.....	65
7.AA0.9. RTE’s right to cancel all or part of the consultation procedure	65
7.AA0.10. Insufficient bids	65
7.AA1. ANNEX: Participation Agreement in the Manual Frequency Restoration and Complementary Reserve Terms and Conditions	65
7.AA1.1. Foreword	66
7.AA1.2. Definitions	66
7.AA1.3. Purpose and scope of the contract	66
7.AA1.4. Invoicing.....	67
7.AA1.5. Bank details of Participant:.....	67
7.AA1.6. RTE collection account:	67
7.AA1.7. Entry into force, duration, and termination of the mFRR-RR Participation Agreement.....	67
7.AA2. ANNEX: CONTACT DETAILS.....	69
7.AA2.1. Business Contacts: Monitoring of the implementation of the mFRR-RR Participation Agreement	69
7.AA2.2. Business Contacts: Management of Qualifications.....	69
7.AA2.3. Operational contacts:	70

7.AA1.	ANNEX: List of qualified BEs	71
7.AA2.	ANNEX: Request for Qualification	72
7.AA2.1.	Administrative information relating to the BE to be qualified	72
7.AA2.2.	Technical specifications to be Qualified for the BE	72
7.AA3.	ANNEX: Request to reset the qualification-related Failure counter	74
7.AA3.1.	Administrative information concerning the BE for which the request to reset the Qualification-related Failure counter to zero is being made	74
7.AA3.2.	Information concerning activations on the Balancing Mechanism justifying resetting the Qualification-related Failure counter to zero	74
7.AA4.	ANNEX: Specifications for connecting the Customer’s control centre to RTE’s telecontrol system for the voluntary provision of services to the network	75
7.AA5.	ANNEX: Terms relating to statistical observability experimentation	76

7. Manual Frequency Restoration and Complementary Reserves

7.A. Foreword

The Transmission System Operator, RTE, is responsible for balancing supply and demand on the French power grid at all times. This management must take into account imbalance in the Recovery of Balancing Charges, production and consumption incidents, as well as import and export changes at the borders. RTE must therefore have power reserves that can be mobilised both upwards and downwards, from capacities based in France or elsewhere in Europe.

Of the three types of reserves that can be successively called upon (Frequency Containment, Automatic Frequency Restoration and Tertiary Reserves), the Balancing Mechanism (BM) enables RTE to mobilise Tertiary Reserves to ensure real-time production-consumption balance.

RTE contracts capacities that can be mobilised on the Balancing Mechanism in compliance with the regulatory framework described in 7.B. These capacities are known as the Manual Frequency Restoration Reserve and the Complementary Reserve.

This chapter details the technical, legal and financial terms and conditions under which the Participant guarantees RTE the provision of power on the Balancing Mechanism, by Submitting Bids with BEs, and subject to the technical conditions detailed in this chapter. All words or phrases used in these manual frequency restoration and Complementary reserve Terms and Conditions (“mFRR-RR Terms and Conditions”) that begin with a capital letter have the meanings attributed to them below or, otherwise, the meaning given in the chapter on Harmonised Terms and Conditions relating to Scheduling, the Balancing Mechanism, and Recovery of Balancing Charges, or in the chapters on Frequency Ancillary Services Terms and Conditions in their latest respective versions in force.

In the event of a difference between the definitions given below and those provided for in the chapters relating to Scheduling, the Balancing Mechanism, and Recovery of Balancing Charges, the mFRR-RR Terms and Conditions shall prevail.

7.A.1. Definitions

mFRR-RR Participation Agreement	The contract concluded between RTE and a Participant in the mFRR-RR Terms and Conditions, in accordance with the template in Annex 7.AA1, whereby the latter agrees to adhere to the mFRR-RR Terms and Conditions to participate in the Manual Frequency Restoration Reserve (mFRR) and Complementary Reserve (RR) mechanism.
Participation Agreement in the Balancing Mechanism	The contract or protocol concluded between RTE and a Participant in accordance with the RM_2_Balancing Mechanism Terms and Conditions, whereby the latter agrees to adhere to the RM_2_Balancing Mechanism Terms and Conditions in order to qualify as a Balancing Service Provider.
Block Agreement	The load-frequency control block operational agreement. It includes the conditions and methodologies listed in paragraph 1, Article 119 of the SOGL.
Balancing Service Provider	Has the meaning assigned in the RM_0_General Provisions Terms and Conditions.

Qualification	Refers to the technical qualification of a BE for mFRR and RR that certifies the BE's ability to meet the technical specifications stipulated in Article 7.G.2.
Incident	Refers to a period of time requiring activation by RTE of the capacity/capacities committed in Manual Frequency Restoration Reserve or Complementary Reserve necessary to maintain the normal state of the power system as defined by Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation ("System Operation Guideline") (hereinafter "SOGL").
Technical Incident	Has the meaning stated in Article 7.L.1.1.2 of the mFRR-RR Terms and Conditions.
CAM	Market Access Commission, a sub-group of the Power Transmission System Users' Committee (CURTE).
Candidate	The legal entity wishing to apply for a periodic and/or day-ahead call for tenders for Manual Frequency Restoration and Complementary Reserves.
Reserved Capacity	The sum of the Participant's Commitments.
Bid Usage Conditions (CUO) or Terms of Use	Has the meaning assigned in the RM_0_General Provisions Terms and Conditions.
Upstream D-1 Framework Agreement	The contract defining the technical, financial and legal arrangements for the agreements which may be concluded between RTE and the Participant upstream of D-1 with the aim of avoiding congestion on the Public Transmission System.
Interruptibility Contract	The contract concluded under Article L. 321-19 of the French Energy Code between RTE and a Site directly connected to the Public Transmission System.
CRE	French Energy Regulatory Commission (<i>Commission de régulation de l'énergie</i>)
Failure	Any breach of contractual obligations as provided for in Article 7.L of these mFRR-RR Terms and Conditions and giving rise to the payment of penalties and " Failed/At Fault " means the action or omission of the Participant giving rise to a Failure.
Mobilisation Lead Time or DMO	Has the meaning assigned in the RM_0_General Provisions Terms and Conditions.
Neutralisation Lead Time between Activations or DNA	Has the meaning assigned in the RM_0_General Provisions Terms and Conditions.

Request for Qualification	Has the meaning assigned to it in Article 7.G.2.
Applicant	The Balancing Service Provider who has Notified RTE of a Request for Qualification.
Technical system of Automated transmission of Balancing Orders (TAO)	Technical communication system enabling: <ul style="list-style-type: none"> - RTE to transmit Balancing Orders to the Order Receivers; - the Order Receiver to transmit Final Dispatch Schedules to RTE. The connection and correspondence procedures for this system are described in the IS Terms and Conditions.
$DMO_{E,i}$	Mobilisation Lead Time corresponding to the Commitment Type i.
DO_{max}	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
$DO_{max,E,i}$	Designates the maximum usage time for an activation of the Reserved Capacity relating to Commitment Type i.
DO_{min}	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
$DO_{min,E,i}$	is the minimum usage time for an activation of the Reserved Capacity relative to Commitment Type i.
Balancing Energy Imbalance of a BE	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Reserve Exchange	Has the meaning assigned to it in Article 7.H.5 of the mFRR-RR Terms and Conditions.
Failure of a BE Qualification or BE Qualification-related Failure	Has the meaning given in Article 7.G.2.
BE	(Balancing Entity) has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Qualified BE	Refers to any BE mentioned in Annex 7.AA1.
Commitments	Refers to the set of capacities that the Participant commits to make available to RTE on the Balancing Mechanism via BEs, including Initial Commitments, to which Additional Commitments are added and Withdrawn Commitments and Terminated Commitments are removed.

Initial Commitments	Refers to the capacities that the Participant initially undertakes to make available to RTE on the Balancing Mechanism via BEs contracted with RTE following a periodic or day-ahead call for tenders.
Withdrawn Commitments	Means all or part of the Initial Commitments assigned by the Assignor Participant in the context of a Reserve Exchange approved by RTE, the Withdrawn Commitments being defined specifically by the dates of availability, powers, activation periods and mobilisation lead times.
Terminated Commitments	Means the capacities withdrawn from the Initial Commitments resulting from the periodic call for tenders in accordance with Article 7.H.3.7 or following termination of the Commitments in accordance with Article 7.D.3.
Additional Commitments	Means all or part of the Commitments assigned by the Purchaser Participant in the context of a Reserve Exchange approved by RTE, the Additional Commitments being defined specifically by the dates of availability, powers, activation periods and mobilisation lead times.
Reserve Providing Group (RPG)	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Force Majeure Event	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Gradient	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Hour or H	Means the hours corresponding to Paris time and lasting sixty (60) minutes.
System Access Deadline	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Activation Time	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Balancing Start time	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Deactivation Time	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Balancing End Time	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.

Day or Day D (J in the formula)	Designates the calendar day lasting twenty-four (24) hours defined as follows: [00:00; 24:00]. Days on which the official time changes, as defined by Decisions published in the Official Journal of the French Republic, comprise either 23 Hours or 25 Hours.
Business Day	Means any one of the days of the week, with the exception of Saturday, Sunday and public and bank holidays as defined in Article L. 3133- 1 of the French Labour Code.
List of Commitments	The list transmitted by the Participant to RTE, consisting of BEs for which the Participant commits for day D in order to meet its Commitments, detailing for each Commitment the BEs and the technical specifications of the power time series offered per BE.
NB_ACTIVATIONS	Designates the parameter corresponding to the BE Commitment to cover up to four (4) Balancing Orders for the SPE0 product, taking the value -1 for the other products
Notification	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Reserve Exchange Notification or NER	Means the Notification to RTE of a Reserve Exchange such that a Commitment must be deducted (i) from the Initial Commitments of one Participant (hereinafter the “ Assignor Participant ”) and (ii) added to the Additional Commitments of another Participant (hereinafter the “ Purchaser Participant ”)
Observability	Has the meaning attributed to it in Annex 7.AA4 of these mFRR-RR Terms and Conditions and “Observable” means a BE whose Observability is available to RTE.
Balancing Bid	<p>Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions and the terms “Submitted”, “Activated” and “Deactivated” have the meaning provided for therein.</p> <p>All the technical and financial conditions under which the Balancing Service Provider proposes to RTE a variation in Injection or Extraction of a BE. A Balancing Bid may be a Specific Bid or a Standard Bid. A Balancing Bid may be an Upward Bid or a Downward Bid.</p> <p>Chronologically, a Bid is:</p> <ul style="list-style-type: none"> - “Submitted” and constitutes a “Submission” when a Bid is received by RTE;

	<ul style="list-style-type: none"> - the Bid is “Modified” and constitutes a “Modification” when a Bid is submitted for a BE and modified at one of the following Gates by the Balancing Service Provider. This modification may concern the price or the Usage Conditions of the Submitted Bid, provided that these modifications do not prevent the Activation of Balancing Bids that have been Activated by RTE for this same Bid; - “Withdrawn” and constitutes a “Withdrawal” when a Bid is Submitted at a Gate and withdrawn at one of the following Gates by the Balancing Service Provider, provided that this Bid has not already been Activated by RTE; - “Refused” and constitutes a “Refusal” when, not having been drawn up in accordance with the provisions of the Terms and Conditions, the Bid cannot be taken into account by RTE; - “Taken into Account” when, having been established in accordance with the provisions of the Terms and Conditions, the Bid Submitted and/or Modified can be Activated by RTE and the Bid that is the subject of a Withdrawal can no longer be activated by RTE at the end of the Neutralisation Lead Time. A Bid is Taken into Account at the Gate following its Submission; - “Activated” and constitutes a “Activation” or a “Balancing Order” when RTE informs the Balancing Service Provider that it accepts its Bid by sending a Balancing Order. As from this moment, this Bid can no longer be Withdrawn or Modified by the Balancing Service Provider. - “Activated” and constitutes an “Activation”: a Bid is Activated for the period between the Activation Time and the Deactivation Time specified in the Balancing Order when Balancing volumes relating to this Bid are requested by RTE; - “Deactivated” and constitutes a “Deactivation” when the Activation Period of an Activated Bid ends or when RTE informs
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	the Balancing Service Provider, by sending a Balancing Order, that a Bid must be Deactivated.
Specific Balancing Bid or Specific Bid	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Explicit Specific Balancing Bid or Explicit Specific Bid	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Implicit Specific Balancing Bid or Implicit Specific Bid	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Standard Bid	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Order	A message transmitted by RTE to the Order Receiver designated by the Balancing Service Provider according to the procedures defined in the RM_0_General Provisions Terms and Conditions.
Balancing Order	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Participant	A signatory to the mFRR-RR Participation Agreement that has entered into said agreement with RTE.
Purchaser Participant	Has the meaning assigned to it in the definition of the term "Reserve Exchange Notification".
Assignor Participant	Has the meaning assigned to it in the definition of the term "Reserve Exchange Notification".
Party	Means the Participant or RTE individually, collectively the " Parties ".
Half-Hourly Interval	Means a period of thirty (30) consecutive minutes, the first of each Day starting at 0H00m00s.
Quarter-Hourly Interval	Means a period of fifteen (15) consecutive minutes, the first of each Day starting at 0H00m00s.
P_{E,i}	Means the minimum power that the Participant undertakes to make available on the Balancing Mechanism under its Commitments and corresponding to Commitment Type i.
Qualified Perimeter of a BE	Refers to the set of Sites that have contributed to obtaining the Qualification of the BE and are described in Annex 7.AA2 of these mFRR-RR Terms and Conditions. The Qualified Perimeter of a BE is a subset of the perimeter of that BE.

Balancing Perimeter	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Contract Period	The period during which a participant may submit one or more types of product for a capacity bid. A contract period may comprise one or more validity periods.
Validity Period	The period during which the Balancing Energy Bid submitted by the Balancing Service Provider can be activated, provided that all the specifications of the product are met. The validity period is defined by a start time and an end time.
Commitment Period	A period during which the Participant makes a BE available under its Commitments.
Exclusion Period	The period during which a Qualified BE can no longer be proposed in a List of Commitments to meet a Commitment.
Availability Period	One or more periods for the provision of Capacities covering Initial Commitments or Additional Commitments (as specified in the NER).
Control Period	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Price Segment	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Fixed Premium	The amount corresponding to the power contracted multiplied by the marginal price of each Commitment Type i.
Reference Spot Price	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
SPE Product	See definition in 7.H.1.2
SPE0 Product	See definition in 7.H.1.1
Order Receiver	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Redeclaration	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions and the term “Accepted” will have the meaning established therein.
SOGL (guideline)	Has the meaning stated in the foreword.
Manual frequency restoration reserve and Complementary reserve terms and conditions	Refers to these Manual Frequency Restoration Reserve and Complementary Reserve Terms and Conditions, available on the RTE website (https://www.services-rte.com/en/home.html).

or mFRR-RR Terms and Conditions	
RM_0_General Provisions	The Market Rules relating to the General Provisions available on the RTE Services Portal (https://www.services-rte.com/en/home.html)
RM_1_Scheduling	The Market Rules relating to Scheduling available on the RTE Services Portal (https://www.services-rte.com/en/home.html)
RM_2_Balancing mechanism	The Market Rules relating to the Balancing Mechanism available on the RTE Services Portal (https://www.services-rte.com/en/home.html)
RM_3_Recovery of Balancing Charges	The Market Rules relating to the Recovery of Balancing Charges, available on the RTE Services Portal (https://www.services-rte.com/en/home.html)
RM_4_Frequency Ancillary Services	The Market Rules relating to Frequency Ancillary Services available on the RTE Services Portal (https://www.services-rte.com/en/home.html)
IS Terms and Conditions	Rules for access to RTE's Information System and Applications, specific to the "Scheduling and Balancing Mechanism" system or to the RACOON platform including their Annexes, available on the RTE Website. (https://www.services-rte.com/en/home.html).
Public Distribution System	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Public Transmission System	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Complementary Reserve (RR)	Manually activated active power reserve with a mobilisation lead time of less than or equal to 30 minutes.
Manual Frequency Restoration Reserve (mFRR)	Manually activated active power reserve with a mobilisation lead time of less than or equal to 15 minutes.
Frequency Ancillary Services	Has the meaning assigned to it in RM_4_Frequency Ancillary Services
Site	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Commitment Type i or Type of Commitment i	A Type of Commitment characterised by the triplet: type of reserve, product type and direction
User	Has the meaning assigned to it in the RM_0_General Provisions Terms and Conditions.
Metered Volume of a BE (VR of a BE)	Volume of balancing energy over a Control Interval, obtained by comparing the Load Curve of the BE with its Reference Curve.

7.A.2. Link with the General Provisions of the Harmonised Terms and Conditions

The Parties agree that the RM_0_General Provisions Terms and Conditions apply to the mFRR-RR Terms and Conditions. In the event of incompatibility with what is stated in the mFRR-RR Terms and Conditions, the relevant provisions of the mFRR-RR Terms and Conditions shall take precedence over those of the RM_0_General Provisions Terms and Conditions.

7.B. Legal Framework

Article L.321-11 of the French Energy Code provides that:

“The national transmission system operator monitors availability and implementation of the reserves required for operating the grid. [...]”

Thus, within the framework laid down by the French Energy Code and the mission of maintaining the reliable operation of the power grid, RTE contracts the provision of power reserves with market players who have generation or demand response capacities to maintain this reliability. These capacities must have specific dynamic characteristics, including short mobilisation lead times, to counteract incidents occurring in real time that may affect the balance of power flows on the grid.

By establishing the above-mentioned power reserves, RTE (across mainland France) must be able to comply with the requirements of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation (“System Operation Guideline”, hereinafter “SOGL”) which provides that:

- after an incident, the transmission system operator must be able to restore the power exchanges of its control area in under fifteen (15) minutes;
- that the dimensioning of reserves available in under fifteen (15) minutes is done based on the evaluation of the largest possible generation incident.

In addition, RTE establishes the reserves which allow it to restore the automatic frequency restoration reserve within thirty (30) minutes.

To meet this need, RTE procures reserves according to the terms described in Article 7.H. As stated in Article 7.H.2, the dimensioning method for defining the volume of these reserves is detailed in Annex 2 of the Block Agreement.

The procedures for the provision of the contracted capacities are described in Article 7.J and the terms for activation of these capacities by RTE are described in Article 7.K.

7.C. Entry into Force and Revision

7.C.1. Entry into Force

The mFRR-RR Terms and Conditions detail the conditions for participation in the provision of Manual Frequency Restoration Reserve and Complementary Reserve.

The rules come into force on 1st October 2025, however, the provisions relating to the SPE product defined in article 7.H.1.2 apply from date RT₁₇ and the first AOP gate under the terms described in these mFRR-RR Terms and Conditions will take place during Q4 2025.

7.C.1. Deferred Entry into Force

In derogation to the above Article, the following provisions shall have a deferred entry into force.

Date	Description	Participant Notification Lead Time	Articles concerned
Date RT₁₇	Beginning of procurement of the downward Manual Frequency Restoration Reserve via the SPE product.	1 month	7.H. 7.J. 7.L.

7.C.2. Terms of Revision

When new legislative or regulatory texts come into force with regard to these mFRR-RR Terms and Conditions, RTE undertakes, as necessary, to revise the mFRR-RR Terms and Conditions to bring them into line with the new provisions in force.

The mFRR-RR Terms and Conditions shall be revised according to the principles described in RM_0_General Provisions.

The revision of the mFRR-RR Terms and Conditions and the Annexes shall have no impact on the validity of the mFRR-RR Participation Agreement signed by the Participant, which will continue to produce its effects and which implies acceptance of the changes made in the revised mFRR-RR Terms and Conditions published on the RTE website, without prejudice to the Participant's right to terminate its mFRR-RR Participation Agreement in accordance with Article 7.D.3.1 of these mFRR-RR Terms and Conditions

The IS Terms and Conditions provide for specific terms of revision which deviate from the procedure outlined above.

From entry into force of the new RM_2_Balancing Mechanism Terms and Conditions, these shall automatically apply to these mFRR-RR Terms and Conditions, which will continue to have full effect between the Parties, by integrating the changes made in the revised mFRR-RR Terms and Conditions published on the RTE website.

7.D. Contractual Terms and Conditions

The Participant must possess a Participation Agreement as a Balancing Service Provider. The conditions for obtaining this Participation Agreement are described in Chapter 2 of the Harmonised Market Rules.

7.D.1. Prerequisites

To participate in the provision of Manual Frequency Restoration Reserve and Complementary Reserve, a market participant must first become a Balancing Service Provider and provide a copy of the first page of the Balancing Mechanism Participation Agreement (Chapter 2 of the Harmonised Market Rules).

7.D.1.1. For market participants established in France

The market participant must also provide the elements listed below:

an extract of the entry in the trade and companies register (K-bis company registration form), or an Identification Card justifying the entry in the trade and commerce registry (original or copy) that is less than three (3) months old or a receipt of the declaration submission at a business start-up centre for legal or natural persons in the process of registration. An update of this document may be requested once (1) per year by RTE.

7.D.1.2. For market participants established outside France

The market participant must also provide the elements listed below:

a document from the authorities maintaining the business registry or an equivalent document certifying such registration or, for companies being created, a document less than 3 months old from the authority authorised to receive the entry in the business registry and attesting to the application for registration in said registry. An update of this document may be requested once per year by RTE;

a document stating its identity and address or, if applicable, the contact information of its temporary tax representative in France.

7.D.2. Contract conditions

Any participant wishing to participate in the mFRR-RR Terms and Conditions must Notify RTE by sending a duly completed and signed Participation Agreement, in accordance with the template in Annex 7.AA1, as a Participant in the mFRR-RR Terms and Conditions.

This Notification must be accompanied by the elements mentioned in Article 7.D.2. The Participation Agreement shall take effect on the date set out in this Article subject to RTE's signature.

If a market participant possesses an mFRR-RR Participation Agreement that was terminated pursuant to the provisions of Articles 7.D.3.2 and 7.D.3.3, then this participant may only sign a new mFRR-RR Participation Agreement after providing proof that the situation has been resolved with RTE, particularly in the case of payment default, and obtained confirmation from RTE that the situation has been remedied definitively.

The Participation Agreement requires a simple electronic signature in accordance with eIDAS Regulation 910/2014 of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market.

7.D.3. Termination of the mFRR-RR Participation Agreement

7.D.3.1. On the Initiative of the Participant

7.D.3.1.1. If the Participant is not under any Commitment

If the Participant does not hold any Commitment, the Participant may terminate its mFRR-RR Participation Agreement at any time by sending a Notification to RTE by registered letter with acknowledgement of receipt. The termination takes effect after a maximum of ten (10) Business Days from the date of receipt, or earlier, on agreement between the Parties.

7.D.3.1.2. If the Participant is under a Commitment

The Participant may terminate the mFRR-RR Participation Agreement if:

- under Article 7.L of these mFRR-RR Terms and Conditions, the Participant is liable for a penalty amount exceeding 140% of the Fixed Premium for the current year referred to in Article 3 of Annex 7.L.1, not including the Additional Commitments provided for in the Article; and
- it provides proof to RTE in writing of its long-term and justified technical inability to perform a significant part of the Commitments or one of the contractual obligations defined in the mFRR-RR Terms and Conditions.

Notwithstanding the provisions of Article 7.D, the termination of the mFRR-RR Participation Agreement must be Notified to RTE by the Participant by registered mail with acknowledgement of receipt.

The termination of the mFRR-RR Participation Agreement, if accepted by RTE, shall take effect from the receipt of the Notification by RTE after fifteen (15) Business Days.

During this period, all the terms of the mFRR-RR Participation Agreement shall remain applicable.

In the event of termination by the Participant under this Article, a penalty equal to 5% of the current year Fixed Premium not yet paid shall be due by the Participant to RTE.

The termination of the mFRR-RR Participation Agreement will result in the termination of the monthly payment of the Fixed Premium. When the termination takes place during a calendar month, the termination shall give rise to the calculation of the monthly amount of the Fixed Premium, on the basis of the marginal prices of the periods concerned in the current month and the Commitments up to the date of termination (not included), in order to determine the sum due by RTE to the Participant under the mFRR-RR Terms and Conditions.

The Participant shall remain liable for all penalties payable to RTE pursuant to Article 7.L of these mFRR-RR Terms and Conditions until the effective date of termination of the mFRR-RR Participation Agreement.

7.D.3.2. Termination without cause

The mFRR-RR Participation Agreement may be terminated automatically and without compensation (except for any penalties payable to RTE in application of Article 7.L of these mFRR-RR Terms and Conditions as mentioned in this Article) in the following cases:

- a) in the event of a Force Majeure Event of duration greater than thirty (30) consecutive days;
- b) in the event of the Participant's cessation of activity;
- c) in the event the Participant loses the Balancing Service Provider status, only following the termination of its Balancing Mechanism Participation Agreement in the event of non-compliance by RTE with its obligations under the RM_2_Balancing mechanism Terms and Conditions;

- d) in the event a change is made to the RM_2_Balancing Mechanism Terms and Conditions, or to the mFRR-RR Terms and Conditions in accordance with the Article of these mFRR-RR Terms and Conditions, where the Participant sends justification, in writing, of a subsequent change to the financial conditions of the mFRR-RR Terms and Conditions resulting from the amendment to the RM_2_Balancing Mechanism Terms and Conditions or the mFRR-RR Terms and Conditions, making it financially impossible to abide by them, subject to acceptance by RTE of said justifications.

In cases (a) and (b) mentioned above, termination is effected by sending a registered letter to the other Party with acknowledgement of receipt. Termination shall take effect on the date this letter is received.

In case (c), termination is effected by Notification to the other Party by registered letter with acknowledgement of receipt where the termination date of the mFRR-RR Participation Agreement is the date, if applicable, of the termination of the Balancing Mechanism Participation Agreement.

In case (d), the Participant Notifies RTE of its request for termination, duly justified, by registered letter with acknowledgement of receipt. If RTE accepts the justifications, RTE Notifies the Participant of the termination of the mFRR-RR Participation Agreement by sending a registered letter with acknowledgement of receipt. The termination of the mFRR-RR Participation Agreement takes effect, from the date of receipt by the Participant of the said letter, at the earliest within fifteen (15) Business Days.

During this period, all the terms of the mFRR-RR Participation Agreement remain applicable.

The termination of the mFRR-RR Participation Agreement, for all cases a), b), c) and d), will result in the termination of the monthly payment of the Fixed Premium. When the termination takes place during a calendar month, the termination shall give rise to the calculation of the monthly amount of the Fixed Premium, on the basis of the marginal prices of the periods concerned in the current month and the Commitments up to the date of termination (not included), in order to determine the sum due by RTE to the Participant under the mFRR-RR Participation Agreement.

Notwithstanding the above, the Participant shall remain liable, where relevant, for all penalties payable to RTE in application of Article 7.L until the effective date of termination of the mFRR-RR Participation Agreement.

7.D.3.3. Termination for breach

The mFRR-RR Participation Agreement may be terminated as of right in the following cases:

- a) in the event of non-payment by the Participant of any sum due to RTE after a period of thirty (30) days from the receipt of an unheeded official payment notice;
- b) in the event of a repeat failure of one of the Parties to meet its contractual obligations by the expiry of a period of ten (10) Business Days from the date of receipt of an unheeded official notice;
- c) in the event of cumulative Failure, greater than 3% (in duration) for a Type of Commitment i over a rolling year.
- d) in the event that the Participant loses the Balancing Service Provider status, only following the termination of its Balancing Mechanism Participation Agreement in the event of non-compliance by the Participant with its obligations under the RM_2_Balancing Mechanism Terms and Conditions.

In cases (a), (b) and (c), RTE Notifies the Participant with a formal notice to terminate the situation described in the Notification, and within a time limit mentioned in the Notification of the formal notice.

If RTE finds that the situation has not been resolved within the period mentioned in the formal notice, then the termination of the mFRR-RR Participation Agreement shall be effected by sending a registered letter with acknowledgement of receipt to the other Party. Termination shall take effect on the date this letter is received.

In case d), termination is effected by Notification to the other Party by registered letter with acknowledgement of receipt, where the termination date of the mFRR-RR Participation Agreement is the date, if applicable, of the termination of the Balancing Mechanism Participation Agreement.

In the event of termination for breach, a penalty equal to 10% of the Fixed Premium not yet paid is due by the Participant to RTE.

The termination of the mFRR-RR Participation Agreement will result in the termination of the monthly payment of the Fixed Premium. When the termination takes place during a calendar month, the termination shall give rise to the calculation of the monthly amount of the Fixed Premium, on the basis of the marginal prices of the periods concerned in the current month and the Commitments up to the date of termination (not included), in order to determine the sum due by RTE to the Participant under these mFRR-RR Terms and Conditions.

Notwithstanding the above, the Participant shall remain liable, where relevant, for all penalties due to RTE in application of Article 7.L until the effective date of termination of the mFRR-RR Participation Agreement.

7.E. Participant Qualification

Not applicable.

7.F. Management of the Balancing Perimeter

The definitions of Balancing Perimeter and Balancing Entity are taken from RM_2_Balancing Mechanism Terms and Conditions.

7.G. Qualification of Balancing Entities

7.G.1. General Case

The qualification and pre-qualification of Balancing Entities are described in RM_2_Balancing Mechanism Terms and Conditions.

7.G.2. Qualified Balancing Entity

The Participant must have obtained Qualification of a BE for it to be included in the List of Commitments for the provision of a Commitment for an SPE0 product as defined in article 7.H.1.1.

The list of Qualified BEs that may be offered by the Participant is given in Annex 7.AA1. This list may only be modified under the conditions strictly defined in Article 7.G.2.2.

7.G.2.1. Characteristics of a Qualification

The information contained in the Qualification is as follows:

- Name of the BE
- Qualified Perimeter of the BE consisting of identification of the Sites and identification of the system operator to which the Site is directly or indirectly connected
- Power declared for the Qualification, $P_{\text{qualified}}$
- Declared DMO (Mobilisation Lead Time)
- Declared D_{max}
- Declared D_{min}, and
- Order Receiver.

The Qualified Perimeter of the BE must correspond to all the Sites making up the BE from the start of validity of the Qualification. Thus, in accordance with the provisions of Article 7.G.2.3, a Request for Qualification is required for the removal or addition of one or more Sites.

The Qualification of a BE must take account of the exclusivity of the capacity made available as described in article 7.J.2.

A BE can only be subject to a single Qualification which is valid for a given period.

7.G.2.2. Obtaining Qualification

The Participant may apply for Qualification of a BE, in accordance with the provisions of Article 7.G.2.3. Qualification is obtained by adding the BE or modifying the BE's technical specifications in Annex 7.AA2. RTE shall Notify the Participant of the updated Annex 7.AA2. This modification shall be effective on the 1st of the month following the Notification of the updated Annex 7.AA2.

The modification to Annex 7.AA2 can only be made by RTE and only under the conditions of the present Article.

In particular, RTE may not under any circumstances add Sites to the Qualified Perimeters of the Qualified BEs listed in Annex 7.AA2 without the Participant having requested a modification to a Qualification according to the terms of Article 7.G.2.3.3.

7.G.2.3. Qualification Procedure

The Qualification of a BE is granted on a declarative basis, in accordance with the conditions laid down below.

7.G.2.3.1. Prerequisites

Compliance with all the prerequisites defined in this Article is necessary for the Request for Qualification, as defined in Article 7.G.2.3.2 of this document, to be considered admissible by RTE:

- The Qualification applicant must be the holder of an mFRR-RR Participation Agreement.
- The Sites that make up the BE to be qualified are directly or indirectly connected to the public electricity transmission system.

7.G.2.3.2. Request for Qualification

The Request for Qualification shall be made by Notification, at the initiative of the Participant to RTE, of Annex 7.AA2, duly and fully completed and signed by the Participant.

The receipt of an incomplete or non-compliant Request will not be taken into account by RTE and this rejection will be Notified to the Participant.

In order to be qualified, the BE or future BE must meet the following conditions:

- The declared Power for Qualification of the BE must be greater than or equal to 10 MW.
- The declared D_{max} must be greater than or equal to 30 minutes.
- The declared D_{min} must be less than or equal to 60 minutes.
- The declared D_{max} must be over 5 minutes greater than the declared D_{min} value.
- In order for a BE to be Qualified for Manual Frequency Restoration Reserve (mFRR), the DMO (mobilisation lead time) declared in the Request for Qualification must be less than or equal to thirteen (13) minutes.
- In order for a BE to be Qualified for Complementary Reserve (RR), the DMO declared in the Request for Qualification must be less than or equal to thirty (30) minutes.

For a given BE for which the Participant has made a Request for Qualification, RTE shall Notify the Applicant of Annex 7.AA2 or its update, in accordance with the terms described in Article 7.G.2.2, within five (5) Business Days following receipt of the Request for Qualification by RTE.

The Participant may not make a second Request for Qualification concerning the same BE until RTE has Notified the outcome of the first procedure. In particular, the Participant may not make two concurrent Requests for Qualification for the same BE.

7.G.2.3.3. Conditions applicable to new Requests for Qualification for a BE

For a given BE, a Participant may make only one Request for Qualification per calendar month, whether it be an initial request or a modification to an existing Qualification.

In accordance with the provisions of Article 7.G.2.5, any new Request for Qualification for at least one Site subject to an ongoing suspension shall not take effect until the end of the suspension period.

Any new Request for Qualification accepted on a previously Qualified BE and modifying a specification of the Qualification other than D_{min} will be considered as a new Qualification, and will reset the number of tests provided for in Article 7.L.

The modification of the list of Qualified BEs shall be made in accordance with the terms of Article 7.G.2.2.

7.G.2.4. Activations of the Qualified BE on the Balancing Mechanism

During a Day, any activation on the Balancing Mechanism of a Qualified BE made available in a List of Commitments that shows a failure in execution according to the criteria laid down in Article 7.L.1.2.3 shall be considered a Failure in relation to the BE Qualification.

A BE Qualification-related Failure shall result in the suspension of the Qualification and application of an Exclusion Period under the conditions laid down in Article 7.G.2.5.

For each Qualified BE and the Sites making it up, RTE keeps count of the number of Qualification-related Failures.

7.G.2.5. Suspension of Qualification and Exclusion Period

The Qualification of a BE shall be suspended by RTE in the event of a BE Qualification-related Failure as defined in Article 7.G.2.4.

The Qualification of a BE shall also be suspended in the event that the Participant has not updated a Qualification following a change in the perimeter of a Qualified BE or in the event of failure to make the Observability available in accordance with Article 7.G.2.6.

The suspension of Qualification results in the Participant's inability to employ a BE with suspended Qualification or the Sites making it up to cover a Commitment during the Exclusion Period.

The Exclusion Period is defined as follows:

- For the second Qualification-related Failure, the Exclusion Period is three (3) months.
- For the third Qualification-related Failure, the Exclusion Period is six (6) months.
- For the next Qualification-related Failures, the Exclusion Period is also six (6) months.

If several failed activations under the criteria in Article 7.L occur on the same Day that a Qualified BE is committed under a List of Commitments, only one Qualification-related Failure shall be counted.

The suspension of the BE is done by Notification to the Participant.

The market participant may declare any failures relating to Qualification to RTE by email.

- If the declaration is made before the last 5 business days of month M, notification of the suspension by RTE shall be made before the end of month M for a suspension under the conditions laid down in this Article.
- If the declaration is made in the last 5 business days of month M, notification of the suspension by RTE shall be made in M+1 for a suspension under the conditions laid down in this Article.

The suspension shall be effective from the 1st day of the month following the Notification of the Qualification-related Failure, with no other formality being required. A market participant cannot retract its declaration of failure once RTE has sent the notification.

When the suspension results from a failure to update a Qualification as a result of a change in the perimeter of a BE or from a failure to make the Observability available, the suspension will be effective immediately and will terminate as soon as the Participant resolves this situation.

In the event that several Qualification-related Failures occur in the same calendar month, the exclusion periods overlap. For example, for a given Qualified BE, if a first Qualification-related Failure occurs in month M and a second Qualification-related Failure occurs in this same month M, a three (3) month suspension will be applied from the 1st of the month following the Notification of the two (2) Failures. In the event that a Qualified BE has successfully completed at least three (3) consecutive activations on the Balancing Mechanism at maximum power offered greater than or equal to the qualified power $P_{\text{qualified}}$ in accordance with the criteria set out in Article 7.L.1.2.3 and provided that the Bids made on the Balancing Mechanism comply with the conditions of Article 7.J.3.4, the Qualification-related Failure counter of this BE will be reset to zero. Thus, the next Failure relating to this BE's Qualification will be considered as the first Qualification-related Failure. It is the Participant's responsibility to justify these three (3) successful activations to RTE in order for the BE's Qualification Failure counter to be reset. Resetting the Qualification-related Failure counter only applies at the end of the current Exclusion Period, if relevant.

The Request to reset the Qualification-related Failure counter shall be made by Notification by the Participant to RTE of Annex 7.AA3, duly completed and signed by the Participant.

The receipt of an incomplete or non-compliant Request will not be taken into account by RTE and this rejection will be Notified to the Participant. In the event that the three (3) activations Notified in Annex 7.AA3 do not comply with the criteria provided for in Article 7.L.1.2.3 and/or if the Bids submitted on the Balancing Mechanism for these activations do not comply with the conditions of Article 7.J.3.4, the Participant will not be able to request a reset of the Qualification-related Failure counter of the BE concerned or the sites that make it up for a period of three (3) months from the Notification of the rejection by RTE.

For a given Participant, the Qualification-related Failure counter is specific to each Site that makes up its Qualified BE perimeter. Thus, in the event that a Participant rebuilds the perimeter of a Qualified BE from Sites with a Qualification-related Failure counter of different values, RTE will take as reference for the accounting of Failures relating to the Qualification of this BE the highest count of the Sites that make up this BE.

7.G.2.6. Providing Observability for a Qualified BE

The Participant, for each Qualified BE, shall transmit to RTE in real time the instantaneous power data generated or consumed at the perimeter of each Qualified BE.

The Participant may choose to implement statistical Observability in accordance with the experimental procedures detailed in Article 6.1.4 of Annex 7.AA4. This choice is subject to a specific declaration at the time of participation in the periodic call for tenders or at a gate of the day-ahead call for tenders on bid submission in accordance with Article 7.H.3.3. The maximum powers of the capacities that can be made available by the Participant and implementing statistical Observability are defined in Annex 7.AA5.

In the event of non-compliance with the obligation of making the Observability available or in the event of difficulty in implementing Observability by the Participant, the Participant shall propose to RTE a time frame for implementation of Observability, not exceeding three (3) months. At the end of this period, the Qualification of non-Observable BEs is suspended until the Observability of the BEs concerned is effectively made available.

7.H. Contracting of reserves

The contracting of Manual Frequency Restoration and Complementary Reserves by RTE is done by calls for tenders:

The calls for tenders are then distinguished:

- firstly, according to the contractual period:
 - day-ahead calls for tenders, with a contractual period of one (1) day
 - periodic calls for tenders, with a contractual period of longer than one (1) day;
- and secondly, according to product type:
 - SPE0 product
 - SPE product.

For 2025, part of the capacity has been contracted through the annual call for tenders. Annex 7.AA0 sets out the contract conditions applied in this context. The Commitment resulting from this call for tenders is treated as a Commitment resulting from the periodic call for tenders.

7.H.1. Definitions of Products Sought

7.H.1.1. SPE0 Product

The SPE0 product corresponds to the product historically contracted by RTE to cover Manual Frequency Restoration Reserve and Complementary Reserve requirements, with the following specifications:

- For Manual Frequency Restoration Reserve:
 - The DMO must be less than or equal to thirteen (13) minutes.
 - The power contracted by RTE corresponds to daily energy equal to 4 hours or 4 activations per day.
 - The DMin is less than or equal to sixty (60) minutes.
 - The DMax is less than or equal to one hundred and twenty (120) minutes.
 - The DNA is less than or equal to sixty (60) minutes.
- For the Complementary Reserve:
 - The DMO must be less than or equal to thirty (30) minutes
 - The power contracted by RTE corresponds to daily energy equal to 3 hours or 4 activations per day.
 - The DMin is less than or equal to sixty (60) minutes.
 - The DMax is less than or equal to ninety (90) minutes.
 - The DNA is less than or equal to sixty (60) minutes.

7.H.1.2. SPE product

For the downward Manual Frequency Restoration Reserve (mFRR):

- The DMO must be less than or equal to twelve (12) minutes and thirty (30) seconds.
- The D_{omin} is less than or equal to fifteen (15) minutes.
- The D_{NA} is less than or equal to thirty (30) minutes.

7.H.2. Calculation of RTE's Reserve Requirements

7.H.2.1. Manual Frequency Restoration Reserve (mFRR) Requirements

The methodology for determining the total Manual Frequency Restoration Reserve (mFRR) requirement is detailed in the Block Agreement.

The mFRR is contracted upwards via the SPE0 product for the two types of calls for tender: periodic and day-ahead. Any volume contracted for the periodic call for tenders that has been terminated is added to the volume to be contracted via the day-ahead call for tenders. The distribution of volumes between these calls for tenders is proposed by RTE, approved by the CRE and communicated to the market participants.

The mFRR is contracted downwards via the SPE product exclusively through day-ahead calls for tenders.

7.H.2.2. Complementary Reserve (RR) Requirements

The purpose of RR reserve capacities is to supplement and restore FRR reserve capacities previously activated in the event of an incident. In its reliability model, RTE considers all contracted or free reserve capacities with a mobilisation lead time of more than 15 minutes as mFRR-RR type reserve capacities.

The contracted RR reserve capacities must enable the minimum volume of aFRR reserve capacity, as defined in the Block Agreement, to be restored within 30 minutes. These capacities must therefore have a maximum mobilisation lead time of 30 minutes.

The Complementary reserve is only contracted upwards via the SPE0 product for the two calls for tender: periodic and day-ahead. Any volume contracted for the periodic call for tenders that has been terminated is added to the volume to be contracted via the day-ahead call for tenders.

The distribution of volumes between these calls for tenders is proposed by RTE, approved by the CRE, and communicated to the market participants.

7.H.3. Contracting of the SPE0 Product

The Candidate can only participate in a gate if it has sufficient Qualified BEs, minus, where relevant, its Commitments from the periodic Manual Frequency Restoration and Complementary Reserve call for tenders. This condition will be checked when each bid is entered by the Candidate and any subsequent changes made.

7.H.3.1. Submission of bids

For a given gate, a Candidate:

- may modify or remove any bid submitted up to the date and time limit for the submission of bids for this gate;
- may submit one or more bids for the same product.

Any bid submitted is deemed to be feasible independently and it is not possible to submit linked bids.

The Candidate must have full knowledge of the technical, administrative and commercial clauses required for the performance of the service.

No dispute will thus be admitted after the submission of the bids. The Candidate is therefore considered to have checked all of the indications in the mFRR-RR Terms and Conditions, its Annexes and the IS implementation guide. Thus, if a bid is not admissible, it will be rejected by RTE and cannot be subsequently rendered admissible by the subsequent correction or withdrawal of the discrepancy or reservation which made it inadmissible.

7.H.3.2. Content of the Bids

7.H.3.2.1. Time allotment

7.H.3.2.1.1. Periodic call for tenders

The Contractual Period for the 2025 delivery year is equal to the calendar year.

The Contractual Period from the 2026 delivery year onwards will be agreed in the framework of the mFRR-RR WG, proposed annually by RTE, approved by the CRE, and communicated to market participants sufficiently in advance.

The Validity Period is always equal to one calendar day.

The bids submitted are for independent whole days included in the contractual period concerned.

For a given gate:

- The gate opens seventy (70) calendar days before the first delivery day of the Contractual Period concerned.
- The Candidate's bids must be submitted on the RACOON platform between the opening date and time and the gate closing date and time for the submission of bids, the dates being expressed in calendar days prior to the first day of delivery of the contractual period concerned.
- The gate closes forty (40) calendar days before the first day of delivery of the contractual period concerned.

The Candidate may submit a total of no more than fifty (50) volume-price pairs for all bids combined for each delivery day included in the contractual period concerned.

7.H.3.2.1.2. Day-ahead call for tenders

The Contractual Period is equal to the Validity Period, i.e. one calendar day.

Bids submitted are for the whole day only.

For a given gate concerning delivery day D:

- The gate opens eight (8) calendar days before delivery day D.
- The Candidate's bid must be submitted between 10:00 on D-8 and 10:00 on D-1 on the RACOON platform.
- The gate closes at 10:00 on D-1.

The Candidate may submit a total of no more than fifty (50) volume-price pairs, all bids combined, for delivery day D in question.

7.H.3.2.2. Technical allotment

7.H.3.2.2.1. For the 2025 annual call for tenders

The technical allotment in force for the annual call for tenders for the 2025 Contractual Period is shown in Annex 7.AA0.

7.H.3.2.2.2. For other bids

For each bid, the Candidate must indicate the reserve to which the capacity can be committed: Manual Frequency Restoration Reserve or Complementary Reserve.

For each bid, the Candidate must specify an initial power range below which the bid will not be maintained. By default, this initial power range must be greater than or equal to ten (10) MW. If the Candidate has been selected in the periodic call for tenders for at least one bid, this initial power range may be less than ten (10) MW but must be greater than or equal to one (1) MW. This power range corresponds to the power below which the Candidate does not wish to maintain their bid for a given gate, if the bid were to be selected for lesser power.

For each gate for which a bid is submitted, bids shall be submitted in 1 MW steps. The Candidate chooses the power ranges for which the bid price is constant (in €/MW per day).

For a given bid corresponding either to the mFRR SPE0 product or the RR SPE0 product, the Candidate must submit a single price for each power range.

The bids proposed for a gate must meet the following conditions:

- the Candidate's power must be greater than or equal to ten (10) MW in the general case;
- the Candidate's power can be less than ten (10) MW and must be greater than or equal to one (1) MW in the event that at least one bid has been selected for the Candidate in the periodic call for tenders;
- the price (in €/MW) rises with the power (not strictly), i.e. the proposed price for a Commitment for the n^{th} MW is greater than or equal to the proposed price for the p^{th} MW when $n > p$;

- the power offered by the Candidate can be divided to the nearest MW for all powers offered above the initial indivisible power range;
- If the Candidate wishes to implement the experimental provisions relating to statistical Observability described in Article 6.1.4 of 7.AA4, the power offered across all the commercial bids must not exceed fifty (50) MW, minus, where relevant, the power for which the Candidate implements statistical Observability for the Commitments resulting from the periodic call for tenders.

7.H.3.3. Assessment and Award

The bid is only analysed if the eligibility conditions mentioned in Article 7.H.3.2.2 are met.

If a bid is not admissible, it will be rejected.

7.H.3.3.1. Contract award criterion

The rule for awarding the contract favours the most economically advantageous bid according to the price criterion in €/MW, taking into account a merit order weighting of +5 €/MW/day applied for all bids for which the Candidate can implement the experimental provisions relating to statistical Observability.

RTE can select a higher technical bid to meet a lower need. For example, a Manual Frequency Restoration Reserve (mFRR) bid can be selected to cover a need for a Complementary Reserve (RR).

The need is covered if the amount of power to be contracted is greater than or equal to the strict need.

7.H.3.3.2. Terms of award

For one day of merit order ranking, the bids selected are:

- bids (mFRR) for which $Critère(RR) \leq Prix(RR)$;
- bids (RR) for which $Critère(RC) \leq Prix(RC)$;

With $Critère$ (mFRR or RR), the bid price, either increased or decreased according to the merit order weighting mentioned above.

$Prix(RR)$ and $Prix(RC)$ are determined for the day of merit order ranking and:

- minimise the following sum: $Prix(RR) * VRR,j + Prix(RC) * VRC,j$ where:
 - o $VmFRR,d$ represents the number of MW selected for the bid type (mFRR) on the merit order ranking day;
 - o VRR,d represents the number of MW selected for the bid type (RR) on the merit order ranking day;
- cover the Manual Frequency Restoration Reserve and Complementary Reserve needs for the day as specified in Article 7.H.1.

As explained in Article 7.H.3.3.1, it is possible to select more mFRR bids than the mFRR need sought and as substitution for some or all of the Complementary Reserve need if this reduces the cost of contracting.

The marginal bid (the highest bid price chosen) can be selected from an intermediate power (to the nearest MW) while respecting the initial indivisible power range specified by the Candidate.

Multiple Candidates may be selected for a given day.

On a given day, if the most expensive Bid is selected for the whole of its initial indivisible power range and the contracting requirement is more than covered, the withdrawal of the Bid is analysed. The solution chosen is the one that minimises $Prix(RR) * VRR, j + Prix(RC) * VRC, j$, i.e. the Bid may nevertheless be maintained and an award made for the whole of the initial indivisible power range if it proves more economical to contract more power with a lower marginal price as a result.

If, on a merit order ranking time interval, one or more bids are affected by this constraint (the withdrawal of the first bid leads to a similar situation with another bid), the bid withdrawn first is the bid for which the proposed initial indivisible power range is the highest.

7.H.3.3.3. Notification of the award of the call for tenders

Merit order ranking takes place after each gate closure.

- For the periodic call for tenders, the results are communicated 30 days before the first delivery day by 12:30 at the latest.
- For the day-ahead call for tenders, the results are communicated the day before the delivery day by 10:30 at the latest.

The results are made available on the RACOON platform.

Any bid selected in the context of calls for tenders commits the Participant to it, in accordance with the conditions and procedures laid down in the mFRR-RR Terms and Conditions.

7.H.3.4. Fallback Situations

Fallback situations can be caused, for example, by a computer issue. Each fallback situation is subject to an RTE analysis sent to the Participants.

In the event of a fallback situation for the day-ahead call for tenders, RTE shall notify the Participants of the transition to fallback mode no later than thirty (30) minutes after the end of the bid submission deadline.

In this case, the results of the gate for a day D for delivery on D+1 can be communicated until 11:30 on the same day D via submission on the RACOON platform.

If no results can be communicated by 11:30 for day D, RTE will organise, where possible, a new bid submission gate between 12:45 and 15:00 on day D. The results from this gate will be communicated to the Participants no later than thirty (30) minutes after the new deadline for the submission of tenders.

If no results are available thirty minutes after the new deadline for the submission of tenders, RTE reserves the right to cancel the gate for that day D. RTE Notifies the cancellation of the gate via the RACOON platform or by email with acknowledgement of receipt at the latest thirty (30) minutes after the new deadline for the submission of tenders.

7.H.3.5. Insufficient bids

In the event of insufficient bids at the day-ahead call for tenders for one or the other of the products, RTE will select the whole volume offered for the product(s) concerned by the insufficient bids. In this case, the marginal price will be determined based on the merit order criterion of the highest bid price selected.

7.H.3.6. RTE's right to cancel all or part of the periodic call for tenders

RTE reserves the right to cancel all or part of the contract via the periodic call for tenders at any time. In particular, RTE may proceed with the awarding of the Manual Frequency Restoration Reserve and Complementary Reserve over a shorter period than that provided for in the periodic call for tenders.

In this case, RTE Notifies the Candidates of the cancellation of the procedure.

When a time period is assigned, it is assigned for the entire need open to contracting.

RTE cannot be held liable for the costs incurred by the Candidates due to the cancellation of the consultation procedure.

7.H.3.7. Modification of the Initial Commitments

7.H.3.7.1. Modification conditions

This Article shall not apply to the Initial Commitments resulting from contracting through day-ahead call for tenders. The Initial Commitments resulting from the periodic call for tenders as described in Article 7.H.3.2.1.10 can only be modified under the conditions strictly described within this Article.

Any request to modify the Initial Commitments must be made via the RACOON platform (the terms and conditions of use of which are accessible in the IS Terms and Conditions of said platform), by the Participant at least two (2) Business Days before the start of the first period concerned by the modification. The terms are described in the IS implementation guide made available to market participants on the RACOON platform and on the RTE website (<https://www.services-rte.com/en/home.html>).

This modification becomes effective on receipt by the Participant of a successful transaction notice from the RTE IS. RTE will communicate these updated Initial Commitments as well as the associated Fixed Premium by email.

RTE shall not modify the table of Initial Commitments without prior request for modification by the Participant under this Article.

7.H.3.7.2. Applicable penalty

If RTE revises the Commitments at the request of the Participant, according to the conditions specified in this Article, the amount of the outstanding Fixed Premium shall be revised downwards in accordance with the new Commitments and the Participant shall pay RTE, for each day and for each Terminated Commitment, a penalty equal to the highest of the two (2) following values:

- 10% of the marginal price obtained at the periodic call for tenders for the Terminated Commitment;
- the difference between the marginal price of the day-ahead call for tenders and the marginal price of the periodic call for tenders for the Type of Terminated Commitment.

$$Pénalité_{i,J} = V_{résilié\ i,J} \times \text{Max} (10\% \text{ prix marginal}_{AO\ périodique\ i,J}; \text{prix marginal}_{AO\ Jour\ i,J} - \text{prix marginal}_{AO\ périodique\ i,J})$$

Where:

- $\text{prix marginal}_{AO\ Jour\ i,J}$ is the marginal price of the day-ahead call for tender (AO) for day J and for Commitment Type i
- $\text{prix marginal}_{AO\ annuel\ i,J}$ is the marginal price of the periodic call for tenders for the period in which day J is situated and calculated for day J and for Commitment Type i

$V_{résilié\ i,J}$ is the volume of Terminated Commitments for Commitment Type i and for day J.

7.H.4. Contracting of the SPE product

Contracting is done solely via a day-ahead call for tenders.

7.H.4.1. Submission of bids

The validity period is one hour, and a bid may be submitted for one or more consecutive hours of the day. For a Commitment relating to Day D, the gate closure is at **10:00 of day D-1**. The gate opens seven **(7) calendar days** before the gate closure date.

For a given gate, a Candidate:

- may modify or withdraw any bid submitted up to the date and time limit for the submission of bids for this gate;
- For a Commitment relating to Day D, the Candidate's bid must therefore be submitted **between 10:00 of day D-8 and 10:00 of day D-1** on the RACOON platform.
- may submit one or more bids for the same product.

The Candidate must have full knowledge of the technical, administrative and commercial clauses required for the performance of the service.

No dispute will thus be admitted after the submission of the bids. The Candidate is therefore considered to have checked all of the indications in the mFRR-RR Terms and Conditions, its Annexes and the IS implementation guide. Thus, if a bid is not admissible, it will be rejected by RTE and cannot be subsequently rendered admissible by the subsequent correction or withdrawal of the discrepancy or reservation which made it inadmissible.

7.H.4.2. Content of the Bids

7.H.4.2.1. Time allotment

The Period of Validity is one Hour, starting at the rounded hour. For a given gate closure, bids for the delivery day D in question relate to independent hours or to blocks of several consecutive hours.

7.H.4.2.2. Technical allotment

A bid must contain the following elements:

- Delivery Day concerned
- Power offered in MW, to the nearest MW
- Bid price associated with this power, expressed in €/MW/h to two decimal places. This bid price may be positive or zero.
- Delivery Period of one or more hours beginning and ending at the rounded hour
- Reserve direction: downwards
- Divisible or indivisible character of the bid:
 - o a divisible bid can be split to the nearest MW.
 - o a bid above the threshold defined by RTE must be divisible. This threshold is defined and published on the RTE website. This threshold may be modified by RTE, after consultation of the market participants in the mFRR-RR working group and notification to the CRE by letter. In the absence of any objection from the CRE within 6 weeks of receipt of the letter, the new threshold value is considered to be approved and is updated on the RTE website. If the CRE objects to the setting of this new threshold, RTE will have to restart the consultation and Notification process with the CRE in order to change the threshold initially set.

Exclusivity links can be set up between mFRR Capacity Bids in the same direction. If two Bids A and B are linked by an exclusivity link, then it is possible to select either one of the two bids or neither, but not both simultaneously. A bid can be linked by an exclusivity link to a single group of bids, all of which are mutually exclusive.

7.H.4.3. Assessment and Award

The bid is only analysed if the eligibility conditions mentioned in Article 7.H.4.2.2 are met.

If a bid is not admissible, it will be rejected.

7.H.4.3.1. Terms of award

For a given Day, the bids are selected in such a way as to minimise the cost to the community *CC* formulated below and in accordance with the mechanism for controlling the cost of contracting described in Article 7.H.4.3.2, subject to the constraint of respecting potential links between bids and indivisibilitie' and meeting RTE's needs for each Hourly Interval:

$$CC = \sum_{t=1}^T \left(\sum_{Offre_{i,B}=1}^{Offre_{l,B}} (V_{Offre_{i,B}} \times Prix_{Offre_{i,B}}) \right)$$

Where:

- $t \in [1 ; T]$: one of the T contracting intervals of a given Day;
- $Offre_{i,B} \in [Offre_{1,B} ; Offre_{l,B}]$: the index designating a selected downward bid $Offre_{i,B}$;
- $V_{Offre_{i,B}}$: bid volume, $Offre_{i,B}$ (unit: MW);
- $Prix_{Offre_{i,B}}$: the bid price $Offre_{i,B}$, for the (urly Interval t (unit: €/MW).

A bid is either entirely selected, entirely rejected, or partially selected. Partially selected bids are selected in increments of 1 MW.

The marginal price is set for each hourly interval per price of the most expensive bid selected for that time interval. A bid whose price is lower than the marginal price may be rejected paradoxically if this minimises the objective function overall.

7.H.4.3.2. Managing the contracting cost

RTE has a mechanism in place for managing the cost of contracting the mFRR SPE product.

Firstly, RTE determines and communicates, before opening the gate, the need for contracting, as less than or equal to the dimensioning, in accordance with the mechanism described in Annex 2 of the Block Agreement. This need is periodically reassessed.

Secondly, RTE determines a maximum contracting cost for each day.

If the contracting cost is higher than the maximum contracting cost determined by RTE, the volume of bids selected is lower than the contracting requirement. The volume of bids selected may vary from one time interval to another depending on the network's security requirements.

When this mechanism is applied, the volumes offered and selected are published by RTE.

The methodology of the cost management mechanism may take into account the Reference Spot Price, aFRR capacity bids, aFRR energy bids, mFRR capacity bids, mFRR energy bids, frequency quality criteria as defined in Title 2 of Part 4 of Commission Regulation (EU) 2017/1485, and the cost of contracting mFRR abroad. It shall be drawn up in consultation with the CRE and communicated to the CRE within a reasonable time prior to its application. CRE shall be notified of any changes within a reasonable period of time prior to their application.

Feedback shall be provided to the CRE after the fact on the impact that the maximum cost and the need expressed by RTE have had on the contracting process.

7.H.4.3.3. Notification of the award of the call for tenders

Merit order ranking takes place after each day-ahead gate closure. The results are announced by 10:30 at the latest and are available on the RACOON application.

Any bid selected in the context of calls for tenders commits the Participant to it, in accordance with the conditions and procedures laid down in the mFRR-RR Terms and Conditions.

7.H.4.4. Fallback Situations

Fallback situations can be caused, for example, by a computer issue. Each fallback situation is subject to an RTE analysis sent to the Participants.

In the event of a fallback situation, RTE shall Notify the Participants of the transition to fallback mode no later than thirty (30) minutes after the end of the bid submission deadline.

In this case, the results of the gate for a day D for delivery on D+1 can be communicated until 11:30 on the same day D via submission on the RACOON platform.

If no results can be communicated by 11:30 for day D, RTE will organise, where possible, a new bid submission gate between 12:45 and 15:00 on day D. The results from this gate will be communicated to the Participants no later than thirty (30) minutes after the new deadline for the submission of tenders.

If no results are available thirty minutes after the new deadline for the submission of tenders, RTE reserves the right to cancel the gate for that day D. RTE Notifies the cancellation of the gate via the RACOON platform or by email with acknowledgement of receipt at the latest thirty (30) minutes after the new deadline for the submission of tenders.

7.H.4.5. Insufficient bids

If there are insufficient bids in the call for tenders, RTE will select the entire volume offered within the limits of the mechanism described in Article 7.H.4.3.1. In this case, the marginal price will be determined based on the merit order criterion of the highest bid price selected.

7.H.5. Reserve Exchange

7.H.5.1. Principle

The Reserve Exchange is Notified to RTE in the form of a Reserve Exchange Notification (NER), providing the terms of this Article are met.

The Assignor Participant transfers power quantities of a Commitment Type (specified by the NER) to the Purchaser Participant. When the NER is accepted, the Initial Commitments of the Assignor Participant are reduced by the amount of the accepted NERs.

The Purchaser Participant is the Participant who will be required to make the Reserve thus acquired available to RTE under its Additional Commitments. When the NER is accepted, the amount of NERs accepted is added to the Purchaser Participant's Additional Commitments.

If several NERs are received by RTE relating to the same Assignor Participant, Purchaser Participant, Delivery Day and Commitment Type, only the last accepted NER shall be taken into account (i.e. the exchanged power values of the different NERs are not added but are substituted).

NERs cannot be cancelled by Participants once Notified to RTE.

An NER is considered Accepted when the following cumulative conditions are met:

1. The NER is Notified to RTE in accordance with the procedures specified in Article 7.H.5.2 with a neutralisation lead time equal to one (1) hour.
2. The power Time Series of the NER contains only positive or zero integers.
3. The NER corresponds to one or more Additional Commitments of the Purchaser Participant.
4. The Purchaser Participant:
 - has an mFRR-RR Participation Agreement entered into with RTE and which is valid on day D of delivery of the NER (the name of the Participant shall be published on the RTE Service Portal: <https://www.services-rte.com/en/home.html>)
 - has BEs with technical specifications sufficient to meet (without exchanging again) all its Initial Commitments, if it has any, and Additional Commitments after Acceptance of the NER.

In the event one of these conditions is not met and only in this event, the NER is rejected. In this case, RTE Notifies the Purchaser Participant and the Assignor Participant of the refusal.

The Notification of rejection by RTE may be sent after the NER delivery date.

7.H.5.2. Procedure for transmission of NERs to RTE

NERs are Notified to RTE by means of a dedicated application whose implementation guide is published on the RTE website. The process for submitting and accepting NERs implemented within the aforementioned dedicated application is described in Article 7.H.5.2.

In case of unavailability of the dedicated application, the Participant must send the NER to RTE by email according to the terms described in Article 7.H.5.2.2.

7.H.5.2.1. Nominal procedure for transmission of NERs to RTE

The Assignor Participant and the Purchaser Participant shall each send the following information to RTE using the CRISTAL application:

- i. the identity of the Assignor Participant
- ii. the identity of the Purchaser Participant
- iii. the Delivery Day concerned
- iv. the type of commitment: Reserve, Direction, Product
- v. the start time of the exchange
- vi. the end time of the exchange
- vii. the power exchanged (whole MW).

An NER is considered accepted when the following cumulative conditions are met:

- The Assignor Participant and the Purchaser Participant have provided the above detailed information in accordance with the technical terms and conditions compliant with the dedicated application Implementation Guide.
- The information transmitted by each of the market participants is exactly the same.
- The start time of the reserve exchange is strictly after the time of reception of the last file by RTE.
- The conditions of Article 7.H.4.1 of the mFRR-RR Terms and Conditions are met.

The technical procedures for the constitution and transmission of NERs as well as information on the status of the requests are detailed in the implementation guide of the dedicated application. Failure to comply with these terms and conditions will mean the NER is considered invalid.

7.H.5.2.2. Procedures for transmitting NERs to RTE in downgraded mode

The Assignor Participant Notifies the NER with the same email sent to the RTE operational contact for the Reserve Exchange Notification mentioned in Annex 7.AA2, to the operational contact of the Purchaser Participant, and to the address marketservices@rte-france.com. For all NERs transmitted after the System Access Deadline on the Business Day preceding the day to which the exchange relates, the Participant also Notifies the exchange to the RTE real-time operational contact identified in Annex 7.AA2.

The NER takes the format described in the implementation guide for the dedicated application.

7.1. Programming

7.1.1. General

The scheduling constraints derive from Chapter 2 of the Harmonised Market Rules, relating to the Balancing Mechanism.

7.1.2. List of Commitments

7.1.2.1. Definition of the List of Commitments

The List of Commitments formalises for a Day D the BEs that the Participant makes available under its Commitments.

The List of Commitments defines, for each day D, the BEs to which the Participant's Commitment relates, the triplet corresponding to the type of commitment and the strength of the commitment for each BE:

1. BE code
2. Type of reserve
3. Direction of reserve
4. Type of product
5. For the SPE0 product: the Number of Activations for which each BE is committed, -1 otherwise.
6. The committed power for each Quarter-Hourly Interval and for each BE.

A single List of Commitments is sent to RTE per Participant and per Delivery Day.

The List of Commitments is transmitted in accordance with the terms and conditions described in the IS Terms and Conditions relating to the RACOON platform.

7.I.2.2. Initial declaration D-1 before the System Access Deadline

On D-1, between 00:00 and the System Access Deadline excluded, the Participant shall transmit an initial List of Commitments corresponding to its Reserved Capacity for Day D in accordance with its Commitments. RTE will only take into account the last List of Commitments transmitted before the System Access Deadline excluded, in accordance with the procedures described in the IS Terms and Conditions relating to the RACOON platform.

7.I.2.3. Redeclaration of the List of Commitments after the System Access Deadline

After the System Access Deadline at D-1, the List of Commitments can be redeclared for Day D.

When the List of Commitments is redeclared for a Half-Hourly Interval p , only the values declared by the Participant over the Half-Hourly Intervals from $p+2$ are taken into account.

The List of Commitments shall be redeclared according to the procedures described in the IS Terms and Conditions relating to the RACOON platform.

The Participant shall inform by telephone the RTE real-time operational contacts designated in Annex 7.AA2 of this redeclaration. The authentic List of Commitments is the latest List of Commitments received by RTE and complying with the procedures described in the IS Terms and Conditions relating to the RACOON platform.

The redeclared List of Commitments is effective immediately after execution of the current Balancing Orders for the BEs of the previously declared List of Commitments.

7.J. Putting together energy bids

This article aims to describe the technical conditions the Participant must meet in order to provide the capacities reserved on the Balancing Mechanism. If these technical procedures are not respected, then this will be considered a Failure on the part of Participant, and the penalties provided for in Article 7.L will apply, depending on the type of Failure.

7.J.1. General principles

When it has been awarded the periodic and/or day-ahead tender for a given time interval, the Candidate undertakes to submit, for all the time intervals concerned, a contractually guaranteed volume of Specific Bids for the Balancing Mechanism that comply with the technical specifications required for the type of product contracted. These capacities can be activated at any time and, in particular:

- The guaranteed power must be technically activatable at all times during the time interval in question.
- Any Redeclarations of Bids must not impact the guaranteed energy, or the possibility for RTE to activate the totality of the contracted power.

- For the SPE0 product: it must be possible to activate Bids provided that the Activation Time is within the Commitment Period.
- For the SPE product: the Participant must ensure, by submitting consistent Bids and Bid Usage Conditions (CUO), that the Activation requested by RTE can in all circumstances have a duration greater than or equal to the D_{omin} declared, provided that the Activation Time is within the Commitment Period.

Each Day for which a Participant has Commitments, and before the System Access Deadline:

1. The Participant must send RTE a List of Commitments specifying the volume offered on each BE for each Quarter-Hourly-Interval Commitment.

This list allows RTE to identify the Bids for which the Participant has respected its commitments. The powers indicated in the List of Commitments are given to the nearest megawatt.

2. The Participant must Submit its Bids for the whole day along with its contractual availability range via the TOPASE application.

The Participant undertakes to inform RTE as soon as possible of any unavailability or failure of the capacity made available to RTE. This information is provided in accordance with the notification procedures specified in RM_0_General Provisions Terms and Conditions.

7.J.2. Exclusivity of the capacity provided

The power and energy proposed under the mFRR-RR Terms and Conditions (corresponding to the power declared by the Participant in the List of Commitments) under the Participant's Commitments are exclusive. If one or more Sites of a BE are part of a certified Reserve Providing Group (RPG), it is the Participant's responsibility to ensure that the minimum power that the Participant commits to make available on the Balancing Mechanism under its Commitments is feasible, including when Frequency Ancillary Services are scheduled on the RPG concerned, in accordance with the principle of exclusivity mentioned in this article.

In particular, the proposed power under each Commitment Type *i* and the associated energy declared in the List of Commitments are exclusive and cannot be offered under a Frequency Ancillary Services Terms and Conditions Participation Agreement.

In accordance with Article 14 of Order DEVR1529643A of 22 December 2015, the terms of this Article do not apply to Interruptible Load Contracts.

7.J.3. Submission of Bids on the Balancing Mechanism for BEs offered in the List of Commitments

7.J.3.1. On D-1 before the System Access Deadline

For a day D of the Availability Period, the Participant must Submit Bids, accepted and in accordance with its Commitment in terms of Reserved Capacity for the System Access Deadline gate on D-1, and on all the BEs of the List of Commitments.

7.J.3.2. Redeclaration of Bids

The Participant may redeclare one or more Bids concerning the BEs in the List of Commitments.

Redeclarations made by the Participant must allow it to maintain its Commitments, and in particular the capacity must be available and activatable at all times.

7.J.3.3. Submission of standard bids

A Participant with Commitments may submit mFRR Standard Bids under the following condition: for a given time range $[H; H+1]$, mFRR Standard Bids Submitted by a Balancing Service Provider and associated with a BE included in the Balancing Service Provider's List of Commitments under the mFRR-RR Participation Agreement over all or part of the day, including the time range concerned, must not negatively affect the Participant's Commitments for the rest of the day.

7.J.3.4. Compliance of the Participant's Commitment with the List of Commitments and the Bids submitted on the BM

The Participant's contractual Commitment has been respected when all of the conditions set out in this Article are met.

If the Bid Usage Conditions declared for a BE do not meet all of these conditions, it is considered that the Commitment of that BE is not respected and that the Participant has not fulfilled its Commitment. This constitutes a Failure under these mFRR-RR Terms and Conditions and the way it is handled is described in Article 7.L.1.2.2.4.

7.J.3.4.1. SPE0 Product

7.J.3.4.1.1. Declaration linked to the Qualification of the BE

The BEs declared in the List of Commitments must be qualified and must meet the conditions stated in Article 7.G.2.1. BEs that do not fall within this framework are not taken into account under these mFRR-RR Terms and Conditions for the SPE0 product.

The following conditions must also be met for the Qualified BEs mentioned in the List of Commitments, including:

- For each Quarter-Hourly Interval, the sum of the powers declared by the Participant for each BE cannot exceed the Qualified Power of the BE considered as defined in Annex 7.G.
- The declared DMO for the BE must be greater than or equal to the DMO for which the BE is technically Qualified.

7.J.3.4.1.2. Declaration under the Commitments

7.J.3.4.1.2.1. General case

For each Commitment Type i , the BEs proposed in the List of Commitments must meet the following conditions:

- For each Quarter-Hourly Interval p of day D , the sum of the powers declared under Commitment Type i in the List of Commitments is greater than or equal to the power $P_{E,i}$;
- The DMO declared for the BEs under Commitment Type i in the List of Commitments is less than or equal to $DMO_{E,i}$;
- Each MW committed in mFRR or RR shall be offered for at least 4 activations in the day:

$$\sum_{EDA \in LE} (\max(\{P_{LE,EDA,p}\}_{p \in J}) \times NB_{activations,EDA}) \geq \sum_{i \in \{RR,RC\}} (P_{E,i}) \times 4$$

Where:

- $\max\{P_{LE,EDA,p}\}_{p \in J}$: is the maximum power declared by the market participant in the List of Commitments for a BE over all the quarter-hourly intervals p belonging to a day D .
 - $NB_{activations,EDA}$: the Commitment of the BE to cover two (2) or four (4) Balancing Orders.
 - $P_{E,i}$: the minimum power that the Participant undertakes to make available on the Balancing Mechanism under its Commitments and corresponding to Commitment Type i . (Or volume contracted for the day)
- DO_{min} declared is less than or equal to sixty (60) minutes
 - The BEs shall be declared on a Number of Activation Orders ($NB_ACTIVATIONS$) equal to two (2) or four (4).

7.J.3.4.1.2.2. Special cases

Commitment of two BEs for two Activation Orders each

For a Commitment Type i , the four (4) Activations may be covered by two (2) separate BEs if they satisfy the following conditions:

- each of the two (2) BEs shall be declared with a Number of Activation Orders ($NB_ACTIVATIONS$) equal to two (2);
- for each Quarter-Hourly Interval p of day D , the declared power for the two (2) BEs shall be identical ($P_{BE1,p} = P_{BE2,p}$);
- only the power declared in the List of Commitments for BE1 shall be taken into account for the verification of the power Commitment specified in Article 7.J.3.4.1.2.1.

Only one BE for several Commitment Types

The same BE may participate in several Commitment Types i provided that the exclusivity of the Reserved Capacity under the Commitments is respected.

7.J.3.4.1.3. Bids Submitted on the BM

The following conditions apply to Bids relating to BEs Submitted by the Participant and declared in the List of Commitments.

For each BE declared in the List of Commitments, an Upward Specific Bid must be Submitted for each Quarter-Hourly Interval p if a power greater than zero has been declared for this BE in the List of Commitments.

For each BE declared in the List of Commitments, the Bid Usage Conditions must comply with the following conditions, taking into account the latest Accepted Bids (including redeclarations):

- $DO_{min} \leq 60 \text{ minutes}$,
- $DO_{min} \leq DO_{max} - 5 \text{ minutes}$
- $P_{MAX} \geq 10 \text{ MW}$;
- $NB_{activations} \geq NB_ACTIVATIONS$;

- $DNA \leq 60$ minutes;
- for each Quarter-Hourly Interval p of the day, $P_{MAX,EDA,p} \geq \sum_i P_{LE,EDA,p,i}$ MW;
- for each Quarter-Hourly Interval p of the day, $P_{min,EDA,p} \leq \sum_i P_{LE,EDA,p,i}$ MW, except where the Participant provides justification of a technical constraint on the BE which does not allow this criterion to be met;
- The maximum upward balancing energy offered on the BE (E_{max}) shall greater than or equal to the energy available in the List of Commitments (LE) for this BE, i.e.:

For Manual Frequency Restoration Reserve:

$$\left(E_{max} - \sum_{p \in J} \frac{\text{moyenne}(PA)_{(p)}}{4} \right) \geq \max \left(\{P_{LE,EDA,p}\}_{p \in J} \right) \times NB_{activations} \times 1h$$

For Complementary Reserve:

$$\left(E_{max} - \sum_{p \in J} \frac{\text{moyenne}(PA)_{(p)}}{4} \right) \geq \max \left(\{P_{LE,EDA,p}\}_{p \in J} \right) \times NB_{activations} \times 0,75 h$$

- DMO less than or equal to the minimum of the DMOs declared in the List of Commitments for this BE under the Commitments of the BE.

Where:

- $P_{LE,EDA,p,i}$ corresponding to the power declared for the Quarter-Hourly Period p for the BE and for the Commitment Type i ;
- NB_ACTIVATIONS: the parameter corresponding to the BE commitment to cover 2 or 4 Activation Orders and when the BE is used to cover several Commitments, the value used is the maximum value of the NB_ACTIVATIONS declared for the BE-related Commitment;
- average $PA(p)$, the average Forecast Dispatch Schedule of the BE in MW over the Quarter-Hourly Interval p when the BE is made up of a Scheduling Entity and forms implicit Specific Bids on the Balancing Mechanism. By convention, $PA(p)=0$ for BEs submitting explicit Specific Bids.

7.J.3.4.2. SPE Product

7.J.3.4.2.1. Declaration under the Commitments

For each Commitment Type i , the BEs proposed in the List of Commitments must meet the following conditions:

- for each Quarter-Hourly Interval p of day D , the sum of the powers declared under Commitment Type i in the List of Commitments is greater than or equal to the power PE_i ;
- the DMO declared for the BEs under Commitment Type i in the List of Commitments is less than or equal to 12.5.

7.J.3.4.2.2. Bids Submitted on the BM

The following conditions apply to Bids relating to BEs Submitted by the Participant and declared in the List of Commitments.

For each BE declared in the List of Commitments at a power greater than zero on a Quarter-Hour Period p , a Specific Bid must be submitted in the direction committed on this Quarter-Hour Period p and on the following Quarter-Hour Period $p+1$.

For each BE declared in the List of Commitments, the Bid Usage Conditions must comply with the following conditions, taking into account the latest Accepted Bids (including redeclarations):

- $DMO \leq 12,5 \text{ minutes}$, activation is based on the “long dynamic” convention described in the TAO Technical System implementation guide.
- $DO_{min} \leq 15 \text{ minutes}$,
- DO_{max} must be compatible with the duration of the Commitment on consecutive quarter-hour periods of the BE
- P_{MAX} and P_{MIN} in accordance with chapter 2 of the Harmonised Terms and Conditions relating to the Balancing Mechanism.
- $DNA \leq 30 \text{ minutes}$.

7.K. Use of Balancing Bids by RTE

The principles governing the activation of balancing bids are described in Chapter 2 of the Harmonised Market Rules relating to the Balancing Mechanism.

7.K.1. Performance of the TAO interface system implemented by the Participant

The Order Receivers of the BEs must have an M2M interface set up by the Participant to interact with the TAO Technical System.

7.K.1.1. Performance requirements

For each of the Order Receivers for BEs, the performance requirements for the M2M system put in place by the Participant are as follows:

- the number of periods without screening of a unit duration longer than one (1) minute must not exceed nine (9) over a period of three (3) consecutive days;
- the number of periods without screening of a unit duration longer than one (1) minute must not exceed ninety (90) over a period of thirty (30) consecutive days;
- the cumulative duration of periods without screening greater than one minute must not exceed eight (8) hours over thirty (30) consecutive days;
- the maximum duration of a period without screening is four (4) hours, in all situations (i.e.: the Participant has the means 24 hours a day 7 days a week to re-establish service within four (4) hours).

A period without screening is a period between two TAO server queries from the system set up by the Participant.

Furthermore, the Participant must set up backup systems allowing it to respond to an Activation Order in the event of failure of its M2M system, with the technical system of its choice (such as a redundant mechanism or the ability to quickly switch to the available Web HMI).

7.K.1.2. Period of implementation of the requirements

These requirements must be met at all times by the Participant. The Participant may Notify RTE of periods for which one or more BE Order Receivers do not satisfy the requirements specified above. During these periods:

- the Participant cannot declare the BEs associated with the Order Receiver in its List of Commitments;
- the performances observed by RTE are not taken into account for the verification of compliance with the performance requirements for the M2M system put in place by the Participant for the Order Receiver concerned.

7.L. Control of Commitments

7.L.1. Failures and penalties

If the Participant does not fulfil the obligations under these mFRR-RR Terms and Conditions, and in particular if the Participant does not comply with the obligations under Articles 7.J and 7.K, then the Participant shall be subject to penalties which may differ depending on the type of Failure.

Penalties are automatically applicable with no formality other than the billing of these to the Participant.

The penalties set out in the RM_2_Balancing mechanism shall apply automatically, regardless of the penalties applied under the mFRR-RR Terms and Conditions.

As Penalties are final, no additional compensation may be claimed by RTE. Penalties resulting from different cases are accumulated, unless otherwise stated.

7.L.1.1. Provisions common to SPE and SPE0 products

7.L.1.1.1. Non-application of penalties

It is specified that under the mFRR-RR Terms and Conditions, when a failure is caused by the execution of a D-1 Upstream Framework Agreement entered into with RTE, then the penalty or penalties provided for in these mFRR-RR Terms and Conditions relating to that failure is/are not due for the capacities deriving from the periodic call for tenders.

In the event of total or partial unavailability or inability of a Balancing Entity declared in a List of Commitments, no penalty under the mFRR-RR is applied when it is directly linked to a generation or consumption restriction of a Site belonging to this Balancing Entity due to a constraint on the Public Transmission System, other than a Scheduled Unavailability, for which the System Access Contract stipulates that RTE is liable for actual, direct, present and certain damage.

This clause does not apply in the event that RTE has given notice of the forthcoming unavailability before the closure of the gate for submitting Bids for the call for tenders for which the Contractual Period includes the period of unavailability.

7.L.1.1.2. *Definition of a Technical Incident*

For a day D, the provisions of this Article shall apply only when the time limit for an amendment of the Initial Commitments under Article 7.H.3.7 for that day D is exceeded.

The following situations can be considered Technical Incidents (exhaustive list):

- exceptional and impromptu failure of a technical device located on a Site constituting the capacities committed under these mFRR-RR Terms and Conditions, and directly required for the implementation of the Balancing operation, resulting in the unavailability of a BE that cannot be technically compensated by the Commitment of another BE within the Participant's portfolio or the Reserve Exchange between Participants;
- exceptional and impromptu failure of a technical system belonging to the chain of transmission of the Balancing Orders of the Balancing Service Provider to the Site(s), and directly required for the implementation of the Balancing operation, resulting in the unavailability of a BE that cannot be technically compensated by the Commitment of another BE within the Participant's portfolio or the Reserve Exchange between Participants;
- a strike at all or part of the Sites constituting the committed capacities and leading to unavailability of a BE which cannot be technically compensated by the Commitment of another BE within the Participant's portfolio or the Reserve Exchange between Participants.

Notably excluded from the definition of Technical Incident are situations of:

- economic arbitration of any kind, in particular: production for the market, optimisation of the industrial production plan leading to a reduced level of consumption, use of the means necessary for Balancing operations for industrial production purposes preventing the availability of the committed capacities;
- failure of the Qualification procedure;
- regular maintenance operations;
- adverse weather conditions;
- recurrent failures of a technical system needed to implement the Balancing operation.

The Participant must notify RTE of any Technical Incident as soon as it occurs and make the necessary Redclarations:

- If the Incident occurs on D-1, the Participant must notify RTE's D-1 Operational Contact with the account manager in cc, as designated in Annex 7.AA2.
- If the Incident occurs intraday, the Participant must notify in RTE's real-time Operational Contact with the account manager in cc, as designated in Annex 7.AA2.

The Notification must contain the nature and consequences of the Technical Incident on the availability of capacities committed under these mFRR-RR Terms and Conditions. If necessary, RTE will ask the Participant to provide proof of the nature and consequences of the Technical Incident.

RTE may recognise the status of Technical Incident based on these elements, and on the definition given in this Article. If the Technical Incident is recognised by RTE, for any Failure identified prior to the System Access Deadline related to the Technical Incident and/or any Failure relating to the Conformity of the List of Commitments related to the Technical Incident, the following penalty shall apply for each Quarter-Hourly Interval concerned:

$$Pénalité_{15min} = P_{défaillante} \times 4 \times \text{Prix Marginal}_{J,i} (\text{€/MW/15min})$$

where the term Prix Marginal_{J,i} (€/MW/15min) is the Marginal Price **calculated at 15-minute intervals** for Commitment Type i calculated in accordance with Articles 7.L.1.2.1 and 7.L.1.3.1.

In this case, this penalty is in lieu of the penalties set out for the Failure in terms of compliance with the List of Commitments.

For other types of Failures, the general terms and conditions of Article 7.L.1 shall apply.

7.L.1.1.3. Failure to comply with the requirements relating to the technical systems of Order Receivers

If, for one or more of the Order Receivers relating to BEs listed in Annex 7.AA1, the Participant fails to meet the performance requirements of the TAO interface system put in place by the Participant as specified in Article 7.K.1.1, a Failure related to the performance of the TAO interface system is found.

When a failure relating to the performance of the TAO interface system is found by RTE, the following penalties apply:

A penalty is charged for all of the days where RTE has noted periods without screening, greater than 1 minute and for which BEs associated with the Order Receiver at fault are declared in the List of Commitments. This penalty is equal to:

$$Pénalité_j = \sum_{\substack{EDA \\ \text{associée} \\ \text{au RO},i}} \text{Puissance déclarée pour le type d'engagement } n^{\circ}i \times 0,5 \times \text{PrixMarginal}_{J,i}$$

where Prix Marginal_{J,i} is the Marginal Price for Commitment Type i for day D as set out in Articles 7.L.1.2.1 and 7.L.1.3.1.

A penalty is charged for all BE activation requests associated with the Order Receiver and declared in the List of Commitments and which could not be achieved due to the technical failure of the M2M technical system put in place by the Participant. This penalty is equal to the penalty provided for in articles 7.L.1.2.3 and 7.L.1.3.3.

7.L.1.2. SPEO Product

7.L.1.2.1. Definition of the base penalty

The base penalty (referred to in the following articles for the SPE0 product) is defined as follows for a Quarter-Hourly Interval:

$$Pénalité_{de\ base\ 15\ min}^{SPE0} = C^{SPE0} \times \max\left(Prix\ Marginal_{j,i}\ (\text{€/MW/15min}); \frac{Spot_{15min}\ (\text{€/MWh})}{4}\right)$$

where:

- the coefficient C^{SPE0} is 1.35;
- the $Spot_{15min}$ term corresponds to the Reference Spot Price for the Quarter-Hourly Interval in which the Failure is recorded;
- the term $Prix\ Marginal_{j,i}\ (\text{€/MW/15min})$ is the Marginal Capacity Price **calculated at 15-minute intervals** for Commitment Type i over the corresponding Availability Period;

In the event of a Commitment which is also subject to day-ahead contracting, the “Prix Marginal” term is calculated from the mean of the marginal prices associated with this Commitment, weighted by the total volumes contracted by RTE on the periodic call for tenders (after taking into account any revisions of Commitments) and day-ahead calls for tender.

7.L.1.2.2. Declared Failure

7.L.1.2.2.1. Declared Failure prior to the System Access Deadline

If the Participant notifies RTE before the D-1 System Access Deadline of a Failure for day D, specifying the Commitment Types that the Participant is unable to honour, and for each of the Commitment Types concerned, the power and Quarter-Hourly Intervals concerned, then the Participant is in Failure.

For a Failure declared prior to the System Access Deadline, the power considered as a failed power is the sum of the powers declared by the Participant for the Commitments is unable to fulfil.

For each Failure declared by the Participant prior to the System Access Deadline, the following penalty applies for each Quarter-Hourly Interval concerned:

$$Pénalité_{15min} = P_{défaillante} \times 80\% Pénalité_{SPE0\ de\ base\ 15\ min}$$

where $P_{défaillante}$ is the power considered to have failed under the terms of this Article.

When a Failure is declared prior to the System Access Deadline, no additional penalty is applied to the failed declared power.

7.L.1.2.2.2. Failures concerning declarations at the System Access Deadline

A Declaration at System Access Deadline-type Failure occurs if:

- the Participant has not declared a List of Commitments for Day D within the deadlines specified in Article 7.1.2.2: in this case, the failed power is equal to the maximum value, on the Quarter-Hourly Intervals of Day D, of the sum of the Participant’s Commitments; and/or

- the Participant has not Submitted all or part of the Upward Bids relating to the BE declared in the List of Commitments for Day D, in accordance with the terms set out in Article 7.J.3.1. In this case, the failed power is equal to the sum of the maximum powers declared for the BE in the List of Commitments and for which the Bids Submitted on D-1 at the System Access Deadline are missing in relation to the declarations in the List of Commitments.

The failed power is calculated on the basis of the information available to RTE at the System Access Deadline on D-1 for Day D.

For Day D and for each failed power, constituting a Failure in the declaration at the System Access Deadline, calculated on the basis of the information available to RTE at the System Access Deadline on D-1 for Day D, the Participant is liable for a penalty equal to:

$$Pénalité_j = 15€/MW \times P_{défaillante}$$

Where $P_{défaillante}$ is the power considered to have failed under the terms of this Article.

7.L.1.2.2.3. Reporting format error failures

If RTE determines that the declared List of Commitments does not comply with the procedures described in the IS Terms and Conditions or finds an error in the format of Upward Bids, the Participant shall be liable for a lump sum penalty equal to five hundred euros (€500).

7.L.1.2.2.4. Failures in terms of the Compliance of the List of Commitments and/or the Submission of Bids not compliant with the List of Commitments

7.L.1.2.2.4.1. Failure in terms of List of Commitments Compliance

For the Quarter-Hourly Interval p , the following case constitutes a Failure in terms of List of Commitments compliance: the last List of Commitments declared by the Participant for a Quarter-Hourly Interval p does not meet the conditions specified in Article 7.J.3.4 for this Quarter-Hourly Interval.

The power considered to have Failed is the sum of the missing powers for the List of Commitments to comply in accordance with the provisions specified in Article 7.J.3.4.

When the Failure is related to the absence of BE Qualification, $NB_ACTIVATIONS_{LE,EDA}$ and/or DMO, the Failed power is the power declared by the market participant in the List of Commitments $P_{LE,EDA,p}$ for the corresponding BE.

7.L.1.2.2.4.2. Failure in terms of the Submission of Bids not compliant with the List of Commitments

For each Quarter-Hourly Interval p , the following situations are considered as Failures corresponding to a Bid Submission that does not conform to the List of Commitments:

- the Bids submitted by the Participant do not correspond to the conditions specified in Article 7.J.3.4.1.3;

- for the BEs referred to in Article 7.G.2.3, the Bids Submitted by the Participant do not meet the conditions specified in the above Article;
- the Participant does not submit Bids on one or more of the BE(s) declared in the List of Commitments.

The power considered to be in Failure is the sum of the powers missing in order for the Bids submitted by the Participant to conform to the List of Commitments. The power is considered failed following all the redeclaration gate closures of the Balancing Mechanism taken into account for the Quarter-Hourly Interval p considered.

For the BE concerned by the failure:

- when the Failure concerns the offered power: the Failed power is $P_{défaillante} = P_{LE,EDA,p} - P_{MA,EDA,p}$ with $P_{MA,EDA,p}$ the maximum upward power submitted by the Participant for the BE;
- when the Failure concerns E_{max} , it is considered a Failed power equal to:
- For Manual Frequency Restoration Reserve:

$$P_{défaillante} = \frac{E_{max}}{(NB_{ACTIVATIONS_{LE,EDA}} \times 1 h)}$$

- For Complementary Reserve:

$$P_{défaillante} = \frac{E_{max}}{(NB_{ACTIVATIONS_{LE,EDA}} \times 0,75 h)}$$

- when the other Bid Usage Conditions (in particular, DO_{min} , DMO, $NB_{activations}$) do not comply with the conditions specified in the article, the Failed power is the power $P_{LE,EDA,p}$ declared by the market participant in the List of Commitments for the corresponding BE.

7.L.1.2.4.3. *Applicable penalty formula*

For all the failed powers in terms of List of Commitments Compliance and/or the Submission of Bids which do not conform with the List of Commitments, the following penalty shall apply for each Quarter-Hourly Interval concerned:

$$Pénalité_{15min} = P_{défaillante} \times Pénalité_{de base 15 min}$$

7.L.1.2.3. *Failure found*

For each Quarter-Hourly Period of day D on which at least one activation of a Specific Upward Balancing Bid takes place, the following situations constitute a Failure relating to the activation of a BE declared in the List of Commitments:

1. RTE cannot reach the Order Receiver either on the main communication channel or on the back-up channel: the Failure power is the sum of the P.(LE,BE,p) of the BEs committed in the List of Commitments for the Quarter-Hourly Intervals (p) and whose Order Receiver is the one that RTE has not been able to reach.
2. The Order Receiver of an Activated BE refuses to execute a Balancing Order (whether the Order is transmitted by the TAO Technical System or by telephone): the Failed power is equal to P.(LE,BE,p).
3. A non-zero Failure Power is identified from the average of the P.Défaillante_{u∈P} calculated over the 5-minute intervals (u) within the Control Period (P) according to the formula:

$$P. Défaillante_{u \in P} = \min(P. (LE, EDA)_{u \in P}; P. Attendue initiale_{u \in P}) - P. Réalisée_{u \in P}$$

with:

- Only **P.Défaillantes**_{u∈P} ≥ max(10% * P.Attendue initiale_{u∈P}; 5MW) are taken into account.
- **P.(LE,EDA)**: is the power declared by the participant in the List of Commitments for the corresponding BE
- **P.Attendue Initiale**: is the **initial** Expected Power requested during the first call made by RTE to the Order Receiver of the BE committed in mFRR-RR.
- **P.Réalisée_{u∈P}**: is the average upward power produced over the 5-minute interval (u) by the BE. This value is calculated from the Actual Volume VR(BE,u) of the BE over the 5-minute interval (u) by:

$$P. Réalisée_{u \in P} = \frac{VR(EDA, u)}{\frac{5}{60}}$$

Control Period (P): is the range made up of the 5-minute intervals between:

- [The time at which the Order is consulted] plus [DMO_{E,i}] (13' or 30') truncated to the minute.
- [Deactivation Time] truncated to the minute.

And excluding:

- the 5-minute intervals within and preceding the 10-minute interval containing [the time at which the order was consulted] plus the DMOE_i (13' or 30') truncated to the minute.
 - the 5-minute intervals within and following the 10-minute interval containing [the Deactivation Time] rounded in accordance with RM_0_General Provisions.
4. The Participant informs of a Failure while RTE has initiated communication for the implementation of the Balancing Order: the Failed power is P.(LE,BE,p), with P.(LE,EDA,p) the sum of the powers declared by the Participant in the List of Commitments for all the Commitments and for this BE, for the Quarter-Hourly Interval p.

If the Participant considers that the Failure detected in accordance with this article is not valid, in particular when the actual power is at least equal to the committed power listed in the List of Commitments, the Participant may, in accordance with the dispute settlement procedure, inform RTE accordingly. Where relevant, once RTE has verified and validated the evidence submitted by the Participant to justify its request to contest, RTE may remedy the Failure that was subject to dispute.

If RTE was unable to reach the Order Receiver or the Order Receiver rejected the balancing operation, RTE will consider that the Balancing Order relating to the BE would have lasted the duration for which the Participant had committed itself in the List of Commitments for the BE. The number of failed Quarter-Hourly Intervals corresponds to the number of Quarter-Hourly Intervals for that duration.

If the activation Order is transmitted by the TAO Technical System and the Order Receiver does not carry out screening during the period during which the order is made available to the Order Receiver, this does not constitute a Failure relating to the activation of a BE declared in the List of Commitments.

If a Failure related to the performances of the TAO interface system is found in accordance with Article 7.K.1, then these situations are the subject of a Penalty under Article 7.L.1.1.3. The power and the Failure duration are those of the Order Activated by RTE.

For each Quarter-Hourly Interval concerned by a BE activation Failure reported in the List of Commitments, the Participant is liable for a penalty equal to:

$$Pénalité_{15min} = P_{défaillante} \times \left(Pénalité_{SPE0 \text{ de base } 15min} + \frac{\max(0 ; PME_{ref}(\text{€/MWh}))}{4} \right)$$

where:

- $P_{défaillante}$, failed power;
- PME_{ref} (€/MWh) corresponds to the Marginal Upward Balancing Price in €/MWh as defined in RM_2_Balancing Mechanism and applicable to the Quarter-Hour Interval for which the Failure is recorded.

For a given day, the Quarter-Hourly Intervals that can be penalised under this article are:

- The first 16 Quarter-Hourly Intervals on which a Failure relating to the activation of MWs committed in mFRR is observed (4h)
- The first 12 Quarter-Hourly Intervals on which a Failure relating to the activation of MWs committed in mFRR is observed (3h).

For a given day, when a BE is declared for a Number of Activation Orders strictly greater than 4, the Quarter-Hourly Intervals that may be subject to a penalty under the present Article are the Quarter-Hourly Intervals strictly prior to the fifth Activation Order of the BE on which a Failure relating to activation is found.

In the specific case where a BE is declared for a day D and a consecutive day D+1, when this BE is activated at the end of day D, over a period between days D and D+1, an Activation Order will be counted for day D and an Activation Order for day D+1.

For each day D and D+1, the $NB_{ACTIVATIONS} \times 4$ first Quarter-Hourly Intervals on which a Failure relating to the activation is found may be subject to penalty under this Article.

When a BE is declared in the List of Commitments for several Commitment Types, the $P_{défaillante}$ and the $Pénalité_{de\ base\ 15\ minutes}$ are calculated pro-rata for each Commitment on each of the Quarter-Hourly Intervals on which an activation-related Failure is found.

7.L.1.3. SPE Product

7.L.1.3.1. Definition of the base penalty

The base penalty (referred to in the following articles for SPE product) is defined as follows for a Quarter-Hourly Interval:

$$Pénalité_{de\ base\ 15\ min}^{SPE} = C^{SPE} \times \max\left(Prix\ Marginal\ (\text{€/MW/15min}); \frac{Spot_{15min}\ (\text{€/MWh})}{4}\right)$$

where:

- the coefficient C^{SPE} is 1.35;
- the $Spot_{15min}$ term corresponds to the Reference Spot Price for the Quarter-Hourly Interval in which the Failure is recorded;
- the term $Prix\ Marginal_{j,i}(\text{€/MW/15min})$ is the Marginal Capacity Price **calculated at 15-minute intervals** of the day-ahead call for tenders for downward mFRR SPE for the interval for which the Failure is detected. If the Failure occurs within the Control Period but outside the BE Commitment Period, the Marginal Capacity Price used is that of the last committed time interval.

7.L.1.3.2. Declared Failure

7.L.1.3.2.1.1. Failure in terms of the Submission of Bids not compliant with the List of Commitments

For each Quarter-Hourly Interval p, the following situations are considered as Failures corresponding to a Bid Submission that does not conform to the List of Commitments:

- The Bids submitted by the Participant do not correspond to the conditions specified in Article 7.J.3.4.2.2.
- The Participant does not submit bids in the corresponding direction for one or more of the BEs declared in the List of Commitments.

The power considered to be in Failure is the sum of the powers missing in order for the Bids submitted by the Participant to conform to the List of Commitments. The power is considered failed following all the redeclaration gate closures of the Balancing Mechanism taken into account for the Quarter-Hourly Interval p considered.

For the BE concerned by the failure:

- when the Failure concerns the offered power: the Failed power is $P_{défaillante} = P_{LE,EDA,p} - P_{MA,EDA,p}$ with $P_{MA,EDA,p}$ the power Submitted by the Participant for the BE;
- when the other Bid Usage Conditions (in particular DO_{max} , DO_{min} , DMO, $NB_{activations}$) do not comply with the conditions specified in the article, the Failed power is the power $P_{LE,EDA,p}$ declared by the market participant in the List of Commitments for the corresponding BE.

7.L.1.3.2.1.2. Applicable penalty formula

For all the failed powers in terms of List of Commitments Compliance and/or the Submission of Bids which do not conform with the List of Commitments, the following penalty shall apply for each Quarter-Hourly Interval concerned:

$$Pénalité_{15min} = P_{défaillante} \times Pénalité_{SPE \text{ de base } 15 \text{ min}}$$

7.L.1.3.3. Failure found

For each Quarter-Hour Period of day D on which at least one activation of a Specific Upward Balancing Bid takes place, the following situations constitute a Failure relating to the activation of a BE declared in the List of Commitments:

1. RTE cannot reach the Order Receiver either on the main communication channel or on the back-up channel: the Failure power is the sum of the $P.(LE, BE, p)$ of the BEs committed in the List of Commitments for the Quarter-Hourly Intervals (p) and whose Order Receiver is the one that RTE has not been able to reach.
2. The Order Receiver of an Activated BE refuses to execute a Balancing Order (whether the Order is transmitted by the TAO Technical System or by telephone): the Failed power is equal to $P.(LE, BE, p)$.
3. A non-zero Failure Power is identified from the average of the $P.Défaillante_{u \in p}$ calculated over the 5-minute intervals (u) within the Control Period (P) according to the formula:

$$P.Défaillante_{u \in p} = \min(P.(LE, EDA)_{u \in p}; P.Attendue initiale_{u \in p}) - P.Réalisée_{u \in p}$$

where:

- Only $P.Défaillantes_{u \in p} \geq \max(10\% * P.Attendue initiale_{u \in p})$ are taken into account.
- **$P.(LE, EDA)$** : is the power declared by the participant in the List of Commitments for the corresponding BE In the case of an activation extending outside the Commitments period due to compliance with the DO_{min} (as formulated in 7.J.1), the power declared by the market participant at the Activation Time is taken into account.
- **$P.Attendue Initiale$** : is the **initial** Expected Power requested during the first call made by RTE to the Order Receiver of the BE committed in mFRR-RR.
- **$P.Réalisée_{u \in p}$** : is the average upward power produced over the 5-minute interval (u) by the BE. This value is calculated from the Actual Volume $VR(BE, u)$ of the BE over the 5-minute interval (u) by:

$$P.Réalisée_{u \in p} = \frac{VR(EDA, u)}{\frac{5}{60}}$$

Control Period (P): is the range made up of the (full) 5-minute intervals between:

- Maximum ([Activation Time]; [Start of BE Commitments])
- Minimum ([Deactivation Time]; [End of Commitment + D_{omin} declared])

4. The Participant informs of a Failure while RTE has initiated communication for the implementation of the Balancing Order: the Failed power is $P_{(LE, BE, p)}$, with $P_{(LE, EDA, p)}$ the sum of the powers declared by the Participant in the List of Commitments for all the Commitments and for this BE, for the Quarter-Hourly Interval p .

If the Participant considers that the Failure detected in accordance with this Article is not valid, in particular when the actual power is at least equal to the committed power listed in the List of Commitments, the Participant may, in accordance with the dispute settlement procedure of these Terms and Conditions, inform RTE accordingly. Where relevant, once RTE has verified and validated the evidence submitted by the Participant to justify its request to contest, RTE may remedy the Failure that was subject to dispute.

If RTE was unable to reach the Order Receiver or the Order Receiver rejected the balancing operation, RTE will consider that the Balancing Order relating to the BE would have lasted the duration for which the Participant had committed itself in the List of Commitments for the BE. The number of failed Quarter-Hourly Intervals corresponds to the number of Quarter-Hourly Intervals for that duration.

If the activation Order is transmitted by the TAO Technical System and the Order Receiver does not carry out screening during the period during which the order is made available to the Order Receiver, this does not constitute a Failure relating to the activation of a BE declared in the List of Commitments.

If a Failure related to the performances of the TAO interface system is found in accordance with Article 7.K.1, then these situations are the subject of a Penalty under Article 7.L.1.1.3. The power and the Failure duration are those of the Order Activated by RTE.

For each Quarter-Hourly Interval concerned by a BE activation Failure reported in the List of Commitments, the Participant is liable for a penalty equal to:

$$P_{\text{é}nalit\acute{e}}_{15min} = P_{\text{d}\acute{e}faillante} \times P_{\text{é}nalit\acute{e}}_{SPE \text{ de base } 15min}$$

with:

$P_{\text{d}\acute{e}faillante}$, the failed power.

7.L.2. Activation tests

RTE reserves the right to request that a test be carried out if the BE is proposed in a List of Commitments.

A BE can be tested up to 5 times per product, per direction, and per year.

The Participant with one or more BEs undertakes to meeting RTE's test requests.

This test shall take the form of a request for activation of a Specific Bid on the Balancing Mechanism for a BE offered in the List of Commitments, in the direction of the commitment, following the submission of a Bid in accordance with the terms of Article 7.J.

The Participant will only be informed after the activation of the Bid on the Balancing Mechanism that the latter arose from a test and will be Notified no later than fifteen (15) Business Days after the activation test. In this case, the activation will be remunerated at the Marginal Balancing Price, corresponding to the activation direction, as defined in RM_0_General Provisions, and not at the Participant's proposed Bid Price for the direction.

The test covers the minimum value between the maximum power offered on the Balancing Mechanism and the power qualified for the BE in the List of Commitments.

The duration of a test is limited to the D0max declared in real time.

The compliance of a test shall be assessed against the criteria stipulated in Article 7.L.

- For the SPE0 product, when the test is declared to have Failed, it is a BE Qualification-related Failure, which results in the suspension of the Qualification and the application of an Exclusion Period under the conditions stipulated in Article 7.G.2.5.
- For the SPE downward product, when the test is declared to have Failed, the penalty applied is :

$$Pénalité_{SPE}^{test} = P_{défaillante} * \max(0; -P_{offre})$$

Where:

- $P_{défaillante}$ is as defined in article 7.L.1.3.3.
- P_{offre} is the price of the energy bid submitted on the BM activated during the test.

Every year, RTE shares with the CRE the criteria used to determine which BEs need to be tested, as well as feedback on the tests carried out.

7.M. Remuneration

The commitment of availability of each Participant following the calls for tender will lead to the payment of a Fixed Premium, the amount of which is the power contracted for the corresponding call for tenders multiplied by the marginal price of the product concerned.

7.N. Invoicing and payment

7.N.1. Invoicing conditions

7.N.1.1. Invoicing for the Fixed Premium

The Participant shall send RTE a single monthly invoice containing:

- the amount relating to the Initial Commitments resulting from the periodic call for tenders;
- the recovery of Fixed Premium corresponding to any cancellations of initial commitments for the month invoiced;
- the amount relating to Commitments resulting from the day-ahead call for tenders.

Each invoice for month M shall be sent after the 1st of month M+1 and before the last day of month M+1.

The invoices shall be drawn up in two (2) copies and transmitted to the RTE accounting service, at the RTE billing address defined in the mFRR-RR Participation Agreement or via the RTE Sy Portal.

Any invoice that does not contain the statutory legal notices, and in particular those mentioned in Article L.4441-3 of the French Commercial Code, shall be returned to the Participant.

7.N.1.2. Billing of penalties issued by RTE

7.N.1.2.1. Invoice in application of the Article

The penalties defined in these mFRR-RR Terms and Conditions due by the Participant for a month M are subject to an invoice drawn up by RTE and transmitted to the Participant. RTE shall send an invoice, at the earliest, at M+4.

RTE transmits the invoice in two (2) copies to the Participant at the billing address defined in the mFRR-RR Participation Agreement.

Load reduction check penalties applied in accordance with the RM_2_Balancing Mechanism Terms and Conditions shall remain invoiced in accordance with the terms and conditions set out in the RM_2_Balancing Mechanism Terms and Conditions.

7.N.1.3. Invoice in the event of Termination

The penalty for the termination of the mFRR-RR Participation Agreement as defined in the article is subject to an invoice issued by RTE and transmitted to the Participant within one month of the termination of the mFRR-RR Participation Agreement.

7.N.2. Payment terms

7.N.2.1. Payment of invoices by RTE

The payment of invoices shall be made by RTE within thirty (30) days from the date of issue by the Participant, by bank transfer, the details of which are specified in the mFRR-RR Participation Agreement.

Any fees charged by RTE's bank are borne by the latter. RTE is also required to attach the references of the invoice issued by the Participant to each payment.

7.N.2.2. Payment of invoices by the Participant

The Participant settles RTE's invoices within thirty (30) days from the date of issue by RTE, by bank transfer, the details of which are specified in the mFRR-RR Participation Agreement.

Load reduction check penalties applied in accordance with Chapter 2 of the Harmonised Rules relating to the Balancing Mechanism shall be settled by the Balancing Service Provider in accordance with Chapter 2 of the Harmonised Rules relating to the Balancing Mechanism.

The Participant pays any charges debited by its bank. The Participant is required to attach the references of the invoice issued by RTE to each payment.

The Participant must check with its bank that the transfer order for payment of a given invoice states the invoice number issued by RTE in the "Reasons for Payment" field. If no such indication is included, this implies a manual identification by RTE of the transfers arriving on its account. Any manual identification will entitle RTE to the invoicing of a flat fee of one hundred and forty euros (140 €).

7.N.2.3. Penalties for late payments

In the event of failure to pay the sums owed by one of the Parties in full and within the deadlines stipulated in Articles 7.N.1.1 and 7.N.2.2, the sums due are subject to, and without prior formal notice, penalties calculated on the basis of the interest rate applied by the European Central Bank to its most recent refinancing operation, plus ten (10) percentage points.

This interest is calculated from the payment due date up to the date of actual payment of the invoice.

Pursuant to Articles L. 441-10 and D. 441-5 of the French Commercial Code, in the event of failure by one of the parties to pay in full before the deadline stated in Article 7.N.2, a set fee of 40 euros (€40) debt recovery costs shall be added to this amount, charged to the debtor.

7.O. Financial security

Not applicable.

7.P. Indicators and publications

The indicators and information in the table below are public and accessible on the RTE website.

No.	Indicator or information	Indicator time interval	Initial publication	Final publication
Reserve capacities				
1	RTE's need for mFRR and RR upward and downward contracting	Quarter-Hourly Interval	On D-8	On D-8
2	Contractual reserve price	Quarter-Hourly Interval	On D-1	On D-1
3	Contracted reserve volume	Quarter-Hourly Interval	On D-1	On D-1

7.AA ANNEXES

7.AA0. ANNEX: REMINDER OF THE TERMS AND CONDITIONS FOR ANNUAL CALL FOR TENDERS CONTRACTING

7.AA0.1. Tender regulation

At the launch of each call for tenders, RTE shall make available a tender regulation on its website (<https://www.services-rte.com/en/home.html>) (hereinafter the “Tender Regulation”).

The Tender Regulation specifies, among other things:

- the Manual Frequency Restoration Reserve and Complementary Reserve need as defined in Article 3.2 (V4 rules);
- the deadline for submission of tenders;
- conditions for submission of bids and their format;
- the terms for communication between RTE and a Candidate.

The duration of the consultation may not be less than one (1) month.

7.AA0.2. Prerequisites for participating in the call for tenders

To participate in an annual call for tenders, the Candidate must hold an mFRR-RR Participation Agreement that is valid on the deadline for the submission of tenders specified in the relevant Tender Regulation.

7.AA0.3. Format of the Bid

A Candidate’s bid is composed of:

- an administrative file;
- a technical bid;
- one or more commercial bids.

The procedures for the submission of a Bid by a Candidate are specified in the Tender Regulation of the call for tenders.

The submission of a Bid by the Candidate implies acceptance of all the items described in Article 3.4 (of the V4 Rules).

The fact of submitting a bid shall constitute a firm Commitment for the Candidate to respect the various requirements of the technical documents and shall not release the candidate from its full responsibility for which it may be liable as a professional.

7.AA0.4. Content of the Bid

7.AA0.4.1. Administrative file

The Candidate must provide the elements listed below:

- a reply letter, for which a template is provided in the Tender Regulation, filled in by hand, dated and signed by the Candidate;
- a copy of the first page of the mFRR-RR Participation Agreement. Any candidate whose mFRR-RR Participation Agreement has not been signed by the date specified in paragraph 7.AA0.2 will be excluded and will not be eligible to participate in the contracting of Manual Frequency Restoration and Complementary Reserves;
- for Candidates who do not have a technical link for the reporting of observability data at the date of submission of the bid, the information relating to the Candidate's "control centre"¹, in accordance with the template provided by the tender regulation;
- in the event of receivership, a copy of the ruling(s).

The documents and certificates listed above must be written in French or be accompanied by a certified translation from the original language into French.

Important: The provision of all the documents defined above constitutes an essential prerequisite for any award of the call for tenders.

At the end of the consultation procedure, Candidates considered for the award of the contract must also produce all the updated documents provided for in Articles D. 8222-5 or D. 8222-7 and D. 8222-8 and D. 8254-4 of the French Labour Code with regard to their tax, social security and labour obligations (K-bis, tax certification, URSSAF certification, or equivalent documents, and the nominal list of foreign workers where applicable) as well as insurance certificates, within ten (10) Business Days following the express request of RTE.

7.AA0.4.2. Technical bid

The Candidate's response must demonstrate its ability to meet all the requirements expected in Article 3.3 (of the V4 rules), and in particular the following provisions.

The Candidate must provide the following in their technical bids:

- the list of sites that the Candidate intends to propose in the format specified in the Tender Regulation, including:
 - Site name(s),
 - Site ID(s) (SIRET numbers),

¹ This is the location site of the application (SCADA...) or RTU (ETL) for reporting telemetry data to RTE. This may therefore be the site of an external host and not the Candidate's site.

- System Access Contract (CART, CARD), Ancillary Services Contract or Metering Data Service Contract number or, if applicable, the Single Contract number, the delivery point number (PDL) or reference metering point number (PRM) as these terms are defined in the RM_0_General Provisions. For Sites connected to the Public Distribution System, the Candidate must ensure that the number indicated corresponds to the site code used by the system operator concerned for data exchange with RTE under the Balancing Mechanism,
 - the postal code of the municipality where the Site is located,
 - the periods over which the Site commits to be integrated into the Candidate's Balancing Perimeter,
 - the balancing capacity at each Site (which must be less than the connection power or subscribed power under the System Access Contract),
 - the holder of the System Access Contract of the Site(s),
 - where applicable, the BE to which the Site(s) are attached on the date of the submission of the bid;
- the commitment of the Candidate to provide qualified capacities, according to the template in the Tender Regulation, filled in by hand, dated and signed by the Candidate;
- if the Candidate wishes to implement the experimental provisions relating to statistical Observability described in Article 6.1.4 of the Annex, a technical file quantitatively demonstrating that the transmission of all telemetry data in real time has a significant economic impact on the profitability of its participation in Manual Frequency Restoration and Complementary Reserves. This file must contain the breakdown of actual costs that the Candidate faces for the implementation of real-time telemetering.

In addition, at the time of submission of its bid, the Candidate must have a confirmation of the agreement of each User of the Public Transmission System or Public Distribution System holding a System Access Contract for each Site, according to the template in Appendix 4 of the Tender Regulation, to be attached to the Candidate's Balancing Perimeter during the periods for which a bid has been submitted.

If a Site is proposed over an identical period by several Candidates, RTE may ask the Candidates concerned to provide this certificate within twenty-four (24) hours. After this period, if no certificate has been transmitted, the balancing capacity of this Site shall be considered to be nil for each of these Candidates for that period.

If several Candidates provide a Site agreement for an identical period, the balancing capacity of that Site is considered to be nil for each of these Candidates for that period.

The sum of the balancing capacities of all the Sites in the list must be greater than or equal to the maximum power proposed in the Candidate's commercial bids. If this condition is not met, RTE will ask the Candidate to correct its commercial bids within twenty-four (24) hours. If there is no correction within the time limit, no commercial bid can be taken into account.

All Sites must be located in Metropolitan France, and connected to the Public Transmission System or to an interconnected Public Distribution System.

7.AA0.4.3. Commercial bid

7.AA0.4.3.1. Technical allotment

A Bid corresponding to a Commitment of DMO_i and $DO_{max,i}$ is denoted $\{DMO_i; DO_{max,i}\}$.

For each commercial bid, the Candidate must indicate the mobilisation lead time (DMO) for which the capacity can be committed (valid for all time intervals). This Mobilisation Lead Time can be either thirteen (13) minutes or thirty (30) minutes.

For each commercial bid, the Candidate must indicate the DO_{max} for which the capacity can be committed (valid for all time intervals). This guaranteed time can take the following values: ninety (90) minutes when the DMO is equal to thirty (30) minutes and one hundred and twenty (120) minutes when DMO_{min} is equal to thirteen (13) minutes.

The following types of bid can be proposed: $\{mFRR;120\}$ for the Manual Frequency Restoration Reserve and $\{RR;90\}$ for the Complementary Reserve, with mFRR equal to 13 and RR equal to 30, the data being expressed in minutes. The Commitments thus formulated shall be valid for two (2) or four (4) Activation Orders per day.

For each commercial bid, the Candidate must specify the threshold below which the bid is not maintained (valid for all time intervals). This threshold power (P_{seuil}) must be greater than or equal to ten (10) MW. This value is the power below which the Candidate does not wish to maintain its commercial bid over a time interval, if it were to be selected for a power below the threshold.

For each commercial bid, the Candidate must indicate whether it wishes to be able to implement the experimental provisions relating to statistical Observability described in Article 6.1.4 of Annex 9 (of the V4 rules) for the capacities made available under the Commitments arising from its bid.

For each period for which a bid is submitted, commercial bids are submitted in steps of 1 MW. The Candidate chooses the power ranges for which the bid price is constant (in €/MW for the period concerned).

For a given commercial bid corresponding to either product $\{13, 120\}$ or product $\{30, 90\}$, the Candidate must submit a single price for each time interval for which a bid is made and each power range.

The bids offered at a time interval must meet the following conditions:

- the Candidate's power must be greater than or equal to ten (10) MW;
- for a given time range, the proposed price for a given $\{DMO_i; DO_{max,i}\}$ bid must be constant over the entire power range between 0 MW and the power threshold below which the Candidate does not wish to maintain their commercial bid;
- the price (in €/MW/period) rises with the power (not strictly), i.e. the proposed price for a $\{DMO; DO_{max}\}$ commitment for the n^{th} MW is greater than or equal to the proposed price for the p^{th} MW when $n > p$;
- the power offered by the Candidate can be divided to the nearest MW for all powers offered above the threshold power;

- if the Candidate wishes to be able to implement the experimental provisions on statistical Observability described in Article 6.1.4 of Annex 9 (of the V4 rules), the power offered across all of the commercial bids must not exceed 50 MW.

7.AA0.4.3.2. Time allotment

In terms of time period, the bids submitted must be made at weekly {business days} and {weekend + public holidays} intervals of each week (limited by a given month). Weekly intervals are set. They are specified annually in the Tender Regulation.

The periods {weekend + public holidays} correspond to the periods made up of:

- for weekends, Saturdays and Sundays;
- for public holidays, the days mentioned in Article L 3133-1 of the French Labour Code and specified in the Tender Regulation for the period concerned by the Tender Regulation.

The Candidate may also propose bids at monthly intervals for the period open for contracting. Monthly bids should only be made when the Candidate has made bids of the same type for each weekly interval for all types of Days ({Business Days} and {Weekend + Public Holidays}) of the month(s) concerned.

The price of a {DMO_i; DO_{max,i}} bid on a monthly time interval must be greater than or equal to the maximum price submitted for this power and the same type of bid on a weekly merit order interval for all types of Days ({Business Days} and {Weekend + Public Holidays}) contained in the month.

The Candidate may also propose annual bids covering the entire period open for contracting. Annual bids should only be made when the Candidate has made identical type bids for each month of the year.

The price of an annual {DMO_i; DO_{max,i}} bid must be greater than or equal to the maximum price submitted for that power and the same type of bid over one month of the year.

7.AA0.5. Opening envelopes and assessing bids

7.AA0.5.1. Opening envelopes

Any attempt by a Candidate to influence RTE in the examination of bids or the award decision automatically results in the rejection of its bid.

In order to facilitate the examination, assessment and comparison of bids, RTE may, if it so wishes, ask any Candidate to provide clarifications concerning its bid, including a detail of unit prices and/or fees. No change in the amount or content of the bid shall be sought, offered or authorised, except where necessary to confirm the correction of calculation errors discovered by RTE during the assessment of bids in accordance with the following provisions. This provision is made independently of any negotiation of the commercial bid. The terms for communication between RTE and a Candidate are specified in the Tender Regulation.

Subject to the above provisions, Candidates shall not contact RTE for questions relating to their bid, between the opening of the envelopes and the awarding of the call for tenders. If a Candidate wishes to bring additional information to RTE's attention, it will have to do so in accordance with the procedures laid down in the Tender Regulation.

7.AA0.5.2. Admissibility of bids

For the tender consultation, the Candidate receives the documents concerning the nature of the services to perform. The Candidate must have full knowledge of the technical, administrative and commercial clauses required for the performance of the service.

As a result, no dispute will be admissible after the submission of the bids, under the pretext of an inadequate assessment of the services to be performed. It is therefore considered that the Candidate has checked all of the indications in the mFRR-RR Terms and Conditions, and the Tender Regulation.

A compliant bid (technical and commercial compliance) is a bid that meets all the terms, conditions and specifications of the mFRR-RR Terms and Conditions and the Tender Regulation, with no discrepancies or significant reservations.

A significant reservation:

- substantially affects the extent, quality or fulfilment of the mFRR-RR Participation Agreement;
- substantially limits, in contradiction to the mFRR-RR Terms and Conditions and/or the Tender Regulation, RTE's rights or the Participant's obligations; or
- unjustly affects the competitiveness of the other Candidates who submitted compliant bids.

Any bid submitted is deemed to be feasible independently and it is not possible to submit linked bids.

If a bid is not admissible, it will be rejected by RTE and cannot be subsequently rendered admissible by the later correction or withdrawal of the discrepancy or reservation which made it inadmissible.

7.AA0.5.3. Terms for the examination of bids

Candidates' bids are assessed according to the steps described below.

7.AA0.5.3.1. Analysis of the technical bid and administrative documents

Firstly, the compliance of the technical bid and administrative documents are analysed.

If this bid meets the administrative and technical admissibility criteria defined above, it is declared technically admissible.

In the event of non-admissibility of the technical bid, RTE may nevertheless open the commercial bid after award of the contract, only in order to supply its reference price base.

7.AA0.5.3.2. Analysis of the commercial bid

The commercial bid is analysed only if the technical bid has been declared admissible by RTE.

The conformity of the Candidate's commercial bid is then examined.

RTE reserves the right to negotiate with all the Candidates or the best placed Candidates.

7.AA0.6. Award

7.AA0.6.1. Award criterion

The rule applicable for awarding the call for tenders is the most economically advantageous bid according to the price criterion in €/MW, taking into account a merit order weighting of +5 €/MW/jour applied for all bids for which the Candidate can implement the experimental provisions relating to statistical Observability.

7.AA0.6.2. Manual frequency restoration and Complementary reserves to allocate for each time period

The Manual Frequency Restoration and Complementary Reserve need is defined in accordance with the provisions of Article 3.2. It is the same for each time period of the call for tenders.

RTE may select a technical bid with higher specifications (lower DMO and longer warranty period) to meet a lower need (RTE may select a {mFRR;120} bid to cover a {RR;90} need).

The need is covered if:

- (i) the guaranteed energy to be contracted is greater than the strict need (a {mFRR;120} bid can be used to cover a {RR;90} need);
- (ii) the amount of power to be contracted is greater than or equal to the strict need.

7.AA0.6.3. Terms of award

For a weekly time period of merit order ranking, the bids selected are:

- {mFRR;120} bids for which $Critère(\{RR; 120\}) \leq Prix(RR; 120)$;
- {RR;90} bids for which $Critère(\{RC; 90\}) \leq Prix(RC; 90)$;

With Criterion ({xx;yy}), the bid price, either increased or decreased according to the merit order weighting mentioned in 3.4.6.1 (of the V4 rules).

Over each time period, the sum of the powers selected from all of the bids for which the Candidate may implement the experimental provisions relating to statistical Observability must be less than or equal to 50 MW. Priority is given to the lowest price bids.

$Prix(RR; 120)$ and $Prix(RC; 90)$ are determined for the period and:

- minimise the following sum: $Price(mFRR;120)*V_{mFRR,p} + Price(RR;90)*V_{RR,p}$ where:
 - $V_{mFRR,p}$ represents the number of MW selected for the bid type {mFRR;120} over the merit order ranking interval p;
 - $V_{RR,p}$ represents the number of MW selected for the bid type {RR;90} over the merit order ranking interval p;
- to cover the Manual Frequency Restoration Reserve and Complementary Reserve need for the period as calculated in Article 3.2 (of the V4 rules).

As specified in 3.4.6.2 (of the V4 rules), it is possible to select more mFRR bids than the mFRR need sought and as substitution for some or all the Complementary Reserve need if this reduces the cost of contracting.

The marginal bid (the highest bid price chosen) can be selected from an intermediate power (to the nearest MW) while respecting the power threshold specified by the Candidate.

Several companies may be selected in the context of the call for tenders.

Monthly bids

The monthly bids of one month M made by the Candidates may be selected (in the same order of priority as defined previously when several prices are submitted for the same power) if the price proposed for these bids is lower than the sum of the marginal prices for each day of the month M .

The monthly bid price can determine the marginal prices when the need is fully covered by annual and monthly bids according to the award conditions detailed in this Article.

Some monthly bids may be “paradoxically rejected,” i.e. the sum of the final Price(mFRR;120) and Price(RR;90) of the weekly periods is higher than the Candidate’s monthly bid.

Annual bids

The annual bids made by the Candidates can be selected (in the same order of priority as defined previously when several prices are submitted for a same power) if the price offered for these bids is lower than the sum of the marginal prices of each day of the year.

The annual bid price can determine the marginal prices when the need is fully covered by annual bids according to the award conditions detailed in this Article.

Some annual bids may be “paradoxically rejected,” i.e. the sum of the final Price(mFRR;120) and Price(RR;90) of the weekly periods is higher than the Candidate’s annual bid.

Bid selected at P_{seuil}

On a time interval, if the highest-priced bid selected is selected at P_{seuil} and the contracting need is more than covered, the withdrawal of the bid is considered. The solution chosen is that which minimises $\text{Price(mFRR;120)} * V_{mFRR,p} + \text{Price(RR;90)} * V_{RR,p}$, i.e. the bid can still be maintained and an award made at the power threshold, if it is more economical to contract more power with a consequently lower marginal price.

If, on a merit order ranking time interval, one or more bids are affected by this constraint (the withdrawal of the first bid leads to a similar situation with another bid), the bid withdrawn first is the bid for which the proposed threshold power is the highest.

7.AA0.7. Formalisation of Initial Commitments following award

For a given year, a Candidate’s selected bids are aggregated in Annex 8 (of the V4 rules), for which the Initial Commitments correspond to the types of bids selected ($\{xx;yyy\}$ bids correspond to the “xxyy” Commitment Types).

The contractual commitment of availability concluded with each Participant following the call for tenders will lead to the payment of a Fixed Premium, which is the amount of power contracted multiplied by the marginal price of each Commitment Type.

The Fixed Premiums awarded to Participants are determined from the tendered volumes selected by type and at the marginal Price(mFRR;120) and Price(RR;90) determined for the types of days of the weekly period in question. Thus:

- the selected $\{mFRR;120\}$ commitments are remunerated $Prix(RR; 120)$;
- the selected $\{RR;90\}$ commitments are remunerated $Prix(RC; 90)$.
-

7.AA0.8. Notification of the award of the call for tenders

Notification of the award of the annual call for tenders shall be sent by e-mail.

7.AA0.9. RTE’s right to cancel all or part of the consultation procedure

RTE reserves the right to cancel the consultation procedure in whole or in part and at any time. RTE may award the manual Frequency Restoration and Complementary Reserves for a period which is less than the 1 January to 31 December period of the year the call for tenders relates to.

In this case, RTE Notifies the Candidates of the cancellation of the procedure.

When a time period is assigned, it is assigned for the entire need open to contracting.

RTE cannot be held liable for the costs incurred by the Candidates due to the cancellation of the consultation procedure.

7.AA0.10. Insufficient bids

If there are insufficient bids at the annual call for tenders on one or the other of the products leading to certain periods not being contracted in accordance with Article 7.AA0.9, RTE will contract the missing volume over the periods concerned through the day-ahead capacity contracting provided for in Article 3.5 (of the V4 rules).

7.AA1. ANNEX: PARTICIPATION AGREEMENT IN THE MANUAL FREQUENCY RESTORATION AND COMPLEMENTARY RESERVE TERMS AND CONDITIONS

[Participant No.____]

BETWEEN

_____ [full name], company _____ [legal form], with share capital of _____ euros, with its head office located at _____ [full address], registered on the Trade and Companies Register of _____ [town] under number _____ [SIRET No.], and with Intra-community VAT ID number: _____, represented by Ms/Mr _____ [enter the name and position of the signatory], duly authorised for this purpose,

hereinafter referred to as the “Participant”

OF THE FIRST PART,

AND

RTE electricity transmission network, public limited company with a board of directors and a supervisory board with a capital of 2 132 285 690 euros, registered with the Register of Commerce and Companies of Nanterre under no. 444 619 258, with head office at Immeuble WINDOW - 7C, Place du Dôme 92073 Paris la Défense CEDEX, represented by [.....], as [.....], duly authorised for this purpose, with an address in [.....], hereinafter referred to as “RTE”

OF THE SECOND PART,

or by default, hereinafter referred to individually as a "Party", or jointly as the "Parties",

the following has been decided and agreed upon:

7.AA1.1. Foreword

The Participant wishes to adhere to the manual Frequency Restoration and Complementary Reserve Terms and Conditions.

For this purpose, the Parties have decided and agreed upon the following:

7.AA1.2. Definitions

All words or phrases used in this mFRR-RR Participation Agreement and which begin with upper-case letters have the meanings attributed to them in the Definitions article of the mFRR-RR Terms and Conditions.

7.AA1.3. Purpose and scope of the contract

By signing this mFRR-RR Participation Agreement, the Participant undertakes to participate in the provision of Manual Frequency Restoration Reserve or Complementary Reserve, and declares that it has full knowledge of the mFRR-RR Terms and Conditions, which can be freely consulted on the RTE website. As such, the Participant agrees to comply with all the provisions set out in the mFRR-RR Terms and Conditions.

This mFRR-RR Participation Agreement applies to the RM_2_Balancing Mechanism Terms and Conditions, the provisions of which fully apply to this mFRR-RR Participation Agreement, which the Participant acknowledges having read and understood.

The contractual documents binding on the Parties are as following, in order of precedence:

- the provisions of the mFRR-RR Terms and Conditions and their Annexes;
- the RM_2_Balancing Mechanism Terms and Conditions in force, in particular the Participation Agreement as a Balancing Service Provider and the technical agreement(s) entered into between RTE and the Balancing Service Provider, except for the definitions given in the mFRR-RR Terms and Conditions which will take precedence over those given in the RM_2_Balancing mechanism Terms and Conditions and notwithstanding any other provision to the contrary in the mFRR-RR Terms and Conditions;
- the RM_4_Frequency Ancillary Services in force where applicable, in particular the Participation Agreement for RM_4_Frequency Ancillary Services;
- the tender regulation of the additional call for tenders;
- the IS Terms and Conditions specific to the “Scheduling and Balancing Mechanism” system;
- IS implementation guide for the RACOON platform;
- IS implementation guide for the CRISTAL platform;
- the tender regulation of the annual call for tenders;
- the annexes concerning observability available on the RTE website.

These documents form the exclusivity and entirety of the agreement between the Parties for the provision of Manual Frequency Restoration Reserve and/or Complementary Reserve under the mechanism described in the mFRR-RR Terms and Conditions.

7.AA1.4. Invoicing

	THE PARTICIPANT	RTE
Address to be stated on invoices	<p>_____</p> <p>_____</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: _____ @ _____</p>	<p>RTE – Réseau de transport d’électricité</p> <p>LAD FACTURES</p> <p>TSA 50010</p> <p>78457 VELIZY VILLACOUBLAY CEDEX</p>

7.AA1.5. Bank details of Participant:

Holder:	XXXX
Registered address:	XXXX
Bank code:	XXXX
Sort code:	XXXX
Account no.:	XXXX
RIB key:	XXXX
IBAN:	XXXX
BIC-SWIFT code:	XXXX

7.AA1.6. RTE collection account:

Holder:	RTE RESEAU DE TRANSPORT D’ELECTRICITE
	SG Paris Opera (03620)
Registered address:	50 Bd Haussmann
	75009 PARIS
Bank code:	30003
Sort code:	04170
Account no.:	00020122549
RIB key:	73
IBAN:	FR76 3000 3041 7000 0201 2254 973
BIC-Swift code:	SOGEFRPP

7.AA1.7. Entry into force, duration, and termination of the mFRR-RR Participation Agreement



The mFRR-RR Participation Agreement is effective from [date]

This agreement is signed for an indeterminate period.

It may only be terminated under the conditions laid down in the current mFRR-RR Terms and Conditions.

Drawn up in two (2) original copies,
in Paris la Défense, on ____/____/____.

For RTE:

Name and position of representative:

Signature:

For the Participant:

Name and position of representative:

Signature:

7.AA2. ANNEX: CONTACT DETAILS

7.AA2.1. Business Contacts: Monitoring of the implementation of the mFRR-RR Participation Agreement

THE PARTICIPANT	RTE.
<p>_____</p> <p>_____</p> <p>_____</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: _____@_____</p>	<p>_____</p> <p>RTE – Service Commercial Saint-Denis</p> <p>22 boulevard Finot</p> <p>93200 Saint-Denis</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: @rte-france.com</p> <p>marketservices@rte-france.com</p>

7.AA2.2. Business Contacts: Management of Qualifications

THE PARTICIPANT	RTE.
<p>_____</p> <p>_____</p> <p>_____</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: _____@_____</p>	<p>_____</p> <p>RTE – Service Commercial Saint-Denis</p> <p>22 boulevard Finot</p> <p>93200 Saint-Denis</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: @rte-france.com</p> <p>rte-agrement-rrrc@rte-france.com</p>

7.AA2.3. Operational contacts:

	THE PARTICIPANT	RTE
Questions relating to the application of the RM_2_Balancing Mechanism	<p>_____</p> <p>_____</p> <p>_____</p> <p>Tel: _____</p> <p>Mobile: _____</p> <p>Fax: _____</p> <p>Email: _____@_____</p>	<p>RTE – Service Accès Marché</p> <p>22 boulevard Finot</p> <p>93200 Saint-Denis</p> <p>Tel: _____</p> <p>marketservices@rte-france.com</p>
Reserve Exchange Notification	<p>_____</p>	marketservices@rte-france.com
D-1 Operational Contact	<p>Contact:</p> <p>Phone no.:</p> <p>Fax no.:</p> <p>Email address:</p>	<p>GENERATION D-1</p> <p>01 41 66 70 40 (tel)</p> <p>01 41 66 70 71 (fax)</p> <p>RTE-COSEP-TR-EOD-J-1@rte-france.com</p>
Real-time operations contact:	<p>Contact:</p> <p>Phone no.:</p> <p>Fax no.:</p> <p>Email address:</p>	<p>GENERATION Real Time</p> <p>01 40 12 65 00 (tel)</p> <p>01 40 12 37 95 (tel)</p> <p>01 41 66 70 77 (fax)</p>
Back Office operational contact	<p>Contact:</p> <p>Phone no.:</p> <p>Fax no.:</p> <p>Email address:</p>	<p>RTE.</p> <p>Service Accès Marché</p> <p>22 boulevard Finot</p> <p>93200 Saint-Denis</p> <p>Tel: _____</p> <p>marketservices@rte-france.com</p>

7.AA1. ANNEX: LIST OF QUALIFIED BES

XXX is a holder of the mFRR-RR Participation Agreement.

XXX is the Balancing Service Provider that has obtained Qualification under Article 6 of the mFRR-RR Terms and Conditions, the details of which are given in the following table:

BE name	Qualified Perimeter		P _{Agréée} (qualified power)	DMO	DO _{max}	DO _{min}	Order Receiver	Agreement Date
	Identifier	System Operator						

Drawn up in two (2) original copies,
in, on

For RTE:

Name and position of representative:

Service Accès Marché

Signature:

7.AA2. ANNEX: REQUEST FOR QUALIFICATION

The Applicant acting as a Balancing Service Provider requests on behalf of the BE described in this Annex the Qualification of its ability to provide Manual Frequency Restoration Reserve or Complementary Reserve in accordance with Article 6.3 of the mFRR-RR Terms and Conditions.

7.AA2.1. Administrative information relating to the BE to be qualified

Name of the Balancing Service Provider				
Information about the Order Receiver in TAO nominal mode and when TAO is out of service	Name of the Order Receiver: Primary phone number when TAO is out of service: Backup phone number when TAO is out of service:			
Name of the BE <i>If the perimeter to be qualified contains only Sites that are not part of the applicant's Balancing Perimeter at the date of the request, provide the name of the future BE and its creation date.</i>				
Perimeter to Approve ² For Sites connected to the PTS, enter the METERING code (METERING no.....) or CART number (CART no.....) For Sites connected to the PDS, enter the PDS external site code used by the DSO in data exchanges with RTE in accordance with the IS Terms and Conditions of the balancing mechanism.	Site ID	System Operator	<i>Site not within the applicant's Balancing Perimeter on the date of the application (mark with a cross)</i>	Site belonging to a certified RPG (give name of RPG)

For BEs made up of more than 5 Sites, the Applicant attaches a CSV file (delimited with semicolons) to the Request, with no header and two columns: Site ID, System Operator.

7.AA2.2. Technical specifications to be Qualified for the BE

DMO (in minutes)	minutes
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² The Perimeter to be Qualified must correspond to the entire perimeter of the BE

P_{Agréee} (in whole MW): Power to Qualify	MW
DO_{max} of the BE (in minutes)	minutes
DO_{min} of the BE (in minutes)	minutes

Desired Qualification start date:

Reminder: Always on the 1st of the month, no earlier than 5 business days after the request date

By signing this Request, the Applicant acknowledges that it has read and fully understood the terms relating to the Qualification of a BE for mFRR-RR or RR as set out in Article 6 of the mFRR-RR Terms and Conditions.

Date

Signature

7.AA3. ANNEX: REQUEST TO RESET THE QUALIFICATION-RELATED FAILURE COUNTER

In accordance with Article 6.6 of the mFRR-RR Terms and Conditions and under the conditions specified in this article, the Participant may request to reset to zero the Qualification-related Failure counter of a Qualified BE.

7.AA3.1. Administrative information concerning the BE for which the request to reset the Qualification-related Failure counter to zero is being made

Name of the Balancing Service Provider	
Name of the BE	
Pagrée (MW) (qualified power)	

7.AA3.2. Information concerning activations on the Balancing Mechanism justifying resetting the Qualification-related Failure counter to zero

Dates of activations of the BE on the Balancing Mechanism Time of transition to the TAO or telephone order Activation Period (as stated in the RM_0_General Provisions Terms and Conditions)	
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Date

Signature

7.AA4. ANNEX: SPECIFICATIONS FOR CONNECTING THE CUSTOMER'S CONTROL CENTRE TO RTE'S TELECONTROL SYSTEM FOR THE VOLUNTARY PROVISION OF SERVICES TO THE NETWORK

7.AA5. ANNEX: TERMS RELATING TO STATISTICAL OBSERVABILITY EXPERIMENTATION

The total power of the capacities made available to RTE by all of the Participants under the Manual Frequency Restoration and Complementary Reserves and implementing statistical observability pursuant to Article 6.1.4 of Annex 7.AA4 is less than or equal to 50 MW.

The BEs for which statistical observability is implemented are listed in the table below.

Name of the BE

The maximum powers of the capacities that can be made available by the Participant under the Manual Frequency Restoration and Complementary Reserve Terms and Conditions and implementing statistical observability are defined in the table below.

Time period	Maximum power (MW)

To satisfy initial Commitments or Additional Commitments obtained following a Reserve Exchange, the Participant may Notify RTE of a request to make available capacities implementing statistical Observability whose power is greater than the powers detailed in the table above. Given the global limit of 50 MW, the allocation of available powers for each Quarter-Hourly Interval shall respect the following order of priority:

- powers necessary to cover Initial Commitments obtained following additional call for tenders; then
- powers corresponding to Reserve Exchanges on a “first come, first served” basis.