The settlement price of the imbalance - electricity

In the case of **activation of balancing energy (BE) against the direction of system imbalance (SI),** the settlement price of imbalances (SP) is determined as follows:

Condition	Settlement price of imbalance (SP)
Var.1): (SI <= 0) and (max price BE+ <= LIM_{BE+}) →	SP = Max(BE component; IM component; SI component)
Var.2): (SI <= 0) and (max price BE+ > LIM_{BE+}) →	SP = Max(protective BE component; IM component)
Var.3): (SI > 0) and (min price BE- >= LIM_{BE-}) →	SP = Min(BE component; IM component; SI component)
Var.4): (SI > 0) and (min price BE- < LIM_{BE-}) →	SP = Min(protective BE component; IM component)

LIM_{BE} (CZK/MWH) ... marginal price of balancing energy determining the transition to the system of calculation using average prices according to the price decision of the Energy Regulatory Office (ERO); according to ERO price decision for actual year:

LIM_{BE+} = 20 000 CZK/MWh,

LIM_{BE-} = (- 20 000) CZK/MWh

If SP determined by variant 2) is higher than SP determined by variant 1), then SP is determined according to variant 1). If SP determined by variant 4) is lower than SP determined by variant 3), then SP is determined according to variant 3).

Determination of the settlement price of imbalance if no BE has been activated against the SI direction:

Condition	Determination of SP
without BE activation against SI direction →	SP = price of the unrealised BE activation

In the event that no balancing energy (BE) has been activated against the direction of system imbalance (SI), the settlement price of imbalance (SP) is determined by the price of unrealized activation of balancing energy determined in accordance with the Decree on Electricity Market Rules.

The individual components entering into the calculation of the settlement price of imbalance from 1st April, 2022, are determined as follows:

BE component (price of delivered BE against the direction of SI [CZK/MWh])		
Condition		**Determining the value of a component (SP = component price)**
SI <= 0	→	SP_{MaxBE+} = maximum price of positive BE
SI > 0	→	SP_{MinBE-} = minimum price of negative BE

SI component (basic SI directive [CZK/MWh])		
Condition		Determining the value of a component
SI <= 0	→	$SP_{directive\ SI} = BE + aFRR - \alpha * SI$
SI > 0	→	$SP_{directive\ SI} = BE - aFRR - \beta * SI$

- **α** – ERO price regulating the SI component for negative SI
  (according to ERO price decision: 5,5 CZK/MWh[2])
- **β** – ERO price regulating the SI component for positive SI
  (according to ERO price decision: 3,5 CZK/MWh)[2]
- **BE_aFRR (CZK/MWH)** - marginal price of the standard balancing energy product from advances for power balance regulation with automatic activation delivered against the direction of the system imbalance (SI).

IM component (weighted averige prices of trades on IM [CZK/MWh])		
Condition		Determining the value of a component
SI <= 0	→	$SP_{IM} = WA_{IM} + k$
SI > 0	→	$SP_{IM} = WA_{IM} - k$

WA_IM (CZK/MWH) - weighted average intraday electricity market prices

k - ERO price regulating the IM component (according to ERO price decision: 250 CZK)

Protective BE component (Weighted average of BE costs [CZK/MWh])

ISP = (BE_COSTS + weighted average of BE prices in the opposite direction of SI * ∑ imbalance of BRP against the direction of SI) / (-∑ imbalance of BRP in the direction of SI)

ISP – settlement price of imbalance **BRP** – balance responsible party
BE_COSTS - cost for providing balancing energy **SI** - system imbalance

To determine the direction of the imbalance payment depending on the system imbalance, the settlement price of imbalance and the position of the balance responsible party, is valid:

System imbalance	Settlement price of the imbalance	Position of the balance responsible party	Direction of payments
<=0	>0	imbalance	BRP pays the Market Operator
		counter-imbalance	Market Operator pays the BRP
	<0	imbalance	Market Operator pays the BRP
		counter-imbalance	BRP pays the Market Operator
>0	>0	imbalance	Market Operator pays the BRP
		counter-imbalance	BRP pays the Market Operator
	<0	imbalance	BRP pays the Market Operator
		counter-imbalance	Market Operator pays the BRP

The settlement price of the counter-imbalance – electricity (from July 1st, 2024)

On the basis of the balancing energy prices, the market operator shall determine for each evaluation interval a counter-imbalance settlement price equal to the imbalance settlement price.