The Balance Responsible Entity system allows you to engage in all kinds of commercial transactions in the electricity market.
A Doorway to the French Market

The Balance Responsible Entity (BRE) system allows consumers, distributors, generators, traders/suppliers to conduct all kinds of commercial transactions in the electricity market. By becoming a Balance Responsible entity, you can create your portfolio of business, which is referred to as your «perimeter».

This system enables you to reduce your financial risk, by diversifying your purchases and sales, smoothing your customer's physical/delivered/extracted, physical injections by your generating units, your counterparts declared injections, and purchases and sales on the power exchanges operating in France.

**Principles of the BRE System**

As a Balance Responsible entity, you declare your portfolio of business to RTE and the DSOs:

- physical site consuming or generating power and connected to the PTS or PDS;
- purchases and/or sales on the power exchanges operating in France;
- purchases and/or sales from/to counterparts;
- energy exports and/or imports;
- sales of energy to RTE or a DSO to compensate taxes.

**Extractions (E)**

- Adjusted consumption (A)
- Sales on power exchanges (D)
- Sales to other players (D)
- Adjusted consumption (A)

**Injections (I)**

- Generation or consumption site.
- Purchases on power exchanges (D)
- Purchases from other players (D)

**Imbalances (m)**

The uncertainties surrounding demand and generation forecasts and contingencies can result in differences between extractions and injections on your perimeter. These discrepancies are known as imbalances.

At the end of every half-hour, RTE calculates your imbalances for that elapsed period between the declared and actual physical energy volumes injected and extracted on the PTS and PDS. RTE performs this calculation based on its own data and figures supplied by the DSOs.

**Responsibilities of Customers and RTE**

You undertake to compensate RTE financially for the value of your imbalances, if it is negative. Conversely, if they are positives, then RTE will remunerate you. In exchange, your imbalances are valued on the basis of the price of balancing offers activated by RTE through the Balancing Mechanism.

The price of imbalances is directly dependent on the price of the balancing offers activated by RTE through the Balancing Mechanism in order to maintain the supply/demand balance on the French power system, and the spot market price on the Epex power exchange.

http://www.epexspot.com/. The Balancing Mechanism is based on a global picture of the imbalances on the power system and thus produces a reference price for each half-hour period of time, based on the weighted average price of upward (WAPu) and downward (WAPd) balancing offers.

When the imbalance of your perimeter helps to reduce the overall imbalance on the power system, it is valued at the Epex spot price. Conversely, when the imbalance of your perimeter serves to increase the overall imbalance on the power system, it is valued on the basis of prices resulting from the Balancing Mechanism.

**Energy Calculations**

The energy volumes assigned to the Balance Responsible entity's balance are calculated on the basis of:

- programmes declared to RTE for declared elements;
- load curves used for consumer or generating sites connected to the PTS or PDS, and which are equipped with telemetry meters;
- estimated load curves for consumer or generating sites connected to the PDS and equipped with index meters.

This estimate is done according to a method known as «profiling».

To how Become a Balance Responsible entity?

- you sign a Balance Responsible Participation Agreement with RTE, based on rules laid down in consultation with the DSOs on whose networks you want to operate.
- you supply RTE with a bank guarantee, the amount of which will depend on your volume of business;
- you sign a Balance Responsible Participation Agreement with RTE, based on rules laid down in consultation with the DSOs on whose networks you want to operate.
Temporal Reconciliation is calculated once per year in October of year Y+2, for the period running from July of year Y to June of year Y+1.

It is used to take account of energy values read during the period profiled. The resulting exchanges of energy between Balance Perimeters are valued at the reference spot price.

**Price of the Service**

The price of the service includes:

- management fees, fixed for 2010 at €77 per declared element within your perimeter;
- a price proportional to the physical extraction, equal to € 0.11 per MWh as of 1st January 2010.

**Data Exchanges with RTE**

**Data exchanges with RTE concern:**

- the definition and management of the perimeter;
- the sending of programmes relating to your activity (import/export, block exchanges, etc.).

In addition, RTE publishes:

- the list of elements making up your balance perimeter;
- the figures used to calculate and invoice your imbalance;
- the figures used to calculate temporal reconciliation and the corresponding financial compensation between Balance Responsible entities.

**For More Information**

The Rules can be found on the RTE website at the following address: [http://clients.rte-france.com/index_en.jsp](http://clients.rte-france.com/index_en.jsp) in the section:

- for consumers, generators and traders

**Contact**

For more information, contact the Customer Relations Group in RTE National System Control Center at +33 (0)141 667 334

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