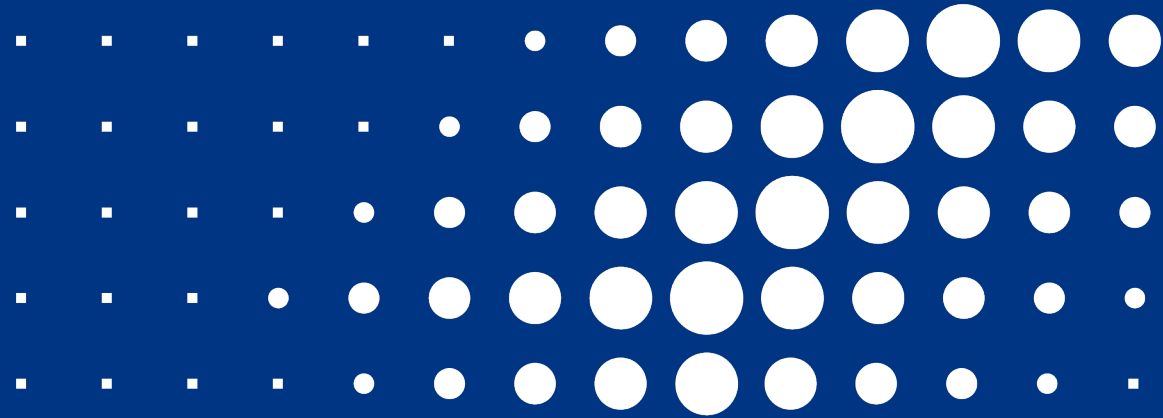


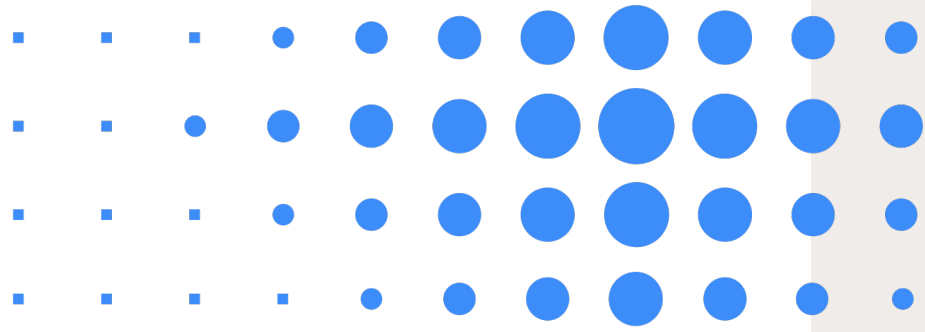


Reviewing the Dutch imbalance price in an increasingly European balancing market

Luuk Groot Haar – Policy advisor Balancing market design

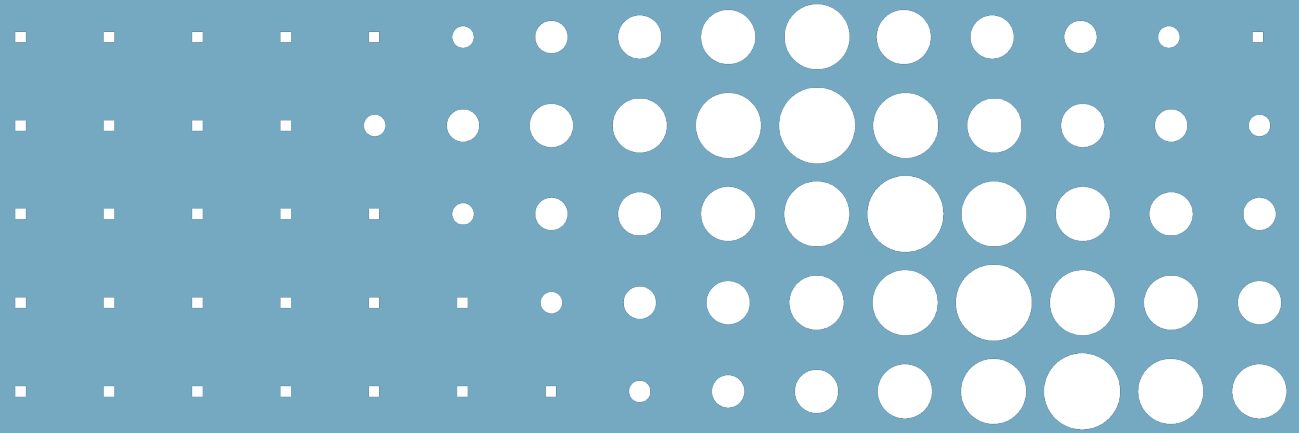
Oktober 2026





Content

1. How does balancing work in The Netherlands?
2. The Dutch imbalance price methodology and its challenges
3. Imbalance price review



How does balancing work in the Netherlands?

How does balancing work in the Netherlands?

Roles and responsibilities in maintaining the power balance



Manages portfolio balance and/or helps the system

- Strives to be balanced in terms of energy per ISP (15 minutes)
- Is financially responsible for imbalances settled with the TSO
- May respond to near-real-time market signals to **reduce imbalance** or **support the system**

Passive balancing



Maintains the power balance

- **Procures balancing services** from BSPs
- **Activates balancing energy** to correct residual power imbalances
- Applies the imbalance settlement methodology for BRP imbalances

System responsibility



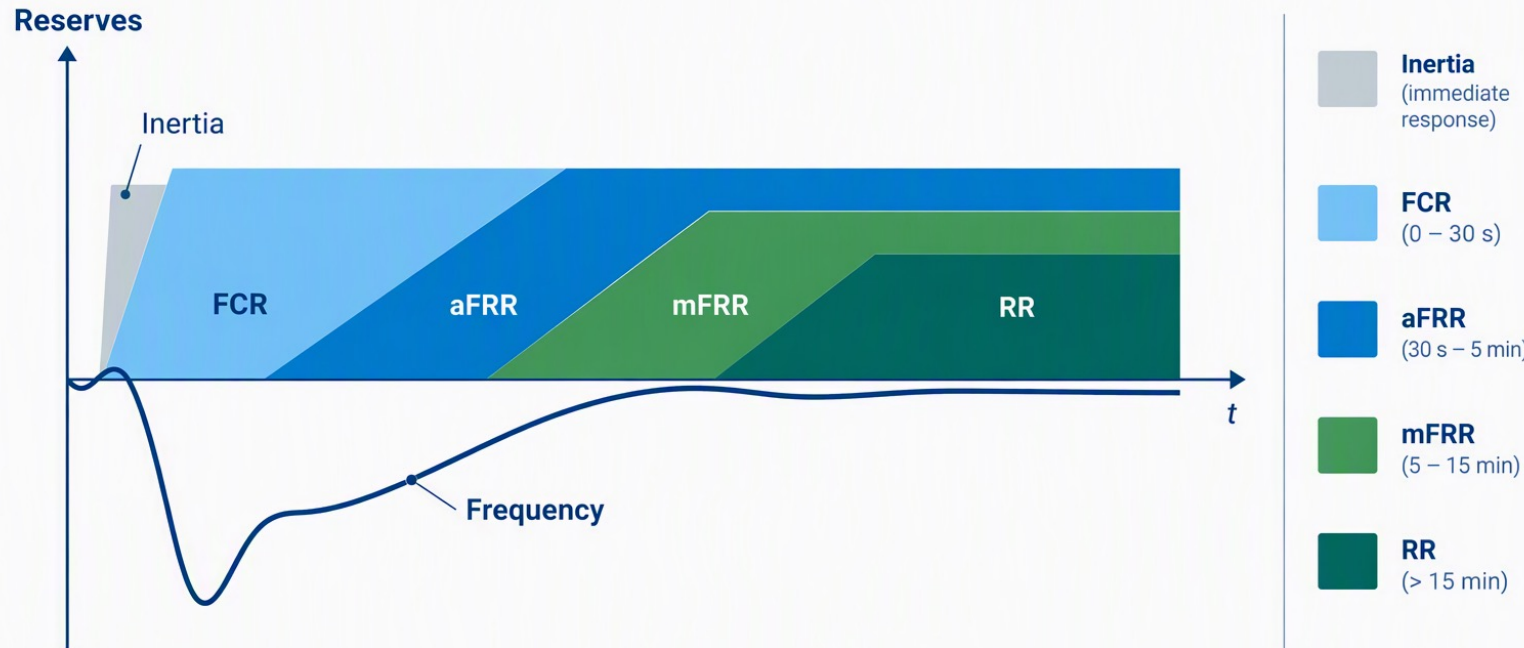
Provides balancing services to the TSO

- Submits balancing capacity and balancing energy bids
- Delivers balancing energy when activated
- Provides flexibility required to restore the system balance

Active balancing

Together, the TSO, BSPs and BRPs contribute to restoring and maintaining the system balance.

Schematic overview balancing actions



Key points for the Netherlands

⚙️ Inertia: market under development

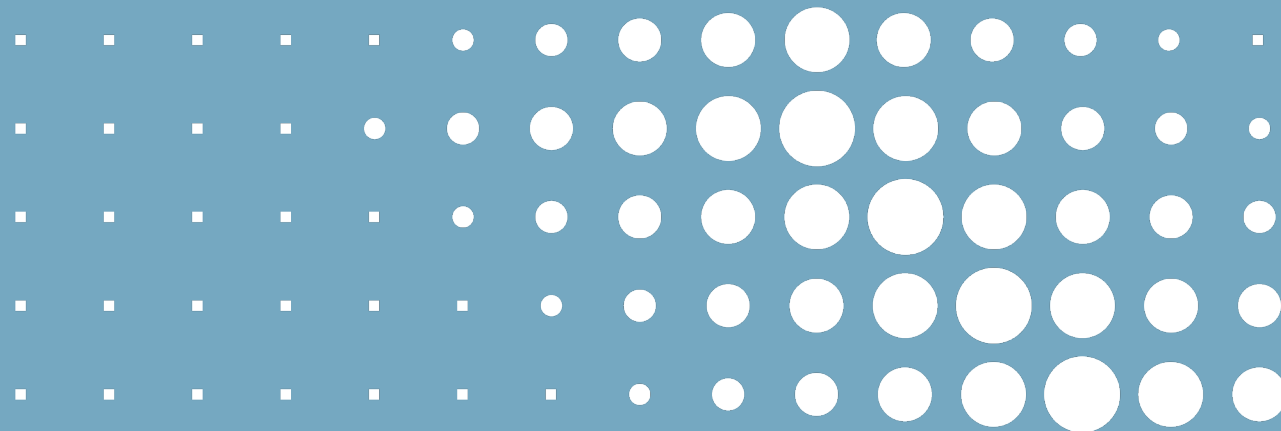
Inertia is currently inherent in the power system rather than procured as a balancing product. A market is being set up for it.

⚡ aFRR and mFRR set the imbalance price

Balancing energy activation from aFRR and mFRR feeds into the imbalance price calculation.

⊘ RR is not used

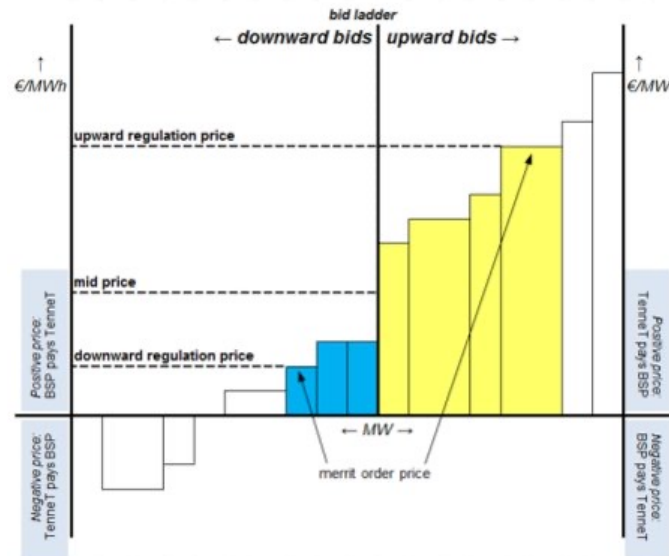
Replacement reserves are shown in the schematic for completeness, but are not used in the Netherlands.



The Dutch imbalance price methodology

How balancing activation sets the imbalance price

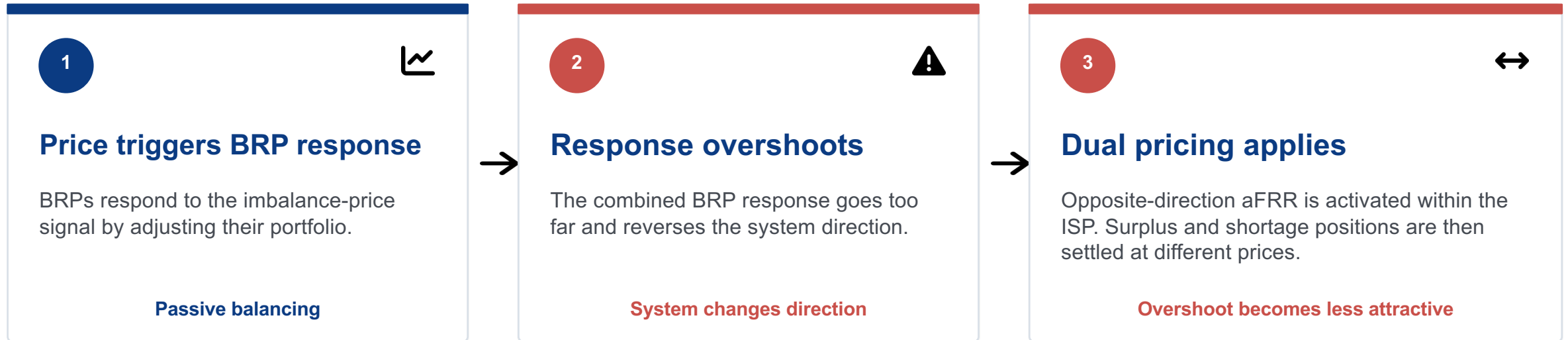
Balancing energy activation creates a price signal for passive balancing



Figuur 3. Marginale prijszetting op basis van biedladder voor op- en afregelen.

Feedback mechanism: overshoot leads to dual pricing

Dual pricing limits an excessive BRP response within the same 15-minute ISP

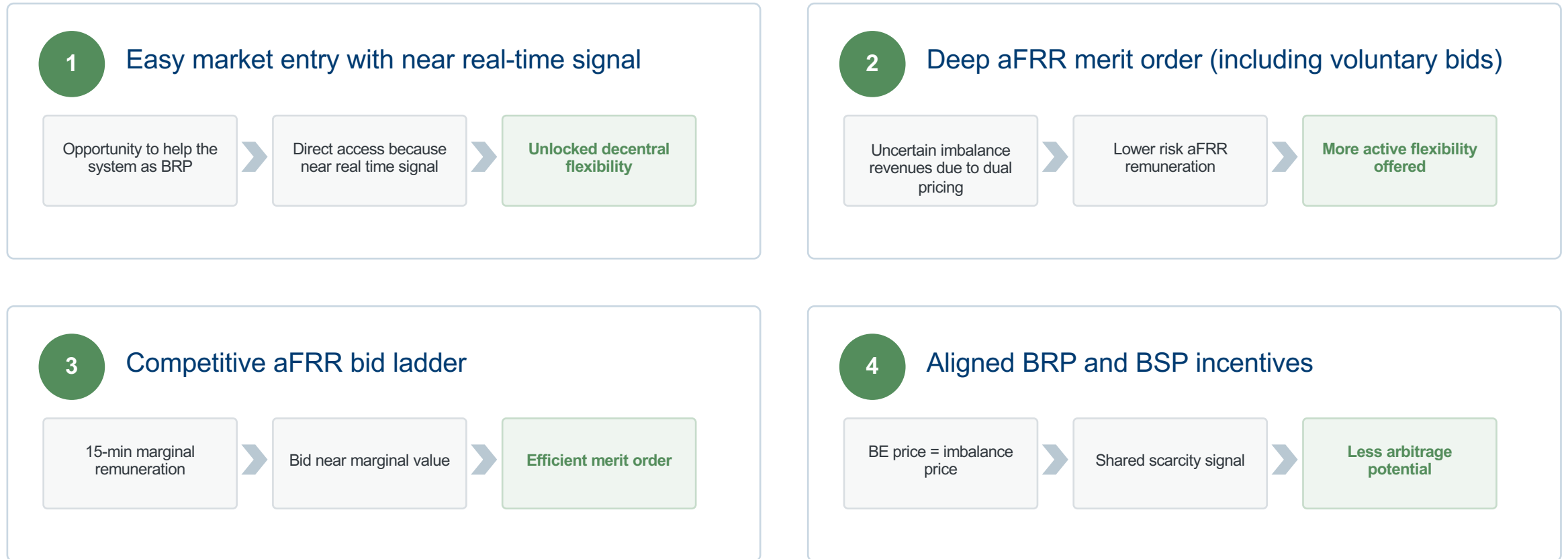


Helpful response → Overshoot reverses system direction → Opposite-direction activation → Dual pricing

Dual pricing is the corrective feedback: an overshoot is financially less attractive once both activation directions occur in the ISP.

A coherent methodology that has supported the Dutch balancing model

Four reinforcing mechanisms connect portfolio responsibility, aFRR participation and price formation.



Together, the mechanisms unlocked flexibility while keeping portfolio responsibility, active balancing and price signals connected.

Market and operational developments change how the balancing system behaves

The design remains valuable, but the conditions under which its feedback mechanisms operate have changed.

MARKET DEVELOPMENTS

1

European integration

PICASSO increasingly coordinates aFRR activation across the uncongested area. Therefore balancing actions in the Netherlands are not solely done for Dutch imbalance, but also for imbalance within the uncongested area.

2

Faster assets

Batteries and other fast-response technologies can react on shorter timescales.

3

Decentralized participation

More and smaller market participants respond to near-real-time signals. → is solution now bigger than the problem it solves?

OPERATIONAL OBSERVATIONS

1

Imbalance signal oscillations

Market and technical feedback loops can amplify each other.

2

More Regulation State 2

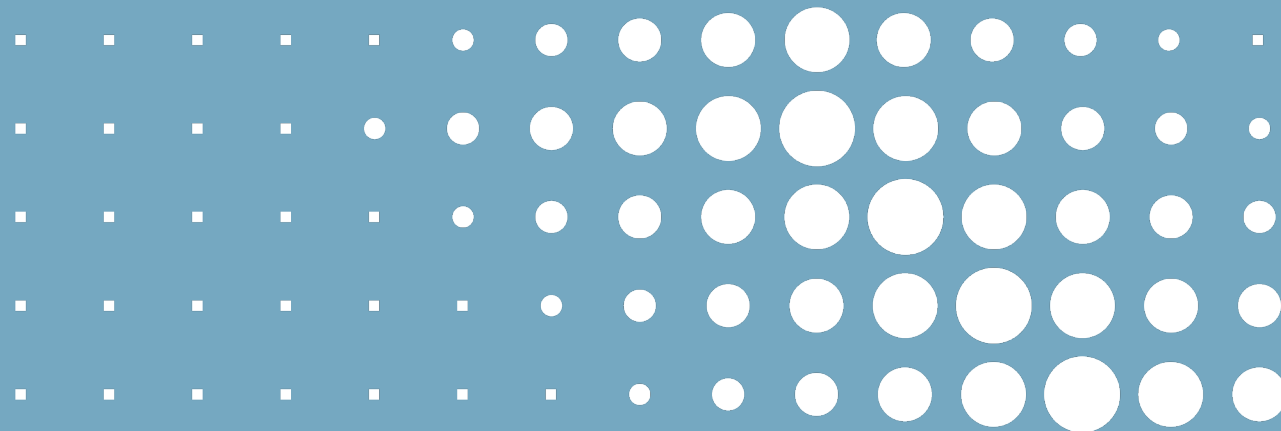
Activation in both directions increasingly limits passive balancing. Right now 40-50% dual pricing

3

Less intuitive price signal

The imbalance price and national imbalance are in a similar direction in around 30% of ISPs.

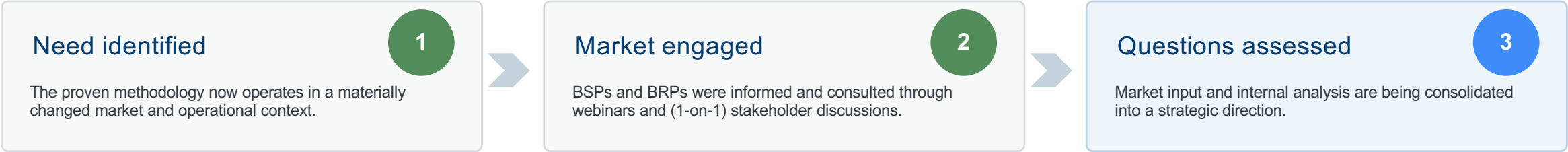
Combined effect: the feedback loop becomes faster, more European and less directly observable from a Dutch BRP perspective.



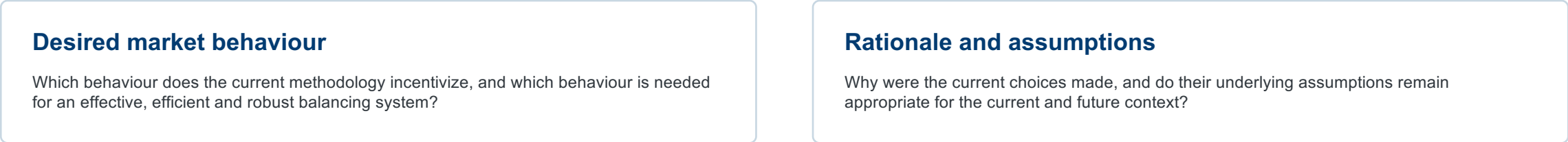
Dutch imbalance price review

The developments create a clear need to review the imbalance price methodology

After engaging BSPs and BRPs, the review is now assessing the rationale, objectives and key design choices of the methodology.



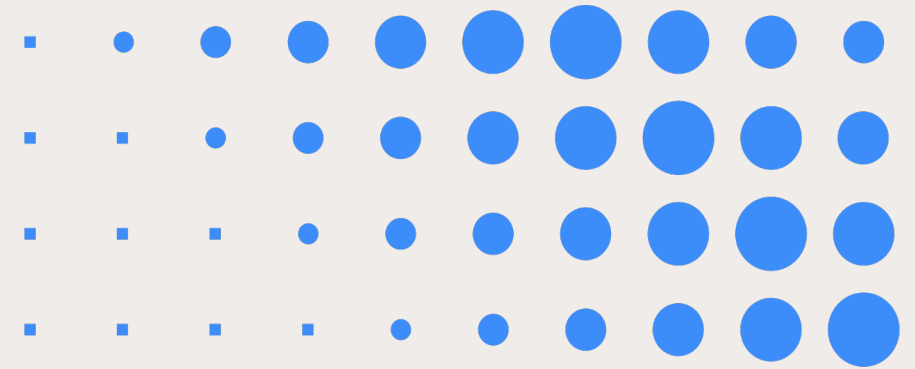
CENTRAL QUESTIONS



ASSESSMENT TOPICS



Objective: determine whether the methodology still supports portfolio balance and system support, while reflecting the imbalance situation and real-time value of energy.



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