

80th ENTSO-E MC meeting

Date: Wednesday, 16 September 2020

Minutes

This document includes the MC decisions individually as part of implementation projects in accordance with Network codes (NCs)/Guidelines (GLs).

Participants

Country	Involved TSOs
Albania (non-EU)	OST - Operatori i Sistemit të Transmetimit
Austria	APG - Austrian Power Grid AG
	VÜEN-Vorarlberger Übertragungsnetz GmbH
Belgium	Elia - Elia System Operator S.A.
Bosnia Herzegovina (non-EU)	NOS BiH - Nezavisni operator sustava u Bosni I Hercegovini
Bulgaria	ESO – Electroenergien Sistemen Operator EAD
Croatia	HOPS - Croatian Transmission System Operator Ltd
Cyprus	TSO Cyprus - Cyprus Transmission System Operator
Czech Republic	ČEPS - ČEPS, a.s.
Denmark	Energinet
Estonia	Elering - Elering AS
Finland	Fingrid - Fingrid OyJ
	Kraftnat Aland Ab
France	RTE - Réseau de Transport d'Electricité, SA
Germany	Amprion - Amprion GmbH
	TransnetBW -TransnetBW GmbH
	TenneT GER - TenneT TSO GmbH
	50Hertz - 50Hertz Transmission GmbH
Greece	IPTO - Independent Power Transmission Operator S.A.
Hungary	MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt.

Iceland (non-EU)	Landsnet - Landsnet hf
Ireland	EirGrid - EirGrid plc
Italy	Terna - Terna SpA
Latvia	Augstsprieguma tīkls - AS Augstsprieguma tīkls
Lithuania	LITGRID AB
Luxembourg	CREOS Luxembourg - CREOS Luxembourg S.A.
Montenegro (non-EU)	CGES - Crnogorski elektroprenosni sistem AD
Netherlands	TenneT TSO - TenneT TSO B.V. BritNed (as a certified TSO in the Netherlands)
Norway (non-EU)	Statnett - Statnett SF
Poland	PSE - PSE S.A.
Portugal	REN - Rede Eléctrica Nacional, S.A.
Romania	Transelectrica S.A.
Serbia (non-EU)	EMS AD Beograd
Slovak Republic	SEPS - Slovenská elektrizačná prenosová sústava, a.s.
Slovenia	ELES - ELES,d.o.o
Spain	REE - Red Eléctrica de España S.A.U
Sweden	Svenska Kraftnät - Affärsverket Svenska Kraftnät
Switzerland (non-EU)	Swissgrid - Swissgrid AG
Republic of North Macedonia (non-EU)	MEPSO - Macedonian Transmission System Operator AD
United Kingdom	National Grid - National Grid Electricity Transmission plc
	SONI - System Operator for Northern Ireland Ltd
	BritNed (as a certified TSO in UK) MOYLE NGIL (IFA) SHE Transmission SP Transmission ElecLink Limited (as a certified TSO in UK)
Chairman	PSE - PSE S.A.

Other Attendees with no voting rights	WG's Conveners / Other participants.
ENTSO-E Secretariat	ENTSO-E Secretariat.

1. Approval of the agenda and minutes

- 1.1 Draft agenda is approved.
- 1.2 [All TSOs minutes](#) and [MC minutes](#) of the last meeting are approved.

The Secretariat checks who is present in the call and points out that the quorum is met (35 out of 39 appointed MC members were present at the beginning of meeting, ALL TSOs presence: 1st voting part 96%, 2nd voting part 99.4 % counting UK as one). Lithuania and Iceland joined the meeting later, but they were not at the roll call.

The Chair opens the meeting, welcomes the participants and asks if the agenda and the minutes could be approved. The Chair points out that the SADC and SIDC will participate in the respective part of the meeting. The Chair explains to the audience that the agenda is quite full, he proposes to limit the topics introduction and only elaborate on the points that have changed since the session file was issued.

2. Update on internal/external developments

- 2. Acknowledges the internal developments.
- 2.3 The MC acknowledges the membership changes.
- 2.4 The MC acknowledges that the current conveners will perform their task in the interim period until their re-election or appointment of a new convener. This interim period, in case of re-election will not be counted towards the new term.
- 2.5 The MC members are asked to nominate a market representative into the Communication Network Core Team established for the Physical Communication Network.

3. Please refer to the separate ALL TSOs Session File

4. Bidding zone technical report [no discussion]

- 4.1 The MC approves the Technical report PID and asks the Secretariat to launch the nomination process for membership and convener for the Technical report TF. Each TSO shall nominate a TSO representative to it by 2nd October.

5. WG MIT

The convener of the WG AS indicates there is good alignment between WG AS and WG MIT with regards to the status and updates for the European Balancing Platform and the data publishing on the ENTSO-E Transparency Platform. The convener of the WG MIT points out the WG MIT and the balancing SCs have

approved common Detailed Data Definitions (DDD) that was drafted during the month of August. Following a revision done by WG MIT, it is concluded that publication of data stemming from the Electricity Balancing platforms on the Transparency Platform seems quite logical because it will improve data centralization and enhance data transparency. The common DDD includes cross-border capacity limits, permanent limitations to cross-border capacity, netted volumes and net positions, fallbacks, algorithm used in the Imbalance Netting process, elastic demands, and changes to bid availability.

Some of the data requirements are not ENTSO-E legal obligations, hence a Multi-Level Agreement (MLA) has to be signed. Considering the fact that the IT developments for data publication, mainly IGCC-related, have been started by ENTSO-E earlier than the MLA with TSOs is signed, there is a certain financial risk for ENTSO-E. This risk exposure is estimated at around 420K EUR, but it is considered as only theoretical, since the involved TSOs do intend to sign the MLA and finance the costs.

A dedicated task force including balancing experts and MIT representatives is needed to discuss the cost split between ENTSO-E and balancing platforms. With regards to the transparency platform, WG MIT is expected to nominate resources to represent the Transparency Platform as counterparts to the balancing negotiation team.

Decision Proposal

5.1. The MC approves the common DDD, prepared to describe the details of data to be published on the transparency platform as foreseen by the Implementation Frameworks of the IN, aFRR (PICASSO) and mFRR (MARI) European platforms.

5.2. The MC approves the approach presented to start the TP developments related to the request of the balancing platforms even before the signature of the Multilateral Agreement (MLA) that will ensure cost recovery, understanding that this approach carries a financial risk for ENTSO-E.

5.3. The MC acknowledges that the proposed initial cost sharing key as applicable between the TSOs using the FSKAR Services is still subject to confirmation by RGCE Plenary and asks ENTSO-E to sign the “License and Services Agreement for FSKar Data Sharing on Transparency Platform”.

5.4 The MC, approves the “License and Services Agreement for FSKar Data Sharing on the Transparency Platform” (subject to its approval by RGCE Plenary, with possible change of the initially proposed cost sharing key), which defines the terms and conditions under which the TP can be used for sharing of FSKar data and instructs ENTSO-E Secretariat to initiate the signature process following RGCE Plenary approval.

5.6. The MC approves the business requirement specification (BRS) document for implementing the CACM revisions on the TP.

6. WG MI

The Secretariat, on behalf of the SG convener, explains the progress made during summer on the topic *"Emergency and Restoration / suspension of market activities report"* (via. survey results). Besides, the MC members are informed that the level of harmonization for certain topics are under discussion both in MIWG and WGAS. Furthermore, other groups within the Market Committee and from System Operations would be

contacted for the preparation of this report. The relevant working groups touching upon the topics part of the scope of this report will be invited to provide a commenting phase by early October 2020. Cross working group issues will be reported in the next Market Committee meeting for guidance/decision.

7. WG RMI

The WG convener presents 2020 informal feedback received from ACER on the Market and Balancing reports and the main challenges to cope with 2021 reporting obligations. As part of these obligations' performance indicators, he explains, will play a key role. Currently, a dedicated workstream is reviewing them. More clarity on their definition and data available to be reported is expected by the end of this year. Also, and in cooperation with the relevant groups, major efforts will be dedicated to emphasizing even more on the TSOs achievement for 2021 reports.

Coordinating exchange of information among regions is a task mandated to ENTSO-E by EU regulations such as CACM or FCA to ENTSO-E. In order to ensure better alignment with RSCs/RCCs on the regional data, WG convener proposes to formalize a process and use a channel that proved effective on previous occasions, meaning RSC project under SOC. By ensuring this project is the only point in contact for such a regional data, ENTSO-E ensures that these requests are aligned, and data provided is consistent with the other regions (i.e. RSCs/RCCs). WG convener clarifies that this information before it is used will always be subject to the CCRs endorsement.

7.2 The MC acknowledges the involvement of the CCRs is key for the preparation of the capacity calculation and allocation report 2021 and invites all of them to (i) review the current statistical indicators definition in accordance with the current approved/submitted ID/DA, LT Capacity Calculation Methodologies ('CCMs') and (ii) inform RMI convener and ENTSO-E Secretariat on those CCRs concerns stemming from Articles 31 of CACM and 26 of FCA.

7.3 The MC endorses that all request to RSCs/RCCs (e.g. ACER data request) at any ENTSO-E Market Committee groups/project teams will be forwarded to RSC Steering Committee via de RSC project, or any other new group managing the RSCs/RCCs interactions after October 2021.

8. PT TCC

The PT art 16 convener presents the current status on the derogations and action plans for years 2020 and 2021, as well as main messages and lessons learnt. It is agreed to present the main messages from TSOs side in MESC meeting in December.

9. Offshore Development Core Group

EC Consultation on offshore renewables strategy

The secretariat, on behalf of the ODCG convener, presents the latest updates made to the draft response on the EC's ongoing offshore renewable strategy. The EC's strategy is expected to be communicated by the end of the year 2020. The secretariat also highlights the work done by the ODCG drafting team on finalizing the second offshore position paper on market issues which has been submitted for Board and Assembly approval.

Particular attention is given to the main comments raised during the committee review phase, during which 4 TSOs submitted their feedback. These notably concern trade-offs between prioritizing different objectives or measures to be implemented such as harmonized permitting procedures, cross-sectorial integration, and improving financing conditions for the deployment of offshore assets and networks. Most other in-text suggestions were accepted.

No questions are raised by MC members in response to the review of these main comments. The decision is adopted.

9.2 The MC takes note of the updates made to the draft response following the committee review phase and asks the ODCG to launch the cross committee written voting approval as soon as possible.

10.WG MD RES

Project Team Registry (PT Registry)

The convener of the PT Registry presents the progress achieved over the summer on three topics: the selection of the Software Vendor, the criteria and conditions to procure the IT hosting services and the feasibility study on the integration of the Registry Tool and national registries.

On the selection of the Software Vendor, one MC member asks further clarifications about the contractual aspects. It is clarified that the contract would be between ENTSO-E and the selected IT vendor. The recommended IT Vendor proposal also includes one-year maintenance with option to extend. The RFP procedure followed the ENTSO-E's procurement policy.

Regarding the IT hosting services, it is clarified that this procurement is independent from the one for the selection of the Software Vendor. One MC member considers that additional analysis should be provided by the PT Registry for an informed decision by the MC and asks for a benchmark of offers for IT hosting services as well as legal and technical guidance to justify the scope of the request for offers to specific providers. The convener agrees to prepare this information and distribute it to MC members before the launch of the written voting procedure.

The convener of the PT Registry provides a status update on the feasibility study for the integration of ENTSO-E Registry with National Registries and informs the MC that the end report will be submitted for next MC meeting of 04 November 2020.

10.2.1 The MC takes note of the received proposals for the ENTSO-E Registry Tool and of the selection advice of the Steering Committee presented at the meeting. Based on such advice, the MC asks the Secretariat to launch the written approval process by Monday 21 September to approve the selected Software Vendor for the development of the Registry Tool.

10.2.2 The MC takes note of the draft recommendation on the procurement procedure for IT hosting services for the ENTSO-E Registry Tool from the Digital committee and ENTSO-E Legal Section. The MC asks for the final recommendation to include a summary of reasons for limiting the competition to TSOs only if such approach is recommended.

The MC asks the Secretariat to add a cost benchmark based on past tenders with 3rd party professional hosters (i.e. fulfilling ENTSO-E minimal technical requirements) when launching the written approval process to approve the procurement approach related to the hosting of Registry Tool by 15 October.

10.2.3 The MC takes note of the ongoing feasibility study on the integration of the Registry Tool and national registries and looks forward to the finalized version to be approved at the MC meeting on 4 November.

2030 Market Design

The Secretariat representative presents the draft programme of the series of webinars for ENTSO-E Vision of the Future, focusing in particular on the one on market design planned on 12 October. He then presents the indicative scope of topics to be included in ENTSO-E presentations, as prepared by the WG MDRES and discussed with the MC Sounding Board. Members welcome the current scoping and mandate the MC Sounding Board to validate the final slides before sending them to stakeholders, subject to a prior circulation to the MC for a deemed acceptance.

10.3 The MC agrees with the indicative scope of ENTSO-E material to be presented at the Market Design Webinar on 12 October, and asks the MC Sounding Board to validate the final content of the slides prepared by the WG MDRES, after a quick circulation to the MC.

11. WG EF

Informal exchanges between WG EF and the TF Sector Coupling

The convener of the Working Group Economic Framework presents an update on the recent exchanges between the TF Sector Coupling and WG EF. The aim is to identify candidate topics for which WG EF could contribute its market and regulatory expertise. Notable topics include lowering barriers to renewable expansion, ownership of P2X assets, and tariffs, taxes, and levies.

Furthermore, WG EF volunteers were invited to join a workshop on its Multi-Sectorial Planning Support organized on 22 September by the TF Sector Coupling. The WG EF convener proposes to keep the MC updated on ongoing developments and opportunities for cooperation with the TF Sector Coupling.

11.2 The MC welcomes the exchanges between WG EF and TF SC and asks WG EF to keep it informed on ongoing developments and possible future opportunities for collaboration.

12. ITC

ITC Final Settlements

The convener of the WG EF presents the situation with ITC Final Settlements whereby, in the context of the data preparation for the ACER ITC data monitoring request 2019, Data Administrators identified a mistake for November and December 2019 as well as the Netted final settlement for the second half of 2019. A calculation error was made for the month of November, with knock on effects for the month of December. As no cash flows were made for the relevant periods, there would be no need for an addendum to the ITC agreement should the MC agree to send the corrected final settlements instead of sending ACER the erroneous “final results”. Both WG EF and the Data Administrators support the proposal.

12.1 The MC approves the sending of corrected ITC Final Settlements for November and December 2019 as well as the Netted Final Settlement for the 2nd half of 2019 and requires all ITC parties to sign them in a timely fashion.

Monitoring Losses Costs

The convener of WG EF presents the main messages of the final LRG Memo on Losses Costs. While the memo still does not investigate the actual practices of ITC Parties, it considers whether, on the one hand, the practice of hedging costs in advance due to the coexistence of ex-post values for tariff setting purposes and ex-ante estimated values for ITC and, on the other hand, the inclusion of additional operational costs in the losses costs valuation are in line with general ITC principles. The memo furthermore offers candidate solutions for dealing with these practices.

The memo stresses that individual member states and NRAs have full autonomy in determining losses costs. However, general ITC principles must be taken into account, specifically fairness and non-discrimination.

Concerning the hedging of costs in advance, the memo found that this practice could be justified, under certain conditions. This is not a critical point according to LRG. Should ITC Parties want to eliminate this practice, an agreement on using ex-post settlements could be foreseen. However, such an option would require re-opening the ITC agreement. WG EF recommends not to pursue this option.

Concerning the inclusion of OPEX in the costs of losses, this practice may in fact make it difficult to ensure fair reimbursement of these costs, which are indirect and therefore not readily assignable to one single purpose (i.e. purchasing energy for losses caused by transit flows), while also not guaranteeing the principle of non-discrimination, as some TSOs may not be allowed in their regulatory framework to recover these costs, and are thus prevented for receiving compensation for the same cost components. The Memo suggests that a dedicated cost valuation mechanism could be put in place to ensure both fairness and non-discrimination by defining a harmonized methodology on how to (or not to) include operational costs in the calculation. This mechanism would be introduced by a Voluntary Negotiated Agreement, which would nonetheless require unanimity approval by all ITC parties and could require the involvement of NRAs. WG EF asks for the MC's guidance on whether or not give this option further consideration.

Furthermore, the convener of WG EF presents the results of an internal survey conducted during the summer and aiming to complement the findings of the LRG memo by providing a full picture of ongoing practices among ITC Parties. The survey was completed by 21 Parties, one of which seems to also be including OPEX in its ITC Losses Costs methodology.

Members thank the WG EF and LRG for the work done. One member points out the possible contradiction between two statements expressed in the LRG Memo, namely the autonomy of member states in valuing their losses costs and the principle of non-discrimination between ITC Parties. He also expresses doubts concerning the feasibility of a VNA, especially if it requires NRA involvement. Several other members furthermore express strong concerns about the inclusion of OPEX and do not see the possibility of agreeing on a VNA. The convener of WG EF clarified that a VNA may also determine that OPEX may not be included in the calculation. MC members nonetheless point out the need to agree on the majority practice and see the risk of scoping a VNA as being inefficient.

It is agreed that a Voluntary Negotiated Agreement would not be beneficial or efficient to investigate at this point. However, the MC agrees to make the ITC questionnaire prepared by WG EF mandatory for all ITC Parties to answer.

12.2.1 The MC welcomes the analysis of the updated LRG Memo.

12.2.2 The MC agrees with WG EF’s recommendation not to re-open the ITC Agreement in order to replace ex-ante estimations with ex-post settlements.

12.2.4 The MC asks that the questionnaire on ITC Losses Costs prepared by EFWG be made mandatory for all ITC Parties to respond to by 13 October 2020.

13. EG CIM [no discussion]

13.1 The MC approves “Transmission System Operator – Cyprus” to become a Local Issuing Office (LIO).

13.2 The MC approves the Anomaly document UML model and schema v1.1 and the Balancing document UML model and schema v2.2 to be published.

13.3 The MC approves the CACM List of information to ACER Implementation Guide v1.1 to be published.

14. AOB

New Membership changes [no discussion]