

# ENTSO-E MC Meeting

Date: Tuesday, 1 February 2022

## Minutes

### Approval of the agenda and Minutes

The MC Chair welcomes the participants, opens the meeting and notes that the quorum has been met (92.31% of the MC members and 97.19% of All TSOs).

The Chairs ask if there are comments concerning the minutes of the previous meeting and approves the agenda.

### 3. WG MIT

The WG MIT convener presents the publication requirements stemming from the Clean Energy Package (CEP) article 50. He summarizes the investigation conducted with several working groups within ENTSO-E and mentions identifying neither total coverage nor full understanding of the requirements in the mentioned groups. The WG MIT convener notes contacting WG CEP, which is a WG guiding CEP Implementation for System Operation Committee (SOC) related topics, resulting with a conclusion of the WG CEP that majority of these requirements are covered by Capacity Calculation Methodologies. However, there is no clarity on how to calculate/measure/assess the available flexibility of a system. Therefore, WG MIT convener proposes consulting European Commission to clarify this requirement.

One MC representative asks about the background of the investigation. The WG MIT convener provides the background mentioning a TSO member raising the question whether these requirements were already covered by existing publications on the Transparency platform (TP) and/or whether TP could facilitate such publications if this is not the case. He also notes concerns on not fulfilling these publications neither locally nor on the TP.

**3.1** The MC acknowledges the lack of clarity on the publication requirements of the available flexibility.

**3.2** The MC approves Secretariat approaching European Commission requesting clarification on publication requirements stemming from the CEP art. 50.

## 4 WG MD & RES

The convenor of the WG Market Design and RES presents a summary of the priority areas of work for 2022, together with a list of key deliverables and indicative timelines. To support the work efficiently the WG will be supported by subgroups on: capacity mechanisms; flexibility; congestion management; sector integration and RES.

He then updates members on the proposed MC work on high electricity prices and market design as requested by the Board. The WG MDRES will take the lead on this topic while liaising with other relevant groups such as MIWG, WG EF and WG AS. To support the market design analysis, as well as the association messaging in the public debate, it is proposed to monitor the effects of high energy prices focussing on the most relevant issues by TSOs, such as balancing prices, congestion income, and impacts on BRPs. Members agree on the importance of this work and support the involvement of all relevant market WGs in providing a general overview of the main effects of high energy prices.

**4.1** The MC welcomes the WG MDRES priority areas of work for 2022.

**4.2** The MC agrees to monitor the effects of high energy prices with focus on the TSO business and mandates the MC Chairs and relevant WG convenors to agree a practical and fit-for-purpose approach, focussing on the most relevant issues for TSOs, and taking into account resource availabilities and constraints.

## 6 ODCG

The ODCG convenor presents the latest update on the ongoing offshore position paper 6 „Assessment of roles and responsibilities for future offshore systems“ which is expected to be sent for Cross-Committee review on 7 February 2022. She presents an overview of the paper’s structure, highlights the five model options, and outlines the key messages resulting from the assessment of these model options based on a „traffic-light“ approach. Main recommendations and open questions are also presented. Finally, she reminds MC members of the planned internal web-event taking place on 10 February 2022, whereby the paper will be presented to interested Committee members so as to facilitate members’ review of the paper and initiate a first exchange of opinions on the key points.

One MC member highlights the importance of taking into consideration the risks and liabilities of the asset owner and system operator across the five models, especially concerning asset unavailability and downwards redispatch. Another MC member furthermore highlights that Special Purpose Vehicles act as a financial tool, with the liability eventually depending on the agreement with the NRA based on an assessment of risks and rewards. He also comments that particular attention needs to be dedicated to compliance with unbundling requirements.

**6.1** The MC asks the ODCG and the Secretariat to launch the review process for the draft position paper 6.

## 7 SGT&DI

The MC representative in StG T&DI presents the latest update on the renewal of the group. He presents the first list of members which was approved by the Board on 27 January 2022. He further explains that a T&D work plan is under development and that each Committee representative was asked to provide inputs for its respective Committee. This plan will be aligned, to the possible extent, with the EU DSO Entity and will cover the period 2022-2023 in order to be reflected in ENTSO-E Annual Work Programme 2023. He also explains that the MC desires to nominate an additional representative in the group, as allowed by its ToR: Erik van der Hoofd (TenneT NL). The MC Chair takes note and agrees to inform the Chair of StG T&DI about this nomination.

The Secretariat presents the latest developments on demand-side flexibility. ACER will soon deliver the conclusion of its scoping analysis to DG ENER as regards to the potential rules and topics to be addressed in a European regulatory framework. The analysis does not explicitly recommend for the development of a new network code or amendments to existing ones. But it acknowledges the need to ensure consistency with the latter. The Secretariat further presents an analysis based on preliminary material shared by ACER. It reveals the following points of attention: potential new rules for the procurement of Frequency Containment Reserves, potential reopening of balancing provisions in Electricity Balancing and System Operation Guidelines, and new rules related to local congestion management and TSO-DSO cooperation, as well as new rules related to aggregation and notably about the validation, measurement and settlement of relevant services (baselining, use of sub-meter data etc.). The StG T&DI is mandated by the Board to coordinate an ENTSO-E position on the final document, when available, with MC and SOC.

**7.1** The MC approves the appointment of TenneT NL MC member alongside Amprion MC member as MC representative in the StG T&DI.

**7.2** The MC invites its members to review ENTSO-E position answering to ACER conclusions of its scoping exercise on Demand-Side Flexibility.

## 8 EB GL

### 8.2.4. RCC's tasks on reserve sizing and facilitation of BC procurement

The RCC Sizing and Procurement Project Team (PT) Convener provides an update on the public consultation and ACER Shadow Opinion, including the request to delay the submission of the proposals until at least late 2022.

The RCC Sizing and Procurement PT Convener asks for MC approval of the postponement of the submission of the Procurement proposal and its alignment with the submission of the proposal pursuant to Article 38(3) of the EB Regulation, and to task the WGAS and PT RCC Sizing and Procurement with developing the new project timeline for the Procurement proposal submission based on the feedback and new submission deadlines received from ACER.

MC Chair concludes that the MC approves the decision as proposed.

**8.2.3.** The MC approves the postponement of the submission of the Procurement proposal and its alignment with the submission of the proposal pursuant to Article 38(3) of the EB Regulation, and tasks the WGAS and PT RCC Sizing and Procurement with developing the new project timeline for the Procurement proposal submission based on the feedback and new submission deadlines received from ACER.

## 9 MIWG

### 9.1 Redispatching and counter trading cost settlements

The MIWG convenor introduces the task. The proposal establishes the management of the settlement process and of the financial flows related to redispatching and countertrading. The methodology is split into two parts, the calculation of costs, delegated to the Regional Coordination Centres (RCCs) and the financial settlement and clearing, delegated to a central settlement entity. The MIWG convenor defends to name the Joint Allocation Office, JAO, as the central settlement entity, given their financial expertise.

The MIWG convenor explains the next steps and the timeline for the upcoming MC written voting procedure. MC Commenting phase: 1-8 February; written voting procedure: 9-16 February; ACER's shadow opinion: 16 February - 16 March; public consultation: 1 March - 1 April. Final submission to ACER expected by the beginning of July.

He clarifies that the methodology will only be relevant to the capacity calculation regions that requested to delegate the tasks to the Regional Coordination Centres (RCCs).

No comments are raised.

## 10 ITC

The Convenor of the WG Economic Framework presents the main results Monitoring Losses Costs analysis which was prepared in support of the 2022 Audit process. He mentions that the audit launch was notified to ITC Parties several days later than usual, and as a result the WG EF proposed to extend the deadline for the confirmation or update of 2022 losses cost values from 15 to 21 January. Furthermore, and likely due to the high energy prices observed in the second half of 2021, several ITC Parties' updated values have significantly increased, with a non-negligible impact on other Parties' expected positions as compared to the November-indication. Finally, the convenor reminds MC members of the planned next steps for the ITC Audit and mentions that LRG opinion has been sought in light of the abovementioned context.

Three MC members highlight that some of the updated losses cost values are indeed unusually high and welcome the initiative to seek LRG feedback on change of the deadline and a late submission even after the changed deadline. One MC members furthermore emphasises that the Audit should not be run based on potentially arguable values. One MC member furthermore highlights that the Audit process should be transparent, and any deviation from the envisaged timeline in the ITC agreement should be carefully explained.

**10.1** The MC acknowledges the analysis on the WG EF analysis on monitoring ITC 2022 losses costs.

## 11 WG RMI

The Convener of the WG RMI presents the objectives, scope and deliverables of the Cross Committee Network Code Monitoring group. The convener informs the MC members about the outcome of the Board meeting held on 27 January in which it was approved the Terms of Reference of this new group and it was requested the provision of an evaluation report of the work and performance of the group one year later.

## 12 PT art 16

PT art 16 convener presents how the PT art 16 proposes to answer to the stakeholders request of harmonisation of the 70% assessment. She highlights the need to keep the NRAs in the discussion and ensure that ENTSO-E and TSOs are in the table.

**12.1** The MC asks the PT art 16 to answer to EFET/EEurelectric/Ifiec request on further harmonisation of the 70% assessments by:

- Expressing TSOs` willingness to participate actively in the follow-up discussions of this matter with ACER.
- Highlighting the need to involve also the NRAs in these discussions, as compliance is a national responsibility.
- Provide clarification on the content based on already approved ENTSO-E and All TSOs positions developed previously by the PT art 16.

## 13 WG EF

### 13.1 TEN-E Revision

The Convener of the WG Economic Framework presents the final provisions of the TEN-E revisions, following the review by the EU Council. He reports that the final provisions are largely in line with ENTSO-E's priorities and views. The TENACT group has thus been closed, as the next steps will be to implement changes, which will be followed-up on by the relevant groups and committees.

**13.1** The MC takes note of the final compromises on the TEN-E revision and asks the WG EF convener to keep MC Members updated on any relevant developments.

### 13.2 Innovation Uptake through regulation

The WG Economic Framework has put together a first draft paper on incentivising innovation uptake, which has been sent for cross-committee review to RDIC and MC members on 26 January. The convener presents an overview of the main messages and recommendations, and in particular highlights the need to dispell certain misconceptions among stakeholders about TSO investments in OPEX-driven solutions. He furthermore mentions that, depending on how easily the drafting team is able to integrate written comments, a Written Voting Procedure is expected to be launched shortly after the close of the review process.

No comments are raised.

**13.2** The MC asks the Secretariat to proceed with the integration of comments and the launch of the approval process for the draft paper on innovation uptake.

## 14 ACER Data Exchange Project

The Secretariat introduces the topic of data provision to ACER in accordance with Articles 8(8), 8(9) and 9(1) of Regulation (EC) 714/2009 as well as 82(4) and (5) of CACM. The Secretariat explains that data delivery to ACER under Annex 1 of the ENTSO-E-ACER agreement for data sharing is divided into an interim phase and an enduring phase. The enduring phase commences when the relevant CACM methodology is fully implemented. The interim phase is currently on-going and includes the provision of a limited number of information, such as Power Transfer Distribution Factor (PTDF). One MC Member has carried out the task for the 2020 dataset. The Secretariat kindly requests that another TSO takes up the task, otherwise an external company might need to be contracted. A MC member states that the topic was also discussed in the SOC taskforce, and it is important to keep this among TSOs due to the confidentiality of data. It is suggested that the Secretariat contacts RCCs to request their assistance with this task.

**14.1** The MC are kindly asked to volunteer for the PTDFs calculation task by the end of February (Also based on doers' costs).

## 15 EG CIM

**15.1** The MC confirms that the proposed Implementing Act on general interoperability requirements and procedures for access to data and the proposed Implementing Act on interoperability requirements and non-discriminatory and transparent procedures for access to metering and consumption data are suitable to be used as input to the European Commission comitology, provided ENTSO-E comments are onboarded.

**15.2** The MC approves the Common Platform for manually activated restoration reserves v1.3 to be published, subject to English proof reading, consistency check and cosmetic changes.

**15.4** The MC approves the Generation Load document UML model and schema v1.1, Implicit auction result document UML model and schema v1.1, Publication document UML model and schema v1.3, Reporting document UML model and schema v1.1, Reporting Status document UML model and schema v1.1, Reserve allocation result document UML model and schema v1.3, Reserve bid document UML model and schema v1.3, Resource capacity market unit document UML model and schema v1.2, Rights document UML model and schema v1.1, Total allocation document UML model and schema v1.1, Transmission network document UML model and schema v1.1, Unavailability document UML model and schema v1.1, Allocation result document UML model and schema v1.2, Balancing document UML model and schema v2.5, Bid document UML model and schema v1.1, Capacity Auction document UML model and schema v1.1, Confirmation

document UML model and schema v1.2, Energy account document UML model and schema v1.1 to be published, subject to English proof reading, consistency check and cosmetic changes.

**15.5** The MC approves the Introduction of different Timeseries possibilities (curve types) with ENTSO-E electronic document v1.4 to be published.

## **16 AOB**

**New Membership changes [no discussion]**