

ENTSO-E MC Meeting

Date: Wednesday, 29 March 2023

MC Decisions

2. Update on internal/external developments

The secretariat presents the updated Terms of Reference (ToR) for the following groups: WG MIT, WG EF, RMI WG, and WG MDRES.

2.4. The MC approves the updated ToR of the following groups: WG MIT, WG EF, RMI WG and WG MDRES ToRs.

The MC Chair informs the MC that two nominations had been received for the WG MIT convenorship. It is foreseen that Amprion candidate would act as convener while the Terna candidate as vice-convenor.

2.5. The MC appoints Amprion as Convener and Terna as Vice-Convener of the WG MIT.

The MC Chair informs the MC that two nominations had been received for the EF WG convenorship. It is foreseen that both candidates would act as co-convenors such that responsibilities can be shared more efficiently, given the increase in the scope of the work of the WG in recent years.

2.6. The MC appoints APG and CEPS nominations as co-conveners of the EF WG.

The MC Chair inform about the change of leadership in the BZ PAN EU Study on Liquidity and Transaction costs.

2.7. The MC and the BZ SC appoints SvK nomination as convener of the BZ PAN EU Study on Liquidity and Transaction Costs.

The MC Chair informs the MC that one nomination has been received for the convenorship of the Project Team Sea-Basin Cross-Border Cost Sharing.

2.8. The MC notes the call for nomination for members for the PT SB-CBCS and nominates Tennet NL candidate as new convenor of the group.

3. WG MD RES

The Secretariat representatives presents the main elements of the European Commission legislative proposals on Market Design published on 14, amending the Electricity Regulation & Directive as well as the ACER Regulation and the REMIT Regulation. The assessment of the proposals, coordinated by the TF EMDR in cooperation with WG MDRES, WG EF, MIWG, WG MIT, and TF DSF is presented, highlighting both positive aspects and elements of concerns. In particular, a number of advocacy priority areas for TSOs have been identified: preservation of short-term markets functioning; regulatory framework for TSOs; CfDs & PPAs design; flexibility needs assessment; consumers' flexibility and protection; cross-zonal Intraday Gate-Closure time; use of congestion income; forward transmission rights (Regional Virtual Hubs); Capacity Mechanisms; REMIT monitoring obligations. With regards to these priority areas, the Secretariat presents ENTSO-E key messages which are being reflected in a paper for publication (*ENTSO-E Position on the EC proposals on Market Design*) and will be further elaborated in a number of amendment proposals to be finalised by mid-April.

Members welcome the assessment, the advocacy priorities and ENTSO-E key messages as proposed by the TF EMDR. Some members highlight the need to take into account different national specificities with regards to the Intraday gate-closure time and to the peak-shaving product. Other members underline the risk of new REMIT provisions transferring monitoring obligations of ACER and NRAs to third parties.

3.1. The MC:

- takes note of the main elements of the EC legislative proposals on Market Design and REMIT.
- supports the advocacy priorities and key messages identified by the TF EMDR and asks to be regularly informed about upcoming developments and ENTSO-E initiatives.

4. ITC

The Secretariat presents the final results of the 2023 ITC Audit, which for the first year takes into account the agreed principles set out in the approved Guidance on the Audit document and the Case(ii) Methodology. The Secretariat presents the final input data (losses costs, vertical load, capacities non-compliant with the Congestion Management guidelines) the final ex-ante spreadsheet, and the final perimeter fee for approval. Two MC Members vote against proposed decisions 4.1.2 and 4.1.3.

4.1.1. The MC approves the report on the 2023 ITC Audit and the identification of case(ii) countries for internal use, subject to consistency changes.

4.1.2. The MC approves the final losses costs values presented by the Secretariat, on the basis of the case(ii) methodology.

4.1.3. The MC approves the Schedule T, Schedule X, Schedule O (Ex-Ante Spreadsheet and perimeter fee).

4.1.4 The MC asks ENTSO-E to publish the perimeter fee value on the dedicated ENTSO-E website.

The Convenor of the WG Economic Framework presents an update on behalf of the PT ITC convenor. He presents an overview of the updated workplan of the PT, which focuses on defining deliverables to be finalised until summer. These deliverables will inter alia address possible gaps or overlaps between the ITC Mechanism with other cost sharing mechanisms, options to increase accuracy of input data, and agreeing on common principles for the valuation of losses. Several MC Members express support on further developing common principles for the valuation of losses, while the option to increase the number of snapshots needs to be more carefully assessed. Two MC Members furthermore suggest that closer coordination with ACER and NRAs could help facilitate a smoother regulatory approval of ITC losses for the purpose of future audits. Finally, MC Members agree to follow up with more in-depth internal discussions once the PT's proposals are more mature.

4.2. The MC takes note of the report from the Project Team ITC.

The Secretariat presents an update to the MC on the ongoing discussions with Ukrenergo and Moldelectrica on their accession to the ITC Mechanism. A tentative timeline is discussed, placing particular emphasis on the need to conduct a legal assessment as well as simulations so as to ensure compliance not only with the underlying regulatory conditions for accession, but also with the necessary conditions to execute the ITC agreement. It is agreed to amend the Observer Membership Agreement and invite representatives from Ukrenergo to join the EF WG.

4.3. The MC asks the Secretariat and the Data Administrators to report at the next MC Meeting on the progress on establishing a Roadmap with Ukrenergo, Moldelectrica, and the Energy Community Secretariat.

5. WG AS – MC Part

5.1. RCCs' task on Facilitation of BC Procurement

The Working Group Ancillary Services (WG AS) Convenor provides an update on the recent developments with regard to the RCC Procurement Proposal and its submission to ACER.

The WG AS Convenor notes that RCCs asked for ENTSO-E guidance on whether the implementation for non-contracted platform bids should be taken care of at the pan-European or SOR/Regional level as Balancing platforms are established on a pan-European level. The PT RCC Procurement would like to propose for the MC decision as to whether the non-contracted platform bids should be allowed to be taken into account at the SORs level and at the later stage – consider cross-SOR implementation. If agreed, it will be left for RCCs to further organise at the regional level, i.e., it will be left up to each SOR to organise.

The WG AS Convenors notes that the ACER public consultation will take place on 30 March – 27 April, followed by the hearing process. He asks MC to mandate WGAS to provide the public consultation and hearing answers on RCC Procurement Proposal to ACER and to ask WGAS members to align with their respective All TSOs members on the preparation of these answers. A TSO suggests to ask SOC directly and in brackets StG ReC. The MC Chair concludes that MC members approve the decisions, with the edit as proposed in the MC meeting.

5.1. The MC asks SOC (StG ReC) to assess and recommend for consideration to the SOC/TSOs of each SOR the stepwise implementation of non-contracted platform bids at SOR level under RCC Procurement proposal:

- Step 1: each RCC to lead the implementation taking into account non-contracted platform bids at regional (SOR) level.
- Step 2: consider a cross-SOR implementation, if future assessment shows added value.

5.2. The MC mandates WG AS to provide the public consultation and hearing answers on RCC Procurement Proposal to ACER and asks WG AS members to align with their respective MC members on the preparation of these answers.

7. WG MI – MC Part [No decision]

7.1. Long-Term assessment and market reform

The MIWG co-convenor presents the work done on the one pager and the principles for drafting the amendments to the Energy Market reform proposal. He explains that the one pager follows the ENTSO-E policy paper and that the proposal for amendments goes beyond it by combining some of the previous approaches. The aim is to develop a solid counterproposal to postpone the implementation of Virtual Hubs, which are highly at the moment.

Market Committee members share their concerns on the implementation of 3 years maturity products, on the cost recovery and on the FTR obligations. They recommend that a proper assessment is done before committing to any introduction that could detriment the TSOs and forward markets. They also suggest consulting market participants in the process.

8. WG RMI

WG RMI Convener informs the MC about the drafting process of the Market and Capacity Calculation and Allocation (CC&A) reports 2023 by giving an update on the statuses the reports are in.

Also she notes that the approved Program Plan foresaw that MC would get both the initial Market Report and the final CC&A Report for approval on 25 April, however in order to adopt to the alignment processes needed for the chapter on “Future CCR Framework Assessment” in the CC&A Report 2023, the WG RMI Convener proposes to the MC to approve a slight shift of the planning to the following dates within the Generation and Approval phase of the Program Plan, namely:

- submission of initial Market Report 2023 and final CC&A Report 2023 to the MC for comments – **2 May**;
- MC comments on both reports – **until 15 May EOB**;
- Approval of initial Market Report 2023 and final CC&A Report 2023 on MC meeting – **24 May**.

WG RMI Convener informs the MC that ACER requested ENTSO-E/TSOs on 9 March to provide this year’s CC&A Report in line with article 31.2 CACM and article 26.2 FCA. Within the respective letter, ACER also

requested to receive all raw data used for the calculation of the PIs, provided in the CC&A Report, which as of now CCR experts are not opposing to provide.

WG RMI Convener informs on the status of creating the draft of the Balancing Sections of the Market Report 2023 for the period of June 2022 to May 2023 and calculating the Balancing PIs.

8.1. The MC approves the following timeline:

- _ Submission of initial Market Report 2023 and final CC&A Report 2023 to the MC for comments – **2 May.**
- _ MC comments on both reports – **until 15 May EOB.**
- _ Approval of initial Market Report 2023 and final CC&A Report 2023 on MC meeting – **24 May.**

9. WG MIT

The WG Convener presents the status update on the Statistical Data Portal topic and thanks the TSO members who have submitted data after the notification during the last meeting. He mentions the mock-ups being ready and linked to the meeting material. The mock-ups had been open for WG MIT comments and feedback. WG MIT convener also explains the next publication action steps.

9.1. The MC acknowledges the mock-ups and the datasets for the Statistical Data Portal short-term solution and approves the proposed publication actions.

The WG Convener informs the MC members on the amendments done to the TP MoPs and highlights the remaining open point that WG MIT is trying to align on. He informs MC that after the WG aligns on the remaining open point, it will be brought for MC's written approval. He also mentions few risks associated with the potential delay of public consultation and explains the foreseen ways of mitigation. The planned process for the next steps and the MoP v3r4 updates process is presented to the MC.

9.2. The MC approves amended TP Manual of Procedures (MoP) subject to format, consistency and proof-reading changes, and asks WG MIT to bring back the pending open point for MC's written approval in April.

The detailed requirements for TP data providers are presented to the MC members. It is mentioned that these requirements were agreed within the WG MIT and were also presented to the non-TSO data providers via the Data Providers' Workshop. The WG MIT convener addresses the comments received on the "Open-Source License" section of the annex document. He mentions that this section is to include non ENTSO-E data providers, as the open-source license matters are already covered with the ENTSO-E members in the frame of the TP Memorandum of Understanding. Therefore, this section does not have any implications for the TP MoU signees. It has been mentioned that this section will be either put in the TP T&C or as a separate annex. One MC member states that having 4 calendar days as a response time for urgent tickets can be a challenging requirement, considering the public holidays and the possibility of coinciding of ticket income and public holidays. It has been explained that the annex clearly addresses this question and mentions that the monitoring of these response time will consider the public holidays, shall the data provider raise it to the Secretariat.

9.3. The MC approves ‘the general requirements for TP data providers’ subject to format, consistency and proof-reading changes and asks the WG MIT to initiate the work on the implementation phase of the monitoring on these requirements.

The WG MIT convenor informs MC members about the changes made to the TP MoU, explains the rationale behind the amendments and mentions that these requirements will be already included in the annual TP Monitoring Report from 2025 edition.

9.4. The MC approves with unanimity the updated annexes of TP Memorandum of Understanding (MoU) subject to format, consistency, and proof-reading changes.

The WG MIT convenor informs the MC on the 2023 TP budget break-down and highlights the deviation from the forecasted budget expenditure for the Q1 2023. He also updates members on the current CAPEX planned budget for the next 5 years.

10. StG T&DI

The Convenor of the Task Force Demand-Side Flexibility (TF DSF) provides an update on the status of the network code demand response. He explains that the official letter from the European Commission (EC), inviting the EU DSO Entity in cooperation with ENTSO-E to submit a proposal for a Network Code on Demand Response in accordance with the relevant framework guidelines to ACER, has been received on 09 March 2023.

The proposal must be submitted within 12 months of receipt of this request, hence by 9 March 2024. The European Commission expects close cooperation between the Associations in accordance with the Memorandum of Understanding between ENTSO-E and the EU DSO Entity. A Drafting Committee shall be convened to support in the process, and it will gather ENTSO-E, the DSO Entity, ACER, the NEMO Committee and the following stakeholders: (1) smartEN, (2) SolarPower Europe, (3) Eurelectric, (4) EASE, (5) BEUC, (5) IFIEC, (6) EFET, (7) WindEurope, and (8) T&D Europe. The letter from EC asks to specify in the proposal which new provisions should be amendments to existing network codes and guidelines and which provisions should be included in a new network code and adds that the possibility to propose guidelines instead of a network code should not be discarded either.

Internal TSO alignment is ensured by the TF DSF which meets on a weekly basis. Following the call for nominations run in February, the TF DSF represents 23 TSOs and about 40+ experts. The TF DSF interacts on a regular basis with other ENTSO-E bodies. The Convenor of the TF DSF reminds the MC members to align with their members in the TF DSF to follow closely the drafting process. Market Committee, System Operation Committee and System Development Committee will be requested to approve the first version of the proposal by end July 2023 to end August 2023. If approved, the public consultation will run between end August 2023 to end October 2023.

10.1. The MC acknowledges the reporting of the convener of the Task Force Demand-Side Flexibility on Network Code Demand Response.

11. WG EF

The Convenor of the EF WG presents an overview of the latest development in the Investors' Dialogue on Energy, an initiative created by the EC in 2022 which notably includes a WG on Transmission and Distribution in which industry experts (Gas and Electricity TSOs and DSOs) and financial institutions discuss issues and policy recommendations related to the financing of the necessary grid investments to meet climate policy objectives.

The Convenor furthermore proposes that, while the EFWG produced two papers on regulatory frameworks since 2021, the issue remains a high priority and should be further coordinated across committees.

11.2. The MC supports the proposal to proactively engage the Investors Dialogue on Energy in the upcoming months and asks the EF WG to report on relevant future developments.

12. ODCG/ PT SB-CBCS

The Convenor of the PT SB-CBCS presents an update of the PT, for which the call for nominations recently ended. He furthermore presents an update on the EC's ongoing Sea-Basin Cost Benefit Assessment (SB-CBA) and Cross-border Cost Sharing (PT-CBCS) for which more exchanges with the EC are planned in the coming weeks. He finally presents a brief overview of the final response to ACER's CBCA consultation, which will be submitted later this week.

12.2. The MC notes the update from the PT SB-CBCS on the draft ENTSO-E response to the ACER Consultation on its updated CBCA recommendations.

13. ACER Data Exchange [No decision]

The Secretariat representative provides a status update on the CACM list of information data provision to ACER. With a framework agreement, ACER and ENTSO-E agreed that the data provision for the CACM list of information is split into two phases, the interim phase and the enduring phase. The interim phase runs from January 2018 until the CACM is fully implemented, at which point the enduring phase starts. During the interim phase CWE is required to provide flow-based data similar to the hourly and monthly reports submitted to NRAs, and data on Additional Aggregated Flows. On 15 December ACER requested data from ENTSO-E for CWE from January until June 2022 and for Core from the go-live date until end of 2022. With CWE governance structure dissolved after Core go-live, ENTSO-E was redirected several times regarding the data provider leading to delays in the data provision. ACER may escalate the issue with a formal letter to ENTSO-E due to the delay in delivering the data. The Secretariat would like to thank Elia who has taken over the task in the meantime and provided a big subset of the data to ACER and informs MC members that the Secretariat may need to refer to the former CWE TSOs to provide data that is still missing. The Secretariat representative takes the opportunity to also thank Amprion for their help with calculating the PTDFs for the 2022 dataset.

The Secretariat representative informs MC of the delay in the data provision by GRIT and SEE. The capacity calculation methodologies in the two regions have become compliant with CACM which means GRIT and SEE TSOs have the obligation to start providing data included in the CACM list of information to ACER via

ENTSO-E. The data provider for the two regions is confirmed. The provider did several tests on the Transparency Platform last year, but to date no data has been delivered.

14. AOB

New Membership changes [no discussion]