

ENTSO-E MC Meeting

Date: Wednesday, 24 May 2023

Minutes

2. Update on internal/external developments [No decision]

The MC Chair opens the meeting and welcomes the newcomers and the participants to Brussels ENTSO-E premises. He states the quorum is met. Agenda and Minutes of the last meeting are approved.

Board/ Assembly:

The Chair explains that the topics of the last Board/Assembly meetings relevant for the MC were the developments concerning the electricity market design and the demand side flexibility.

Budget/ Resources:

The Head of the Market section explains the 2024 budget proposal and the 2025-2028 outlook. The MC members support the idea of including a contingency for the long-term outlook and ask for an overview of the amount spent on transparency platform.

The Annual Work Program manager explains the resources requirements and situation for the upcoming years.

3. WG EF

The co-convenors of the WG Economic Framework present an early update on the 2022 Congestion Revenues Overview report, for which a final version will be presented for MC approval in its subsequent meeting.

The convenors also report to the MC on the expected proceedings of the Copenhagen Infrastructure Forum, scheduled to take place on 12 and 13 June 2023. The Forum is notably expected to include exchanges on topics of public acceptance for infrastructure as well as infrastructure efficiency. The convenors also highlight key messages on the aforementioned topics which WG EF has prepared ahead of the Copenhagen Forum.

3.1. The MC takes note of the EF WG's update on the Copenhagen Forum Preparations.

4. WG MD RES

ENTSO-E Secretariat reports that as a result of MC call for nominations for WG MDRES Convener, two nominations have been submitted: 1) ELIA candidate and 2) RED Eléctrica candidate. After discussions with

MC Chairs, upon agreement from Elia and REE we ask MC to appoint both candidates as co-Conveners for the WG MDRES. The MC approves the proposal. The new co-Conveners take upon their role immediately for period of two years.

4.1. The MC approves Elia and REE candidates as new Co-Conveners for the WG MD RES.

The Secretariat representative updates members on the latest developments of the legislative process concerning the Electricity Market Design Reform. Both the European Parliament and the Council are progressing swiftly and have proposed a number of changes to the initial Commission text. Several of the proposals by the Members of the European Parliament (for instance in the area of forward markets, use of congestion income and grid investments) are in line with the positions promoted by ENTSO-E. On the other hand, the latest text discussed by the Council still contains elements of concerns for the TSO community. ENTSO-E will continue to engage with policy makers and stakeholders on priority areas previously agreed with the MC. Vote in the dedicated European Parliament committee is planned on the 19 July, whereas the Council is expected to agree its “general approach” by 19 June. After the summer break, Trilogues (Institutional dialogue between EC, Council, and European Parliament) will start with the objective to agree a final text by the end of the year.

4.2. The MC acknowledges the update on Electricity Market Design Reform.

5. ITC

The Convenor of the Project Team ITC presents the conclusions of the internal Market Committee workshop held on 16 May 2023, during which the Project Team had presented its ongoing analysis on several areas of improvement concerning the functioning of the ITC Mechanism, including those areas (number of snapshots, moving towards ex-post reconciliation) mentioned in the ACER recommendation published on 14 April 2023.

The Convenor also presents the draft note assessing ACER’s recommendations and highlights recent modifications following the workshop. Several Market Committee Members note that priority should be given in the note to discussing the valuation of losses, while other areas of improvement still require further alignment. It is agreed the note should accordingly be revised to reflect this feedback.

5.1. The MC takes note the conclusions of the internal workshop on the future of ITC.

5.2. The MC takes note on the draft note assessing ACER’s recommendations for sending it to ACER.

The Convenor presents an update on the ongoing deliverables of the Project Team ITC, which are expected to be delivered to the Market Committee for review and approval in the subsequent weeks. Following the feedback received during the internal workshop on 16 May 2023, he also presents short-term options for mitigating the impact of high prices on TSOs participating in the ITC mechanism. As further analysis is still required, these options will be presented for approval at the following Market Committee meeting.

5.3. The MC takes note of the update on the development of the Project Team ITC’s upcoming deliverables and asks the Project Team to finalise the deliverables ahead of the next MC Meeting.

6. PT SB-CBCS

The Convener of Project Team Sea Basin Cost-Benefit Cost-Sharing (TF DSF) presents overall progress of the work by reporting on an ongoing work.

Convener summarises recent exchanges with ACER on CBCA recommendations and ENTSO-E answer to ACER’s public consultation on the same topic. The updated CBCA recommendations will be published this summer. No significant changes are expected.

Based on ENTSO-E answer to ACER’s public consultation on CBCA regarding offshore wind topic, the PT prepared internal key messages, submitted them to the MC session file and presents them during the meeting. One MC Member highlights that negotiated agreements should be negotiated on a Member State level, meaning that any cost-sharing should be agreed ex-ante on a Member State level and not on a TSO level. The comment is noted by the Convener and will be implemented in the key messages and further work of the PT.

Convener further presents overall work timelines and internal workstreams, as well as indicated by the PT topics which require further analysis around governance/ownership and TAG topics.

6.1. The MC takes note of the report from the Project Team Sea-basin Cross-border Cost sharing.

7. WG AS – MC Part [No decision]

7.1. RCCs’ task on Facilitation of BC Procurement [for information]

The Working Group Ancillary Services (WG AS) Convener provides an update on the recent developments with regard to the RCC Procurement Proposal and interactions with ACER, including the recent ACER public consultation and the upcoming hearing phase.

8. SGT&DI

Network Code Demand Response (NC DR)

The convener of Task Force Demand-Side Flexibility (TF DSF) presents the overall progress for the NC Demand Response (NC DR) by reporting on the recent key external meetings and informing about the upcoming ones. He also provides a status update on the drafting of each chapter of the NC DR.

The TF DSF convener highlights the tentative plan for the review of the NC DR by ENTSO-E and flags key milestones to the MC members:

- NC DR v1 will be submitted for MC’s review in the end of June.
- Dedicated internal workshop on the NC DR will be held in the middle of the review phase (early July).

- Clean version of the NC DR will be submitted for MC's written voting by the end of July.
- After MC's approval, NC DR will be publicly consulted starting from mid-August.

MC members are kindly asked to note these milestones, drafting and approval processes for the NC DR.

Additionally, the TF DSF convener updates the MC on the matters of committee's interest such as:

- „system operator“ terminology, providing background and mentioning the ongoing work for aligning on the topic.
- Expectation of NC DR drafting team to receive a recommendation from the MC on the minimum bid granularity topic (handled by WG AS).
- The work on harmonised prequalification for standard balancing products.

8.1. The MC acknowledges the update on the NC Demand Response given by the convener of the Task Force Demand-Side Flexibility on Network Code Demand Response.

8.2. The MC approves the drafting process of the NC Demand Response.

9. Please refer to the separate ALL TSOs Session File

10. WG MI – MC Part [No decision]

11. WG MIT

WG MIT Convener presents the TP Vision 2030 to MC members and explains the TP vision statement, strategy, and roadmaps. WG MIT Convener also shares the resource implications necessary to achieve Vision 2030. He indicates the amount that was earmarked for TP Vision 2030 in the 2024 budget estimation submitted to the Resource Committee, and after the completion of the TP Vision, the required budget proved to be in line with the initial estimate. The WG MIT convener also stresses the importance of TSO experts and ENTSO-E secretariat support to advance the TP Vision 2030 roadmaps and strategy.

Market Committee Chair highlights the fact that MC members shall communicate to respective Assembly members to make sure the budget for TP Vision 2030 is approved by the Assembly. One of the MC members requests to update the decision statement to include MC's acknowledgement of the resource implications and this proposal was approved by MC. Another MC member requested a breakdown of the budget. Based on the request, the WG MIT convener explains the budget breakdown.

The Market Committee Chair suggests implementing the TP mobile App sooner and not waiting until 2026.

11.1. The MC approves the TP Strategy & Vision document subject to the format and consistency changes and acknowledges the required resources.

WG MIT Convener presented the need for the re-establishment of the REMIT Expert Group and asks for MC feedback. MC endorses the decision for the re-establishment of the REMIT Expert Group. One MC member mentions that it is better to use the “REMIT Expert group” instead of the “REMIT Sub-group”. The MC approves the suggestion and asks the WG MIT convener to name the group as “REMIT Expert Group”.

The Secretariat staff stressed the need for more TSO member support in the REMIT Expert group to avoid overburdening the Convener of WG MIT.

11.2. The MC takes notes of the re-establishment of the REMIT Expert Group.

12. WG RMI

WG RMI Convener presents the drafting and review process of the Market Report 2023 and the CC&A Report 2023 as well as an overview of the content of both reports.

She briefly informs MC members on the received feedback as a result of the MC review process of both reports including one advocacy chapter added. After a short discussion on the added chapter on the Energy Community and on the performance, indicators provided in the CC&A report, the MC agrees to incorporate all comments as presented by WG RMI.

WG RMI Convener also informs about the next steps regarding the Balancing part of the Market Report. She informs that EB Monitoring PT is researching possibilities of automation for future reports. Also, she informs about the need to reinforce the EB Monitoring PT due to the lack of active contributing members.

WG RMI Convener informs that the formal approval process of the reports will be executed using the written voting procedure. After the MC, RMI WG will send the Market Report 2023 and the CC&A Report 2023 for MC approval in a written form.

WG RMI Convener informs that the reports will be published and submitted to ACER on 30 June after the external proofreading and layout process, as well as subject to the updates related to EMDR to be fully up to date at the time of the publication of the report. On 3 July the key findings and messages of both reports will be presented in a public webinar.

12.1. The MC approves the approach agreed at the MC meeting for incorporating the comments provided during the MC review into the final Market and Capacity Calculation and Allocation reports. The MC asks the RMI WG to finalize the reports and initiate an MC written approval afterwards.

13. ACER Data Exchange Project

The Secretariat representative informs MC members of the discussions that have taken place between ENTSO-E, TSOs and ACER on the FCA list of information and provides a high level overview of the data items categorisation included in the FCA list.

13.1.1. The MC approves the data items included in the FCA list of information.

With the MC approval of the FCA list of information, the Secretariat representative presents the FCA list of information project initiation document. The objective of the project is to detail the requirements for the data items included in the FCA list of information which will have to be submitted to ACER in accordance with Article 63 of FCA. Outcome of this will be a detailed data description document which will specify the definitions and relevant parameters for the submission of data included in the FCA list of information, for the purpose of supporting ENTSO-E and TSOs in fulfilling their legal obligations to submit data to ACER. In addition, the format of the data and the exchange standards will be defined, the development of the IT solution in the form of a data archive will be monitored and tested, and an operational process to oversee the population of the tool with data will be proposed. The Secretariat representative also presents the proposed governance for the project and the indicative timeline.

13.1.2.1. The MC approves the Project Initiation Document for setting up a project team to work on the definition of data items included in the FCA list of information for provision to ACER and the preparation of the Detailed Data Description document.

13.1.2.2. The MC asks the Secretariat to launch a call in WG MIT and MIWG for nomination of members for the FCA list of information project team.

14. AOB

New Membership changes [no discussion]