

ENTSO-E MC Meeting

Date: Monday, 4 September 2023

MC Minutes

Internal/ External Developments:

The MC Chair opens the meeting and welcomes the newcomers and the participants. He states the quorum is met. Agenda and Minutes of the last meeting are approved.

The Chair explains that one candidate expressed interest in the vice-Chair position and explains the process. The candidate introduces himself and confirms his willingness to take on the role.

Open Positions: WG MIT and WG RMI Convener Roles

The MC Chair informs about the call of nominations for the WG RMI Convener and WG MIT Convener.

The MC asks the ENTSO-E Secretariat to launch a call of nominations for WG MIT and WG RMI Convener Roles.

WG RMI. Market and CC&A reports 2023 recap

WG RMI Convener informs that the Market Report 2023 and CC&A Report 2023 were published on ENTSO-E website and sent to ACER on 30 June.

Also, she informs that the webinar on Market Report 2023 and CC&A Report 2023 was held on 03 July.

All the relevant links are provided on the slide presented.

1. Demand Side Respond Network Code

The substitute Convener of the Task Force Demand-Side Flexibility (TF DSF) presents the latest development on the Network Code Demand Response (NC DR) to the MC. He reminds the MC about the objective of the NC, scope and the structure in place. While presenting the status, he mentions:

- Roughly 1100 comments received from ENTSO-E and 400 comments received from EU DSO Entity after cross-Committee and cross-associations reviews.
- More than 700 comments received from the drafting committee (external stakeholder group) on top the numerous comments received from ACER after preview of the drafting committee on the draft.

It is mentioned that the best effort was made and will be made to accommodate these comments in the NC DR. A MC member questions if the comments were sent to ENTSO-E only to which the convener clarifies that the

feedback received from the agency is for both associations. Explaining the timeline and upcoming milestones, the convenor highlights that delaying the consultation makes it very unlikely to submit the NC on time to the agency on 8 March 2024.

It has also been mentioned that throughout August, the development team met with the drafting committee on specific focus areas of each subgroup of the development team. The critical feedback from ACER and other stakeholders were presented in detail.

With the help of the subgroup experts, the substitute convenor of TF DSF explains the status on the harmonization of prequalification process for standard balancing products. It is mentioned that the agency clearly indicated the need to follow the guideline on the harmonization and to include it in the NC DR. The proposal developed with an ad-hoc ENTSO-E taskforce consisting of SOC steering group operational framework, LRG and TF DSF members is presented to the MC. The MC vice-chair questions whether it is possible to avoid inclusion of this topic in the NC. The convenor responds this being challenging considering the interest on the matter from several external stakeholders. Several MC members support the inclusion of the proposal in the NC DR and mention to check the possibility of pointing out the risks/ disadvantages (e.g., liquidity) of harmonization while other members suggest including this topic in an amendment proposal for EB GL (or SOGL).

The topics on national terms and conditions and role of local market operators, where ENTSO-E and EU DSO Entity have diverging views, are presented to the MC. It has been mentioned that the compromise is still tried being reached prior the public consultation. A MC member supports the idea of leaving the room to NRAs in guiding the update of the national terms and conditions for the existing markets and proposes to have the same approach in the local market operator topic.

Finally, the convenor presents the upcoming milestones on the NC DR. He mentions the ongoing work on the draft and the submission of the NC DR version for public consultation on 19 September for MC approval.

A MC member questions whether associations will comment during the public consultation to which the convenor responds having a gentlemen's agreement among the associations to abstain from commenting on the NC during the public consultation.

1.1 NC DR - Decision Proposal

The MC acknowledges the inclusion of the proposal on Harmonization of the prequalification process for standard balancing products in the draft NC Demand Response sent for Public Consultation.

The MC invites the Development Team NC DR to submit the revised draft NC DR taking into account MC and DC feedback for approval.

2. ITC

2.1. Response to the ACER Annual Data Request: ITC 2022 – Decision Proposal

The Secretariat presented to the MC the main highlights of the draft answer to the annual ACER ITC Data Request, highlighting several key points from the ITC Audit 2022. The Secretariat also presented the draft Transit Report 2022 intended for publication.

MC Members highlighted the importance of positive communication towards ACER.

2.1.1. The MC acknowledges the draft answer to the Annual ACER Data Request concerning ITC 2022 for submission to ACER, subject to LRG check.

2.1.2. The MC approves the Publication of the ENTSO-E Transit Losses Report 2022.

2.2. Update on PT ITC Deliverables – Decision Proposal

The Secretariat and the Economic Framework Co-Convenor for CEPS presented an overview of the Draft Deliverable 3.3 of the Project Team on the Future of ITC. The final draft will be presented for a two-week long MC Review, followed by a written approval to take place after the 100th MC Meeting. This version will be used as a basis for further exchanges with ACER and NRAs with the aim to agree on a roadmap for implementing further improvements to the ITC Mechanism, including the possible introduction of a common methodology for valuation of ITC losses.

2.2. The MC takes note of the progress on the Deliverables 3.3 and asks the Secretariat to launch the review phase.

2.3. Preparations for the 7th September 2023 High Level Grid Event – Decision Proposal

The Economic Framework Co-Convenor for APG presented a high level overview of the draft Financeability Paper Update, a short (6 pages) document following up on previous publications such as the 2021 Financeability Paper and the 2022 Innovation Uptake through Regulation.

The paper was drafted in close coordination with the preparations for the EU Grid Forum taking place on 7 September 2023, for which draft messages have been used as input to the speaking notes for ENTSO-E representatives. The Working Group actively supported preparations for two out of the four sessions, namely session I (Financing investments) and session II (Regulatory Frameworks).

The final draft will be presented at the 100th MC Meeting for approval.

2.3. The MC takes note of the preparations on the High Level Grid Event and approves the proposed speaking points to be used in Session 2.

6. AOB [No decision]

New Membership changes [no discussion]