

ENTSO-E MC Meeting

Date: Tuesday, 23 January 2024

MC Minutes

2. Update on internal/external developments

The MC Chair welcomes the participants, opens the meeting and declares the quorum is met (97.37% of MC Members are present or represented). He asks if the MC members have comments regarding the agenda, or the minutes of the last meeting. No comments are raised.

2.3. Technical Report [for decision]

The Chair highlights the upcoming work to deliver the Bidding Zones Technical Report by the end of the year and encourages TSOs to nominate members and a Convenors for this work.

2.3.1. The MC approves the technical report TF PID.

2.3.2. The MC asks each TSO to submit a nomination for Technical Report TF, as convenor, member or SPOC of the new TF by 31 January 2024, acknowledging that All EU TSOs shall provide a member to the TF or at least a SPOC for this work. The MC Vice-Chair is the Sponsor of the group.

2.4. WG AS Convener Position [for approval]

The MC Chair updates on the WG AS Convener and WG AS Vice Convener roles. The WG AS Convener is nominated as proposed and the MC members are asked to coordinate internally for possible nominations for the role of Vice Convener.

2.4.1. The MC approves the nomination of WG AS Convener for the 2-year term of 1 March 2024 – 1 March 2026.

2.4.2. The MC asks TSOs to submit nominations for the WG AS Vice Convener role by 15 February EOD.

3. WG MI – MC Part

3.3. Long-Term Assessment [for decision]

No discussion.

3.3. The MC approves to provide more time to MIWG to draft the Advocacy note on TSOs’ target model regarding forward Markets and sets it by Q2 2024, subject to the development of the discussions with EC and ACER.

The MIWG co-convenor provides an overview of the response drafted by MIWG on the conditions under which, from the market point of view, MGESO can be active in the pan EU ID market. Several TSOs highlight the need for a coordinated voice from EU TSOs and propose to add a reference to the impact on balancing capacities. MIWG shall check all the text of the report once more. ENTSO-E’s legal advisor informs about the ongoing legal assessment on the topic.

3.4. The MC approves the conditions under which, from the market point of view, MGESO can be active in the pan EU ID market (i.e., coordinated congestion management).

The MIWG co-convenor presents the Market Integration Work Program for 2024 and 2025. He clarifies that the work program will be shared with ACER, NRAs and EC in the framework of the CACM and FCA coordination group. The decision is approved.

3.5. The MC approves the MI work program for 2024 and 2025 and agree to share it with ACER, NRAs and EC.

4. TF DSF

The TF DSF convenor presents an update on the NC DR developments. He presents the actions taken regarding the stakeholder management and informs about the improvements in the stakeholder’s satisfaction.

The new timeline is presented considering the new deadline for submitting NC DR (8 May 2024). MC members are informed about the cross-Committee review that will be held in March (4 to 17 March). The drafting committee (external stakeholder group) and DSO Entity review of NC DR will be conducted at the same period.

Moreover, the TF DSF convenor presents the NC DR review and approval process as well as steps foreseen till 8 May for MC approval. He informs the MC that this process is synchronized with the DSO Entity.

Finally, the ongoing discussions on the remaining open points within the Development Team are reported by explaining current diverging views with DSO Entity.

4.1. The MC acknowledges the proposed review and approval process for NC DR.

5. WG AS – MC Part

5.1. RCC Procurement Proposal [for Decision]

The WG AS Convener provides an update on the recent developments with regards to RCC Procurement Proposal, and proposes two decisions for MC consideration.

A TSO asks why a term “Task Team” is used as opposed to a Taskforce. ENTSO-E Secretariat representative notes that this Task Team will be under the SOC structure, and states that there are SOC naming structures that are different from the MC ones. This specific naming convention is very specific to the Strategic Group Regional Coordination (StG ReC) and RCC services. The concept of Taskforces is considered to be temporary and as the RCC tasks are not temporary then this wording was not used.

The MC Chair concludes that the decisions are approved as proposed.

5.1.1. The MC approves:

- 1) Closing the PT RCC Procurement in its current form; and
- 2) Asking ENTSO-E Secretariat to invite the members of the current PT RCC Procurement to the new Task Team (TT) RCC Sizing & Procurement that will be organized under the Strategic Group Regional Coordination (StG ReC) under SOC for the development of the parameters for the Annex of the RCC Procurement Proposal based on SOR assessment.

5.1.2. The MC acknowledges that parameters (reliability levels) for the Annex of the RCC Procurement Proposal (to be submitted by WG AS in 2025 for the MC’s review) will be provided based on the System Operation Region (SOR) assessment.

5.2. Ancillary Services Survey & Cross-border Initiatives Survey [for Decision]

The WG AS Vice Convener provides an update on the recent developments with regards to the Ancillary Services Survey and Cross-border initiatives survey, and proposes one decision for MC consideration.

The MC Chair concludes that the decision is approved as proposed.

5.2.1. The MC approves conducting the Ancillary Services Survey and Cross-border Initiative Survey every two years instead of annually, with the next surveys to be organised in 2025.

6. Please refer to the separate ALL TSOs Decisions

7. WG MIT

WG MIT Conveners introduce themselves to the Market Committee.

MoP v3r4 Final Approval [for decision]

The Convener shortly mentions that the updated Manual of Procedures v3r4 has been submitted to the MC for final approval, following which it would be shared with ACER. He explains all necessary information has been included in the Session file for the members' reference and review.

7.1. The MC approves the updated Manual of the Procedures v3r4 and asks the Secretariate to submit it to ACER.

TP Redesign Project Mitigation [for information]

Afterwards, the WG MIT Convener informs about the recent discussions at TP Steering Group regarding TP Redesign project in view of the timeline changes communicated by the supplier last year. He explains that due to on-going assessment and preparation of an action plan until this date, this topic will be presented only for the members' information, and not for a decision.

TP Vision Project Manager starts presenting latest developments since the last MC meeting. She reminds that the supplier had requested extension of the project timeline from January 2025 to June 2025 due to reasons presented, and TP Steering Group was tasked with evaluating the impact, assess different options and develop a mitigation plan.

MC Members ask if the supplier has improved on their proposal and delivery of their obligations and questions their capacity to deliver the project. TP Redesign Project Manager answers that along with the supplier absorbing some of the associated costs and ENTSO-E granting them contingency to deliver the project in good quality, ENTSO-E still reserves the right and will use the right to apply penalties for all missed milestones retroactively, in case the supplier fails to meet its contractual obligations within the new timeline (June 2025). The Chair expresses belief that this option is a good compromise to deliver the new Transparency Platform up and running in June 2025.

TP Vision project manager adds that following the recommendaiton of TP Steering Group (22 January.2024), the option will be confirmed with the supplier and afterwards it will be presented to ICTC and MC for their approval. The MC will be informed about all developments.

8. WG MD RES

The WG MDRES convenor presents the Position Paper on Sustainable CfDs Design which is now ready for MC approval. He summarises the scope and objective of the paper as well as its main messages and recomedations. He recalls the various process milestones that led to this final version, with a focus on the comments recieved by MC members during the dedicated internal webinar and written commenting phase. After explaining how MC comments have been incorporated in the paper, he outlines the next steps planned after publication.

MC members welcome the paper. The Transelectrica member decides to vote against the approval of the position paper.

8.1. The MC approves the Position Paper on Sustainable CfDs Design for publication.

The Secertariat representative informs members of the recent provisional agreement on the reform of Electricity Market Design. ENTSO-E reacted with a public statement welcoming the agreement and highlighting several

important improvements such as the new frameworks for Contracts for Differences and for Capacity Mechanisms. The secretariat representative also presents a preliminary assessment of the compromise text, focussing on the topics most relevant for ENTSO-E. Lastly, he outlines the proposed new role of the Task Force Electricity Market Design Reform (TF EMDR) for 2024. Members generally welcome the proposal while stressing the need to avoid overlaps or unnecessary duplications with existing entities working on market design topics.

9. WG EF

The co-convenor of the Working Group Economic Framework presents an overview of the European Commission's Grid Action Plan and highlights the actions specifically pertaining to the Working Group's scope of work. He furthermore outlines the deliverables that the Working Group as well as the Project Team ITC and the Project Team on Cost sharing (CBCS) will focus on in 2024. He particularly highlights the planned delivery of several reports and papers expected in the first half of the year such that they may feed discussions at the next Copenhagen Forum.

9.1. The MC takes note of the internal assessment on the Grid Action Plan and approves the WG EF Workplan for 2024.

The co-convenor of the Working Group Economic Framework present the anonymised results of CEER's 2021 TSO Cost Benchmarking study. She highlights the relevance of the issue for the whole TSO community, as it does not only affect those TSOs who were asked by their Regulators to take part. She also points out that several TSOs have launched a Shadow Benchmark study, for which timely provision of data from all involved TSO is kindly requested. MC Members agree on the issue's significance and the possible risks it could pose to the parallel discussions on the need to finance and invest in unprecedented transmission capacities.

9.2. The MC takes note of the ongoing Shadow Benchmark and asks the concerned TSOs to support the data collection.

The co-convenor of the Working Group Economic Framework also informs MC Members of the ongoing data collection for the TSO Industry Report 2022, for which results will notably be used as input to further work under the EG Grid Infrastructure. MC members are kindly asked to liaise internally to ensure timely provision of data.

9.3. The MC takes note of the launch of the data collection for the TSO Industry Report 2022 and asks all TSOs to provide the requested data on time.

10. ITC

The co-convenor of the Working Group Economic Framework presents the results of the preliminary ITC Data Collection 2024, for MC Approval. The preliminary data collection comprises preliminary values for cost of losses 2024, vertical load in 2022, and capacities non-compliant with the 2009 Congestion Management

guidelines. He also presents the preliminary Ex-ante Spreadsheet (Schedule O) as well as the preliminary perimeter fee.

He also presents the analysis prepared by the Secretariat in coordination with the Working Group Economic Framework and the Project Team ITC of the confirmed and updated data received in early January, which has yet to be go through the remaining phases of the Audit. He notably highlights the sensitivity of 2024 results to the yearly flows assumed for the computations. This is notably due to the exceptional circumstances in 2022 and in large part to the changes in France's generation mix that year.

10.1.1. The MC approves the preliminary Schedules O, T and X and the preliminary perimeter fee.

10.1.2. The MC takes note of the ongoing ITC 2024 Audit.

11. PT SB-CBCS [No decision]

The convener of the Project Team Sea-Basin Cross-Border Cost Sharing presents a high-level assessment that the Project Team performed on the European Commission's Study on the allocation of costs and benefits for offshore infrastructure in EU sea basins.

The study provides recommendations for sea-basin cost-benefit (SB-CBA) and cost sharing (SB-CBCS) options, as well as recommendations for coordination of cross-border cost allocation (CBCA) for offshore electricity transmission and generation investments. The study will serve as basis for the Guidance on offshore cost-sharing that the European Commission will publish in June 2024.

According to the Project Team's assessment, the study section on SB-CBA can largely be used for the Commission's Guidance. Critical aspects that require attention and further thinking include counterfactual options, countries included in the calculations, sensitivities, costs to be shared and sharing keys. Modelling aspects in the study need further clarifications. The Project Team will have informal exchanges with the Commission to clarify on these modelling aspects.

The convener also informs the MC about the workplan and the upcoming activities of the Project Team. The workplan consists of four workstreams: advocacy on offshore cost sharing, translating the European Commission's Guidance into methodology, follow-up actions on the internal note on alternatives to mandatory CBCA that was approved at the previous MC meeting and stakeholder engagement related to anticipatory investments and the Grid Action Plan.

12. WG RMI

The WG RMI convener presents the topics. He explains the high-level changes made in the Terms of Reference of the working group following the MC guidance from the last meeting. He explains in detail the Market Report project timeline and their milestones. In addition, he shows the table of content of the Market Report for the MC approval, he mentions that Chapter 2 is still a result of the first brainstorm sessions and will be fine-tuned as we get closer to the publication depending how the different topics mature. MC members express their wishes to consider the EB GL amendment topic for Chapter 2.

12.1. The MC approves:

1. The table of content of the Market Report 2024.
2. The topics addressed in the Chapter 2 Current and future developments, while it acknowledges that the content of this chapter might be adjusted due to developments in the first months of 2024 (ex. Considering adding also EB GL topics).
3. The timeline for the preparation of the Market Report 2024.

12.2. The MC approves the updated Terms of Reference of the WG RMI.

13. ACER Data Exchange Project [No decision]

14. AOB

New Membership changes [no discussion]