

# ENTSO-E MC Meeting

Date: Thursday, 21 March 2024

## MC Minutes

### 2. Update on internal/external developments

The MC Chair welcomes the participants, opens the meeting and declares the quorum is met (100 % 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.

#### 2.2 ENTSO-E Secretariat Reorganization

ENTSO-E Secretary General presents the new structure of secretariat, including the changes regarding the support to the Market Committee. She introduces the new Head of section of Markets and Operations, the new deputy Head of Section for Market and thanks the previous Head of section Market for his work for the last 10 years, while congratulating him for his new role.

#### 2.3. MC Strategic Workshop

The MC Chair welcomes the good discussions held on the MC strategic workshop the day before and confirms the outcome of the prioritisation exercise.

2.3.1. The MC approves the outcome of the strategic workshop and the MC Strategic Plan.

#### 2.4. UK Cooperation – MRLVC Work

2.4. The MC approves the publication of the non-confidential version of the Responses from the TSO group to the technical questions on Multi-Region Loose Volume Coupling (MRLVC) on ENTSO-E website once the consent from UK TSOs has been received.

#### 2.5. ACER Workshop on the definition of Structural Congestions and the Technical Report

The Chair reminds the legal framework related to the Technical Report, including the respective responsibilities of ACER and ENTSO-E. The work on the new definitions on structural congestions initiated by ACER may continue and ENTSO-E shall participate to it. An ENTSO-E group has been created to work on these definitions and related work and all TSOs are invited to join it.

**2.5.** The MC agrees to start the discussion with ACER on the definition of structural congestions and follow up on the Technical Report in accordance with relevant legislation and official decisions / requests.

### **3. TF DSF [no decisions]**

The Convener of the Task Force Demand-Side Flexibility (TF DSF) informs the MC members about the main challenges in the NC DR drafting and lists the remaining work until the submission of NC DR on 8 May 2024. He reports on the comments received from cross-Committee review (March 4 to 17) mentioning the most crucial comments received from ENTSO-E members, Drafting Committee members, and open points to be discussed within the TSO-DSO Development Team. One MC member deems a Gantt chart with all the implementation stemming from NC DR useful for MC members. The TF DSF convener states this will be presented to MC members latest in the next MC meeting.

Moreover, the TF DSF convener presents the approval process steps and dates for the MC review in April and informs about the final written voting process foreseen to start at the end of April.

The links between NC DR and existing NCs and guidelines (SOGL, EBGL, DC NC) are explained and the status on the work to formulate the amendment proposals to existing NCs/GLs is reported. This work consists of minimal amendments to existing NCs/GLs to ensure consistency with NC DR and “housing” of prequalification related provisions from NC DR into the existing regulations. It was also mentioned that the amendment proposals to existing NCs/GLs will be submitted together with NC DR on 8 May 2024.

### **4. WG RMI [no decisions]**

The WG RMI Convener provides a status update on the 'advocacy chapter' of the Market Report 2024 and the topics to be included in the chapter. The Convener also informs MC members about the development of short videos to promote the Market Report and TSOs achievements. Additionally, the timeline of the Market Report 2024 is presented, highlighting the dates for the MC review of the report and the dates for the MC approval via written voting procedure.

### **5. PT SB-CBCS**

The Convener of the Project Team Sea-Basin Cross-Border Cost Sharing (PT-SB CBCS) informs the members about the developments on offshore cost-sharing discussions since the last Market Committee meeting on 23 January, including the received guidance from the Assembly and the Board.

The European Commission sent to all TSOs, NRAs and EU Member States the Questionnaire “Collaborative investment frameworks for offshore energy projects”, as part of an informal targeted consultation on offshore cost sharing. In this context, the Commission also organized a workshop on 18 March. The PT-SB CBCS Convener presents the main points of the interventions made by the stakeholders that participated in the Commission’s workshop.

The Convener presents the key conclusions that Assembly reached on the topic of offshore cost-sharing during the last Assembly meeting on 7 March. The Assembly asked the Market Committee to develop a Position Paper on offshore cost sharing and an ENTSO-E response to the Commission’s questionnaire “Collaborative investment frameworks for offshore energy projects”. The Convener also presents the Board decisions on the topic, which acknowledged the Assembly guidance.

The Convener explains the PT SB CBCS proposed approach for the reply to the questionnaire in line with Assembly's and Board's guidance and the feedback received during the Market Committee webinar on offshore cost sharing that took place on 13 March.

The Convener presents the main points of the drafted answers and asks for the members' feedback. Regarding the aim of Sea-Basin Cost Benefit Analysis (SB-CBA) and Sea-Basin Cross-Border Cost Sharing (SB-CBCS), members suggest highlighting the severity of cost-sharing and the need of discussions among policymakers, as well as reminding that many energy policy choices are made at Member State level. A member suggests highlighting the fact that topic leads to complex governance issues that need to be addressed. Members agree that it should be clearly stated that ENTSO-E is willing to assist to cost-sharing discussions with its technical expertise.

Members agree to have a webinar on 3 April, after the MC commenting phase, to discuss open issues and controversial questions. The written approval will follow between 3-8 April. The response will be sent to the Commission on 8 April.

**5.1.** The MC welcomes the work of the PT on drafting a response to the EC Questionnaire “Collaborative investment frameworks for offshore energy projects” and recommends the submission of an ENTSO-E response to the proposed list of questions, with the support of the Board and in collaboration with the System Development Committee, in line with Assembly's and Board's guidance, and subject to MC written approval between 3 and 8 of April.

The Convener presents the current plans for developing a Position Paper on offshore cost sharing and the key principles that will be followed in line with Assembly's and Board's guidance. The timeline for the Position Paper still needs to be defined, but key messages need to be ready for the Copenhagen Forum on 27 June, subject to prior Assembly and Board approval.

**5.2.** The MC approves the launch of the drafting process for a Position Paper on the Offshore Cost Sharing for Assembly approval.

## **6. WG AS – (MC Part) [no decisions]**

## **7. Please refer to the separate ALL TSOs Decisions**

## **8. WG MI – (MC Part)**

### **8.3. NGESO'S impact on the EU system [for information]**

The MIWG co-convenor presents the latest development on the topic and the work done in collaboration with the System Operation Committee. For the next steps a meeting will be organised with NGESO to further enhance the coordination.

### **8.4. Long-Term Market Assessment [for decision]**

The MIWG convenor provides an update on the task.

A couple of TSOs propose slight changes to the slide with the possible market models for further analysis.

**8.4.** The MC approves the presented possible forward market models for further analysis, and discussions with external stakeholders.

## 9. ITC

The WG EF co-convenor presents the report on the 2024 audit and provides the explanation for the changes in vertical loads and losses costs. The MC acknowledges the report on the audit and approves it along the schedules P, T, X, and O.

**9.1.1** The MC approves the report on the 2024 ITC audit.

**9.1.2.** The MC approves the final schedules P, T and X.

**9.1.3.** The MC approves the final ex-ante spreadsheet (Schedule O), incl. the final perimeter fee of 2,80 €/MWh.

The convenor of the PT ITC presents the preliminary findings of the analysis regarding increasing the number of snapshots. During the presentation MC members ask clarifying questions in order to interpret the results presented.

## 10. WG MD RES

The WG MDRES convenor informs members of the proposal of WG MDRES to work on flexibility from Renewables. European electricity markets are experiencing an increasing number of cases with very negative market prices and high-RES production levels. This has prompted experts to exchange on some use cases of the types of issues this creates for system operations, how this could worsen under higher RES penetration and inefficient support schemes design, and what could be potential market design solutions. Unlocking flexibility potential from renewable energy sources with appropriate policies and market mechanisms would significantly benefit the system. The WG MDRES will develop a scoping proposal for working on this topic.

**10.1.** The MC supports the WG MDRES ongoing work on RES Flexibility and asks the WG to submit a Project Initiation Document for written approval in the coming weeks further clarifying the scope, objectives, resources and timelines of such work.

## 11. WG EF

The co-convenor for WG EF presents the key findings of the Regulatory Factsheets 2023 report,

**11.1.** The MC approves the final Regulatory Factsheets Report 2023 report as well as the selected slides for external use.

The co-convenor presents the status of developing the TSO industry report 2022 and the MC takes note of the progress.

The co-convenor then presents a proposition by the working group to evaluate options in relation to the g-charge. The MC notes the importance of considering different options and the working group will start working on propositions for coming MC meetings.

### **11.3. The MC takes note of the proposition on g-charge.**

Finally, the co-convenor presents progress with regards to upcoming papers on financeability and anticipatory investments, which the MC acknowledges.

## **12. WG MIT [no decisions]**

WG MIT Convener gives a short status update on TP Redesign project following the TP Steering meeting held the same week, and current developments with the supplier in view of the new timeline approved by the Market Committee. He shares insights regarding potential issues with the supplier's project management that might cast doubts on their capacity to deliver the project in time and highlights the ongoing efforts to prevent such scenarios.

An MC member iterates readiness for support in case of challenges with timeline by the supplier. The Convener thanks the MC member and informs that regular updates on the project will be presented to the Market Committee on time.

## **13. ACER Data Exchange Project [no decisions]**

## **14. AOB**

**New Membership changes [no discussion]**