

# Update NEMO Governance

MESC Meeting - 2<sup>nd</sup> February, 2016



# Overview of Responsibilities under CACM

## All NEMOs (NEMO Committee)

- Approve MCO Function Assets (e.g., rules, procedures, specifications) compliant with the Joint Assets and joint change control procedure
- Approve plan, budget and any variations
- Publish NEMO reports (implementation, costs, performance, etc.)
- Promote role/position of NEMOs; represent NEMOs externally; external communications with stakeholders

## MCO DA, ID Function

- Develop, maintain and operate the MCO Function (system, processes) compliant with the rules, procedures, specifications approved by All NEMOs
- Support change control: impact assessment, implementation
- Prepare agreed reports to All NEMOs (e.g., costs, performance)
- Own/protect/commercialise associated assets
- Manage service providers

**Service Providers** (nSide, DBAG, Unicorn, Colt, etc.)

## All NEMOs & All TSOs

- Approve Joint Assets (high level procedures, functional requirements) according to the joint change control process
- Where relevant, approve budget and any variations
- Approve accession/suspension of a party, according to defined process
- Delegate regional issues to regional All NEMO/TSO parties (e.g., shipping, fallback procedures)

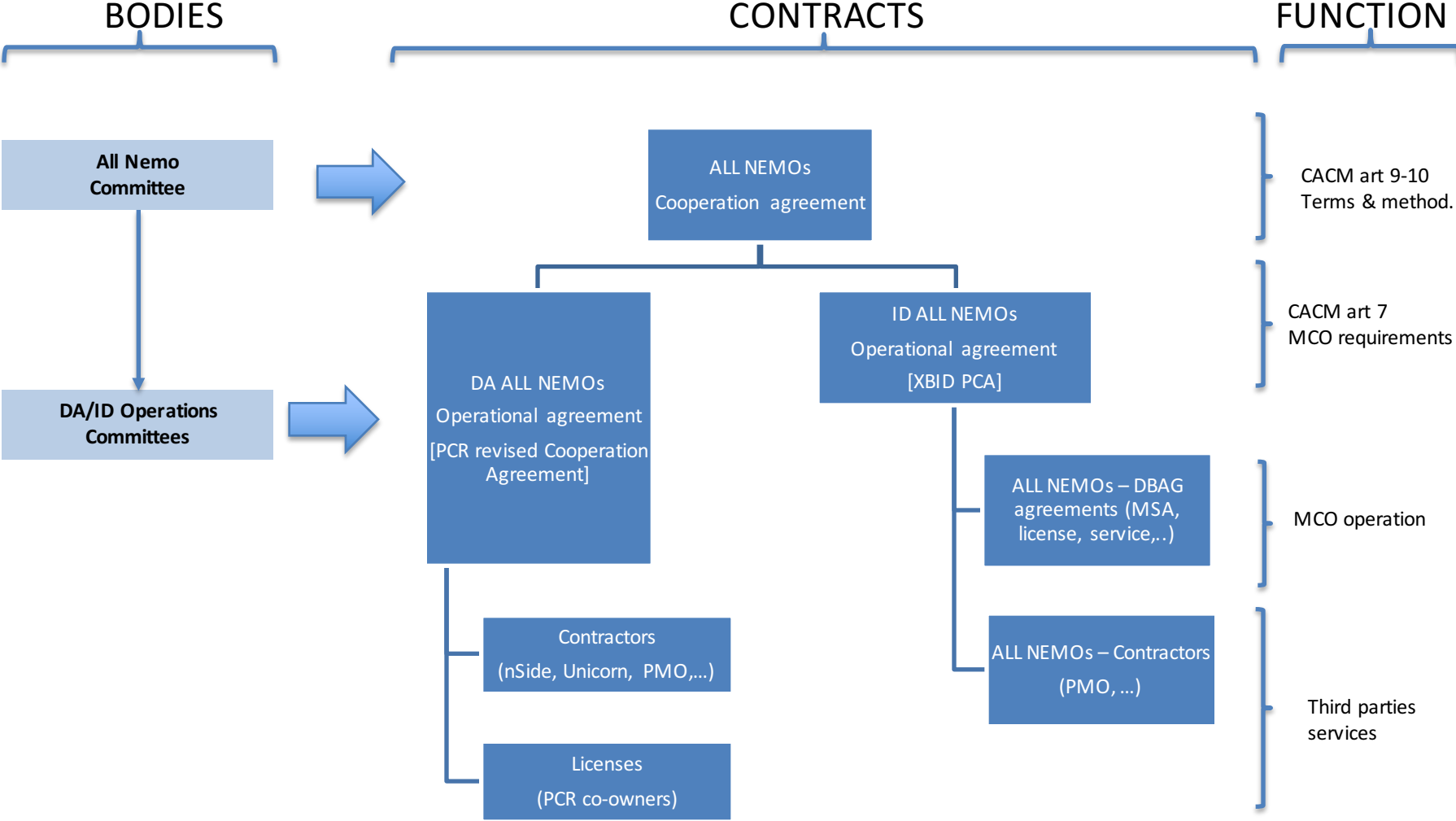
## Regional NEMOs/TSOs

- Approve Regional Assets (e.g., shipping, fallback procedures) according to the joint change control process
- Where relevant, approve budget and any variations

## All TSOs (ENTSO-E)

- Manage common TSO Assets compliant with the Joint Assets and joint change control procedure
- ....

# Proposed High Level Architecture



- Revised Nemo-TSO operational agreements for DA and ID will be setup

# Proposed contractual structure

- **3 contract structure**

- NCA = All NEMO Cooperation Agreement: signed by all NEMOs
- DA Operational Agreement (Revised PCR Cooperation Agreement):
  - to be signed only by the parties who's prices will be, now or in the future, formed by day-ahead common operation
- ID Operational Agreement (Revised Cooperation agreement + the existing contract with DBAG):
  - to be signed only by the parties who's matched orders will be formed by intraday-cooperation

- **NEMOs will be invited (will have) to sign all contracts, however in the DA\* they will retain freedom to choose among options as for:**

- Operator/coordinator role (subject to compliance with technical qualifications, criteria to be established)
- Co-Ownership of the PCR assets

*(\*) In the ID, due to the differences in the operations, all parties enter in the same contract and in the same relationship with DBAG.*

# Interim Nemo Cooperation Agreement (INCA)

## Highlights and status

- The INCA establishes a NEMO Committee and provides a decision making framework for NEMOs to develop and propose the MCO plan and Article 9 methodologies
- The interim governance arrangements established by the INCA will be replaced by enduring arrangements to be proposed in the MCO plan
- 19 NEMOs have expressed their interest in entering into the INCA
- Finalisation is expected during the 1st week of February with signature process starting as of the 2nd week of February
- **Envisaged entering into force: 3rd March 2016**

# Organisation

- **Description of main bodies**

- **All-NEMO Committee:** high level decisions (NEMO representation; budget; planning; ratification of DA/ID Operations Committee decisions; dispute resolution of operational disagreement issues according to the NCA procedure)
- **DA/ID Operations Committees:** established under the Operational Agreement, includes current PCR OPSCOM (day-to-day operations) and communicates with the co-owners via RFCs
- **DA/ID Incident Committees:** manages incidents in daily operations

- **Different operational roles of NEMOs & different attendance rules**

- In DA, the Operational Agreement allows NEMOs to delegate the operation to a Servicing NEMO, including the representation in the Op. Comm.

## Following points being discussed with NRAs

- Level of detail of documentation to be attached to the MCO Plan – for example, DA and ID Operational Agreements. How to make these effectively binding for all operational NEMOs?
- How to deal with confidential contracts in MCO Plan – e.g., with service providers
- Decision processes :
  - Ratification principles
  - Escalation principles and process (to NC and beyond NC)
- QMV and allocation of national votes between NEMOs operating in one MS
- Cost sharing and cost recovery (in particular, issues to be addressed in the MCO Plan)
- NRA approval processes of CACM art 9 deliverables (in particular, impact of national requirements/processes)