

Terms of Reference for the Grid Connection European Stakeholder Committee

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1. Introduction

Since 2011, considerable effort has been devoted to the development of the network codes and guidelines for electricity (NCs)¹ by the European Commission (EC), the Agency for the Cooperation of Energy Regulators (ACER), the European Network of Transmission System Operators for Electricity (ENTSO-E), associations representing Distribution System Operators (DSOs), the European association of energy exchanges (Europex) and other stakeholders such as consumer organisations, generators, suppliers and many others from across the European electricity sector.

The drafting and approval of NCs is however just the start. The NCs have been designed to help realise Europe's triple energy policy objective of developing a reliable, sustainable and competitive electricity sector. The NCs will now become one of the starting points of the Energy Union. For this to happen, they need to be implemented and complied with across Europe.

This represents an important challenge for the sector with each NC requiring a series of steps to be taken, before being considered as fully implemented. This process will include, amongst other things, cross-national and national decisions, the conclusion of regional agreements, the creation of European-level common detailed methodologies and their actual (coordinated) application. All market participants, DSOs, system users, Market Operators (MOs, entities responsible for such tasks as imbalance settlement), Nominated Electricity Market Operators (NEMOs), Power Exchanges (PXs), Transmission System Operators (TSOs) and National Regulatory Authorities (NRAs) will be involved in the extensive required development work and consultation.

Effective stakeholder engagement is essential to the overall success of the overall objectives. In practice, this involves efficient and intensive sharing of views and information by all interested parties throughout the process as a whole. Stakeholders will need to be kept abreast of developments and be provided with a forum to express their views and feedback. The parties responsible for implementation will play an important role in this respect.

2. Scope and objectives

ACER and ENTSO-E propose to co-organise three European Stakeholder Committees (ESC), one per family of network codes (Market, Operational and Grid Connection network codes). These Committees aim to complement, and not to replace, the legal obligations of stakeholder consultation and information included in the NCs during the implementation period. More specifically, the activities of the ESCs are without prejudice to Article 7 of Regulation (EC) No 714/2009 and Article 10 of Regulation (EC) No 713/2009.

These Terms of Reference contain general rules for the three ESCs and specific rules for the purposes of the Grid Connection ESC. These Terms of Reference do not prejudice the determination of specific rules in the Terms of Reference adopted by the other two ESCs (System Operation and Market).

ACER may review the Terms of Reference from time to time, involve Grid Connection ESC Members, and make any changes it may consider necessary to ensure operational effectiveness.

¹ For clarity, the term “network codes” (NC) is mainly used in this document to define any set of common rules for electricity markets, be it “network codes” or “binding guidelines”, as defined by Regulation (EC) N°714/2009. The term “network codes and guidelines” is used on very specific occasions when it actually contributes to a better understanding.

A. Objectives

The main objectives of the ESC are:

1. To contribute to monitoring progress in the NCs implementation process – as well as the operation and functioning of the processes and arrangements established according to the NCs – at local, regional and pan-European level as an overarching structure of all network codes;;
2. To serve as a platform to share general views on the NC implementation, with a particular focus to enable stakeholders to express their views and receive feedback, including discussion on proposals for amendments to the NCs;
3. To contribute to a more informed decision-making process for the methodologies and rules to be developed for the implementation of the NCs.

Therefore, the ESC will provide **all interested stakeholder representative organisations on a European level** with:

- the opportunity to discuss and consult on the different implementation projects with ACER, the EC and all the responsible parties for the NC implementation;
- an efficient way to receive early information on the development of implementation projects; and;
- an efficient way to input towards and provide comments to the relevant parties involved in all implementation projects, while receiving clear feedback from these parties.

The ESC will provide **ACER and NRAs** with:

- support to perform their monitoring tasks on the implementation status of each NC within each country and identifying any gap, inconsistencies, overlaps or inefficiencies from a European perspective;
- a platform to discuss the scope and progress of the monitoring of the implementation of network codes;
- an effective and responsive mechanism to monitor the operation and functioning of the processes and arrangements established according to the NCs.

The ESC will provide **ENTSO-E, and other parties responsible for NCs implementation** with:

- a platform to report on implementation projects, in particular the lessons learned and problems encountered as well as to report on early drafts for the terms and conditions of methodologies or other projects to be developed;
- specific to ENTSO-E, support to perform their monitoring tasks in accordance with Article 8(8) of Regulation (EC) No 714/2009;
- a platform to receive feedback from stakeholders, therefore contributing to a more informed decision-making process and enhancing the quality of the projects delivered.

B. Scope and consistency

The scope of the ESC is a priori limited to the implementation projects of the NCs it covers – monitoring progress in the NCs implementation process and in the operation and functioning of the processes and arrangements established according to the NCs.

The ESC Chairperson (supported by ENTSO-E) has the responsibility to ensure consistency of the discussions across the three ESCs; therefore, the Chairperson of each ESC or, upon the Chairperson's

request, another party will provide participants with regular consistency updates on the main relevant issues discussed by other ESCs.

In order to ensure the consistency of work across different ESCs, the ESCs Chairpersons may propose to organise joint ESCs meetings, dedicated workshops and other forms of collaboration as appropriate.

The ESC shall not replace the obligation for general public consultations required by Articles 6 and 7 of Regulation (EC) No 714/2009 and by the network codes. The ESC shall also be without prejudice to TSOs' joint responsibility for the development of the implementation projects and ACER/NRAs' responsibility for monitoring and regulatory supervision of those projects.

ACER, ENTSO-E, or other responsible parties may organise workshops on specific issues when needed and/or have bilateral contacts/meetings with individual stakeholders. The ESC should be informed about the timing and conclusions of these communications/meetings where appropriate.

The ESC will also serve as a platform for sharing local best practices and will help to monitor any failure or lack of stakeholder engagement at local level and identify appropriate measures.

C. Expert Groups

The Chairperson, acting upon a recommendation of ESC, can propose the creation of time-limited or longer-term ad-hoc Expert Groups (EGs), which will focus on specific issues and projects or groups of projects. These will report to the ESC, which may provide input to their discussions and request specific actions, reports or explanations.

Terms of Reference for the Grid Connection Expert Groups (GC EGs ToR) define all necessary working arrangements for the EGs under the Grid Connection European Stakeholder Committee. The GC EGs ToR represents an annex to the Terms of Reference for the Grid Connection European Stakeholder Committee.

3. Representation principles

The rules for membership and management of the ESC will be a key factor to its success.

These rules must ensure proper representation of all interested parties directly or indirectly impacted by the NC implementation. The membership of the ESC should be balanced and on equal footing, representing all parts of the value chain and ensuring geographical diversity to the extent possible. Membership rules must however be designed in a way that enhances efficient discussions. To guarantee the application of these principles, the following rules shall apply in all ESCs, and by default in all EGs:

- ACER chairs all Committees, and nominates the Chairperson of each EG after consulting the ESC;
- The Chairpersons have the purpose to facilitate and lead the discussions, allow the expression and active participation of all parties, and ensure that ACER, ENTSO-E and other responsible parties comply with their engagements, in particular in terms of follow-up;
- Membership shall aim to participate in person. The ESC's members commit to only substitute their representatives under exceptional circumstances;
- Members are nominated through a formal call for interest open to any interested association representing pan-European views or interests. Each association will be asked to designate a limited number of representatives. Any follow-up nominations can be submitted to the Chairperson;
- The number of representatives per association will be limited with the aim to keep the total number of members below 25;

- Should the association repeatedly fail in being represented in the ESC meetings according to its seats, the Chairperson shall revise the number of allocated seats or withdraw its membership to the ESC completely.
- The European Commission will be invited to observe all meetings of the ESC;
- External speakers can be invited by the chairperson when relevant to the meetings of the ESC;
- ENTSO-E is the main provider of secretarial services, it organises the meetings in close cooperation with the Chairpersons, and maintains the IT platform;
- Non-ESC members will be able to access all relevant documents, provide comments and, if technically feasible, to follow live streaming of the meetings through the IT platform.

4. Roles, responsibilities and working arrangements

All ESC members commit to:

- ensure high quality and consistency of the ESC through regular and active participation;
- liaise with their members and stakeholders to update on network codes implementation and amendment and represent their views and concerns;
- share issues and concerns early on, in particular if they could be detrimental to the internal market, while respecting the processes for the implementation of the network codes as set up by the Member States, regulatory authorities and other designated entities;
- provide any deliverable as per the draft agenda ideally 2 weeks or at least 5 working days before any meeting;
- define and agree on the priority list of topics for EGs;
- review when appropriate the Terms of Reference for the EGs;
- agree on the annex of the EGs and any subsequent amendments.
- provide solutions to facilitate the work within the EGs when risks and issues arise;
- agree on the next steps and use of the material produced in each EG;
- ensure to present all opinions around a topic – either there is a consensus or not (diverging opinions) in public material; and
- dissolve the EG either when the objectives are fulfilled or not.

ACER commits to:

- chair all meetings in a neutral way;
- ensure coordination of the three ESC discussions;
- work in close collaboration with ENTSO-E, and other responsible parties to prepare all necessary meetings documents (agenda, deliverables as per the action plan), and present them ideally 2 weeks or at least 5 working days before any meeting; and
- periodically review and assess the ESC structure and its functioning.

ACER, ENTSO-E, and other parties responsible for implementation commit to act in close collaboration in an open and transparent manner to:

- provide relevant information to facilitate participants' understanding, and prepare regular reports on implementation projects taking into account the requests for reporting from ESC members and chairs;

- initiate and provide information on aspects where participants input is expected:
 - in particular inform ESC members on a regular basis on the state of implementation of network codes' related projects. This reporting shall be sufficiently detailed, and also be provided in advance to give the ESC the opportunity to contribute to a consistent implementation;
- inform in advance the ESC of, inter alia, any new or updated methodology before implementation, study, consultations with regard to the NCs implementation;
- take into consideration all issues and actions expressed by stakeholders in the ESC meeting minutes.

ENTSO-E commits to:

- prepare, in close collaboration with ACER, and publish prior to the first meeting of each ESC a list of all existing national and regional structures responsible for stakeholder engagement during network codes implementation;
- support ACER in the organisation of the ESC by providing secretariat services, including:
 - preparation of all meetings documents (such as agenda, deliverables, attendance lists, minutes);
 - setting up and maintaining an IT platform to ensure transparency, in close collaboration with ACER;
 - organisation of the meetings, in close collaboration with ACER;
 - conclusions with main action points: issues and actions logs.
- make sure, in close collaboration with ACER, that all the accessible information on the implementation of any national-specific methodologies and provisions at national or regional level is made available to all stakeholders in Europe through an IT platform.

5. Organisation of meetings

Each ESC meets indicatively four times a year, but can increase or decrease this number according to its needs. The meetings will preferably be held in Ljubljana.

The Chairperson drafts meeting agendas, while duly taking into consideration the input provided by the parties responsible for the implementation projects. Agendas are reviewed at the beginning of each meeting. Stakeholders can request within a reasonable time period, the Chairperson to include a specific topic on the draft agenda.

Minutes of each meeting, which accurately reflect the discussions held, will be produced. Minutes shall be circulated to participants within a reasonable time following the meeting. Participants shall be provided with a reasonable time period in which to comment on the minutes. In the event that no comments are received, the minutes shall be deemed to be approved. In the event comments are received, the Chairperson may incorporate them when justified, into a final version of the minutes.

Minutes will include an action log, and a log of any issues raised by stakeholders that may require further investigation. At each meeting, the Chairperson shall seek clear answers and reports on each item included in the issues and action logs from responsible parties.

6. IT Platform for transparency

ENTSO-E will put in place a dedicated IT platform for each ESC, in close collaboration with ACER. All relevant documents, deliverables, minutes, lists of participants and agendas will be published on this platform. The IT platform will also allow stakeholders, members or non-members of the ESC, to express comments on

the main deliverables and will allow members to register for meetings. If technically feasible, live streaming of each meeting will be publicly available.