

8th Market European Stakeholders Committee

Thursday, 8 June 2017 from 10:30 to 16:00

CEER, Brussels

Draft Minutes

Participants		
Christophe	GENCE-CREUX	ACER / Chair
Athina	Tellidou	ACER
Matthias	RÜTZEL	BNetzA
Sven	Kaiser	EControl
Marie	Montigny	CRE
Mark	LANE	ENTSO-E
Zoltan	GYULAY	ENTSO-E
Athanasios	TROUPAKIS	ENTSO-E
Cris	Cotino	ENTSO-E
Marta	Mendoza-Villamayor	ENTSO-E
Alexander	DUSOLT	ENTSO-E
Mathilde	LALLEMAND	ENTSO-E / Secretariat
Jerome	LE PAGE	EFET
Regina	Mandic	EFET
Pietro	Baldovin	EFET
Steve	WILKIN	Europex
Andrew	CLAXTON	Europex/NEMO Committee
Yolanda	CUELLAR	Europex
Rickard	NILSSON	Europex
Pierre	CASTAGNE	EURELECTRIC
Hélène	ROBAYE	EURELECTRIC
Charlotte	RENAUD	EURELECTRIC
Peter	Schell	SEDC
Victor	Charbonnier	WindEurope
Markela	Stamati	EC
Nicolas	Kuen	EC

1. OPENING

1.1 Approval of minutes

The minutes of the 7th MESC meeting were approved (See [document](#)).

1.2 Update on recent developments

ACER noted the forthcoming creation of a high-level group formed of the European Commission, ACER and ENTO-E to follow NC implementation and monitoring. The EC announced the first meeting planned on June 19th. EFET asked about the involvement of Stakeholders and transparency of the group; EC ensures its support to increasing transparency and involvement of Stakeholders when appropriate, and that this topic will be discussed at the first group meeting. ACER acknowledges that EC involvement is very positive, and stressed that this group can be used in escalation process in case the ESC cannot agree on an issue. NEMOs see a need to clarify the responsibilities of the different existing groups, in the overall structure.

ACER acknowledges the announcement of bilateral agreement on the DE-AT border as an important step forward.

E-control commented that the agreement should hopefully balance the interest of market integration and network security, and that the focus is now on the implementation.

ENTSO-E asked about the involvement of the TSOs of the CORE region. E-Control acknowledged that other TSOs of the region have not been involved for the moment but will be. ENTSO-E also asked about the level of capacity, and what will be the impact of the 4.9 GW as guaranteed Long Term capacities on the other borders of the regions.

BNetzA and E-Control first confirmed that all TSOs and NRAs of the CORE regions are fully committed to perform a successful flow-based calculation process. Reaching an agreement on the DE-AT border before the winter 2018 is very important, and redispatching procedures will ensure a minimum level of capacity. A webpage on the JAO website will be available, and a parallel run is planned to test the solution.

Eurelectric asked for visibility on the way the 4.9 GW will be ensured and the impact on the overall capacity calculation in the region, in order to ensure transparency and eliminate the risk of distortion of capacities on other borders (e.g. through the use of non-costly remedial actions first to guarantee this capacity, detrimental to other borders capacities).

BNetzA and E-Control reaffirmed their commitment to the flow-based capacity calculation in the entire CORE region, but acknowledge this agreement between DE-AT region as a first step: a common agreement involving all TSOs and NRAs of the CORE is still the target. BNetzA indicated that they are committed to have an FCA Regulation compliant system in place, together with congestion management measures, before the winter 2018/2019. CORE flow-based is however the target solution. ENTSO-E raised the concern that guaranteed forward capacities might lead to increased use of the LTA patch in flow-based market coupling, which may create issues with flow-based results.

Eurelectric mentioned that what is key is to understand is how the 4,9GW guaranteed capacity will be taken into account in capacity calculation. They indicated that the LTA patch is already activated very often (75% of the time). Europex also pointed out that guaranteeing the 4,9GW capacity may lead to taking acceptable costly remedial actions such as redispatch, but warned against the danger of non-costly remedial actions such as reduction of capacities at other borders.

EFET asked whether there is a final decision on the capacity calculation methodology at the DE-At border, and about the capacity calculation methods at the different borders in the regions. BNetzA indicated that the information will be given at CORE meeting early July, but that the final decision will probably happen later. E-Control indicated that the report of the German and Austrian TSOs on the subject is not very detailed, but supports FBMC over ATC. The involvement of other TSOs/NRAs (CWE,

CORE) in the approval process is still unclear. BNetzA expects that the agreement of all CORE NRAs will be needed.

ACER recalled the ongoing process under CACM to develop the capacity calculation methodology: the current agreement on DE-AT border is not compliant with this framework and can be seen as a transitory measure. ACER will follow closely the progress in this region. Besides, the way this 4.9 GW is allocated to the market is very important: if financially allocated (FTR options), it could work. CRE stresses this matter as of concern: the impact on CWE FB should be duly assessed.

ENTSO-E (M. Lallemand) presented a proposal for an issue logger tool, with ACER (see [slides](#))

The proposal is to build an issue logger, allowing to keep track on questions agreed during each MESC. The issue logger would cover all ESC (grid connection, system operation, market and balancing).

EFET stressed that the current proposal does not allow to address questions appearing between MESC meetings. Eurelectric stressed that such an issue logger will not be very different from actions decided and written down in the minutes. ENTSO-E and ACER noted the feedback and concerns; however, allowing posting of question in between meetings will become hardly manageable if too many, keeping simplicity is very important for such a tool.

The EC would also like to see the tool as a way to address questions posed by people not present in the ESCs. Europex stressed that we already need to have a log of actions decided during MESC meetings. They further indicated that a similar tool exists on the gas side, but has attracted limited interest, and as a result encourage ENTSO-E and ACER to clearly identify the problem the issue logger tool is intended to address before deciding to go ahead with the project.

NEMOs raised the question of the Gate Closure time in ID and balancing (exact definition and timing of the clearing), and urged regulators to engage with the XBID project on the timing of the cessation of trade matching and the timing of XBID results publication. ENTSO-E mentioned XB ID GCT is set (60min), but that there is still a debate on local ID GCT. The NEMOs asked whether 60min for XB ID GCT refers to the GCT for market, or the delivery of capacities by XBID to the TSOs. The NEMOs are concerned with the lack coordination between the XBID project, e.g. the TERRE project. The EC does not want a change request for XBID, TERRE will have to adapt in case of problem. The NEMOs agreed and asked that the NRA decision on ID XB GOT/GCT clarify what the XB ID GCT precisely means in.

Stakeholders also asked ACER regarding the status of public consultations organized before the entry into force of the Electricity Balancing GL. ACER and EC notes that the issue has already been addressed in the frame of CACM: Consultations can be organized before the entry into force, but official public consultation should be organized again after the entry into force.

2. CAPACITY ALLOCATION AND CONGESTION MANAGEMENT GUIDELINES

2.1 Update on the status of the TSOs' proposals

ENTSO-E (Marta Mendoza-Villamayor, see [presentation](#)) presented an update on ENTSO-E and all TSOs deliverables.

Stakeholders stressed that main consultations will run during the summer and winter holiday period, which will not allow a sound response; Europex further indicated the need for the consultation and approval process to actually deliver: if the consultation period doesn't help form balanced positions and the NRA approval is lengthened by back-and-forth communication between TSOs and NRAs, then trying to stick to the CACM deadlines defeats the purpose. ENTSO-E takes the point.

ENTSO-E recalled that all documents related to the consultation (document to be consulted, all answers received, final version of the document submitted) are published on its website. Europex would welcome a regular update on where the methodologies are (cf. Balancing GL implementation timeline drafted by ENTSO-E). ENTSO-E indicated that they will share this information.

Eurelectric regrets the absence of debates between the submission of answers to the consultation and the new version submitted by ENTSO-E or all TSOs. ENTSO-E stresses that once the consultation is done, the final version is not subject for public debate, it up to the NRAs to decide on the final proposal. NEMOs support Eurelectric proposal, as counterproposals are made during the consultations and could be further discussed.

On the subject of intraday capacity pricing, Eurelectric points to this lack of debate again. The EC mentions they will organise a strategic workshop with DBAG, but that XBID remains the priority. EFET stressed that the EC should make this priority clear in a binding document, because there is no hierarchy between ID capacity pricing and XBID in the CACM Regulation. ACER mentioned that the TSOs proposal on ID capacity pricing is not the end of the discussion. Also, the methodology could foresee an implementation at a much later stage. There could be a re-consultation by ACER at some point.

2.2 Update on the CACM GL implementation process: status of each new NEMOs' term and methodology

NEMOs (A.Claxton, see [slides](#)) made an update on NEMOs deliverables and joint NEMOs issues (cost issues, information required for monitoring, day-to-day management of DA and ID coupling between NEMOs and TSOs, project structure and governance).

It is to be noted that the proposals for the DA and ID algorithm are deeply discussed, as algorithm bring regulation to reality and raise several questions which were not anticipated in the different methodologies.

2.2 Bis. Feedback from NRAs on the different methodologies

NRAs (Matthias Rützel, see [slides](#)) presented an overview of the NRAs feedback on all NEMO and all TSOs methodologies.

EFET asked whether there is still a danger that the CCR decision will continue to be fought in court. E-Control confirmed CCR that they will continue to challenge the decision in court, but that this does not affect the CCR amendment procedure for BE-GB or other methodologies currently in development.

2.2.Ter. Eurelectric feedback

Eurelectric (H. Robaye, see [slides](#)) gave a feedback on the process. Eurelectric stressed that the proposed methodologies should be ambitious and focused on best practices, as harmonization should not lead to step back.

Eurelectric ask for more Interaction during the elaboration of the proposal. In that respect, the practice within EGBL with early implementation could be taken as a benchmark. ACER stresses that EGBL are not entered into force so the deadlines are not tight yet.

ENTSO-E shares the concern and recognizes added value of further exchange; the problem is the practical feasibility.

EC recalls that a report should be drafted on NEMOS competition according to CACM provisions, and will address concrete question within the MESC in that frame.

2.3 Update on the NRAs' request for transparency in CWE FBMC

ENTSO-E (Z. Gyulay and A. Troupakis, see [slides](#)) presented the latest development following the NRAs' request for transparency in CWE FBMC, and the developments FB Intraday Capacity Calculation methodology.

Eurelectric noted to be satisfied with the recent progress regarding transparency on CWE flow-based market coupling as far as they can judge, as analysts have not completed their review yet. ACER asked whether historical data is published, and ENTSO-E confirmed it is not. EFET pleaded for the data to be much more easily accessible through the dedicated FBMC webpage of the JAO website (instead of having to go through press announcements). ENTSO-E will pass on the message to JAO.

Regarding the development of ID FB, the dates of the consultative groups for CORE and CWE will be clarified. The methodology will be presented at the CCG meeting. The parallel run will start in the summer. Europex insisted that the lessons from DA FBMC are learnt and there are no changes in the CBCOs etc. to ensure that the full parallel run is usable for NEMOs and market participants. There needs to be clear transparency and change control. ENSTO-E will pass on the message to the involved TSOs.

2.3 bis Daily auction rules

ENTSO-E recalled that the Daily Auction Rules are under consultation on the JAO website. The consultation document includes a reaction to the EFET suggestions of 2016. EFET thanks the TSOs for the detailed feedback to their questions and welcomes the improvements in the Daily Auction Rules. However, EFET points to the many areas where their questions are still not addressed due to a lack of clear division of responsibilities between the TSOs and JAO. In particular, there is still nothing in the rules to avoid auction cancellations after the auctions have taken place.

2.4 Update on the XBID and LIP projects

NEMOs (Y. Cuellar, see [slides](#)) made an update of the XBID project, key achievements and timeline. Technical readiness is planned for November 2017 and the first XBID LIPS go-live in Q1 2018.

Regarding daily auction rules, ENTSO-E (A. Troupakis) informed that the updated rules for daily auctions in the CEE region and the borders Croatia-Hungary and Croatia-Slovenia are currently being consulted until mid-June. Information is available on the JAO website, including a joint TSOs' statement on the points raised by EFET. EFET remarked that the issue of auctions cancellations and

the measures taken by TSOs should be further clarified. The topic will be raised by EFET in their response to the public consultation.

3. FORWARD CAPACITY ALLOCATION

3.1 Update on the ongoing developments

ENTSO-E presented an update on FCA (Mark Lane, see [slides](#)), giving an overview of recent submissions (HAR proposal and annexes, SAP proposal, regional proposals for LTRs design, ENTSO-E monitoring plan) and ongoing tasks (nomination rules for PTRs, CGM/GLDPM, congestion income distribution methodology).

ACER (C. Gence-Creux, see [slides](#)) presented the status of decisions for border without LT Transmission rights.

EFET stressed that for certain borders yearly allocation are delayed because of uncertainties of coming HARs (e.g. Britned), and invited regulator to speed up the approval of the EU HAR since limited changes have occurred since the 2016 version. EFET also raised concerns with regard to the application of article 30 of the FCA Regulation on the issuance of transmission rights, and gave the examples of decision of the Danish external borders and the Italian internal borders where NRA decisions contravene the letter and/or spirit of the FCA Regulation. EC stressed that non-compliant situations should be reported to the implementation monitoring instances.

EFET questioned the situation of Switzerland; EC are currently discussing with them.

4. BALANCING

ENTSO-E (A. Dusolt, see [slides](#)) made an update on the EGBL and its implementation.

The clarity on timelines with regard to consultations is very important and appreciated by SHs. ENTSO-E will deliver it for other codes as well.

Stakeholders appreciate the leadership role taken by ENTSO-E with regards to the deliverable of all TSOs. EFET stressed that the coordination role of ENTSO-E is clear, but the role of ACER towards NRAs should be further clarified. CRE pointed out that for regional voluntary projects, TSOs and NRAs cannot be forced to participate, but once the network code is entered into force, the decision-making process will involve all.

5. Transparency Platform Development Project – Update

ENTSO-E (Cris Cotino, see [slides](#)) presented the ENTSO-E transparency platform and latest developments following ACER's Opinion on the revised Manual of Procedures.

The latest development concern congestion management and balancing data; an integrated reporting system will allow automatic reporting from data available on the platform.

ENTSO-E stressed that Transparency Platform aims at being a market serving tool, beyond the legal mandate.

6. AOB

SHs congratulate regulators for the different white papers issues recently (ACER/CEER).

Two additional report are given as background information:

- [PCR status update](#)
- [Cold spell report](#), to be discussed in June Electricity Coordination Group

7. NEXT MEETINGS

Dates

- Wednesday 6 September (CEER, Brussels)
- **New date:** Tuesday 11th December (CEER, Brussels)

Actions / Points to be taken at the next MESC:

- ENTSO-E will give a timeline of all public consultations for the CACM and FCA Regulation including regional ones, and address the problem of the holiday season for Stakeholders feedback
- ACER/NRAs will address the question of the Gate Closure time in ID and balancing (exact definition and timing of the clearing), following the question by NEMOs
- Stakeholders stressed that, despite some noticeable progress, the FB market coupling data is still difficult to gather/ access, especially for small players – JAO is asked for a feedback on this issue
- EFET will raise the question of curtailment of the daily auctions in the next consultation – JAO/TSOs are asked for a feedback