entsoe
Reliable Sustainable Connected

10 October 2017

ENTSO-E Annual Work Programme 2018 - Treatment of Responders' Submissions

This note contains a summary of remarks received and indications on how they have been taken into consideration in the version of the Annual Work Programme 2018 as submitted to ACER.

	Respondents' feedback on the consultation document	Stakeholder	ENTSO-E views
	Any comments regarding Network Codes?		
101	Time to implement Network Codes and Guidelines (Question 7): In general, the times to implement changes following the approval of ENTSO-E proposals under the EB Guideline are too short, but this is clearly not something that ENTSO-E can do anything about directly, as the deadlines will be legally mandated. But, as we noted during the development of the Balancing Guideline, normally we require approximately 18 months to design, publicly consult upon, and obtain mandatory local (GB) regulatory approval for changes to our balancing and imbalance settlement and data transparency systems and to implement them. Ideally, we would see the final ACER approved proposal before starting the GB change process we are required to follow. But that would not give us enough time, so we require very early sight of the proposals that ENTSO-E intends to make, even if they are not yet approved, as this will give us more time to prepare than allowed for in the Guideline. This is also a point we made in our response to the recent TERRE consultation, where our changes are critically dependent on the final central TERRE design.	ELEXON	ENTSO-E will involve stakeholders early and share information transparently and as soon as possible especially on items that trigger follow up processes.
	Any comments regarding Grid of the future?		

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	Any comments regarding System adequacy?		
	Any comments regarding the digitalisation at ENTSO-E?		
	Any comments regarding Co-creation and engagement?		
102	A specific question on ENTSO-E involvement: On page 10, we note that each TSO has to propose Terms and Conditions (Ts & Cs) for BSPs and BRPs and that ENTSO-E plans involve ENTSO-E and ACER. But under Articles 18 and 5(4) of the draft EB Guideline, the development and approval of Ts & Cs is a Member State competence, so we are not sure what roles are proposed for ENTSO-E and ACER here, including a proposed ENTSO-E consultation and ENTSO-E decision? Please can you explain this element of ENTSO-E's Work Programme.	ELEXON	The definition of T&Cs is an important step in the implementation of the EBGL, this is why ENTSO-E decided to include this step in its annual work programme. However, it is correct that for the moment no coordination work by ENTSO-E is foreseen. The Gantt chart has been modified to clarify that point.
	Any other comments that you would like to share?		
103	We welcome ENTSO-E's increasing engagement with stakeholders but given ENTSO-E's powerful and important role in implementing Network Codes and the Transparency Regulation we feel that ENTSO-E could always do more to involve non-TSO experts and opinions, particularly at earlier stages of proposal development. As ENTSO-E itself notes on page 25, "experience has shown that stakeholder contributions decisively increase the quality of our work and facilitate implementation". We wholeheartedly agree. Below we highlight some specific examples where we think that ENTSO-E stakeholder engagement could be increased to the benefit of all parties in relation to Network Code and Transparency implementation and more widely.	ELEXON	ENTSO-E informs users via the ENTSO-E Transparency User Group (in which ELEXON is represented). Group members have access to all related documents via a dedicated Extranet site. The review of the Manual of Procedures will be discussed in the ETUG and related documents will be made available via the Extranet site. Note that this review is conducted in the context of the EB Guideline, with very little room for interpretation. Once final, the revised MoP will be made available to the general public on ENTSO-E's public website. In addition, data provider workshops are organised frequently to inform about the changes ahead and to focus on the effect on the data provider side.

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	On page 10, we note that ENTSO-E is planning to update the manual of procedures of the Transparency Regulation. Changes to the manual can change the structure of data or business validations and impact the upstream data providers, such as ELEXON, individual TSOs and market participants. Therefore we request clarity and that publicly available notice of all changes is given as far in advance as possible. These changes do not only impact TSOs so should not be hidden in documents on the ENTSO-E internal document sharing system which is only available to ENTSO-E TSO members. Also ENTSO-E should ensure that changes impacting parties external to ENTSO-E members, and which might impact these parties' ability to provide data if not made aware, are highlighted.		
104	On page 24, we note that ENTSO-E will define a European electricity market role model. We would ask that ENTSO-E plans for a public consultation on this to ensure that it accurately reflects the situation in all EU Member States. In particular, we are expecting that a number of other Member States will have non-TSO third party market operators who have been assigned roles under the Network Codes and Guidelines, which should be recognised in the role model. For example, in Britain (GB), ELEXON is expecting that it will continue to: administer balancing settlement; imbalance settlement; and publish GB electricity market data on its transparency platform.	ELEXON	A role model is to be understood as the formal, illustrative, means of identifying roles, services and associations, as described in the network codes and guidelines. ENTSO-E is not assigning the roles from the role model. The aim of this work is only to reflect the role model from the network codes in an illustrative way. A sentence has been added to the annual work programme to clarify that point.
105	On page 25, we note the existence of the ENTSO-E Advisory Council. ELEXON and many other non-TSO third party market operators are represented at EU level by the Association of European Energy Exchanges (Europex). Currently the Advisory Council does not include Europex so, although we are a group of stakeholders directly impacted by ENTSO-E's work, we are not	ELEXON	Europex's participation in ENTSO-E's Advisory Council is being proposed in an updated version of the Terms of Reference of the Council. These new Terms of Reference will be discussed and submitted for approval at our next Board meeting (23 November) and following Assembly meeting (December).

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	represented. We would therefore request that ENTSO-E invites Europex to join its Advisory Council as this will improve ENTSO-E’s stakeholder engagement by allowing our views to be heard and considered		

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106	*Executive Summary* *The first experience in this area with the network code stakeholder committees has been positive and effective,* Stakeholder involvement is crucial. And efforts also by ENTSO-E have been huge. At the same time, the process for stakeholders is time consuming with little results. It is of great concern how to ensure high quality input from Stakeholders.	EFET	Ensuring the proper involvement of all concerned parties is indeed an important and time-consuming task, both for stakeholders who invest time and efforts in answering our consultations and participating in our workshops, debates and other events, and for ENTSO-E. It can be a frustrating process as well, for stakeholders who may not receive sufficient explanation on how their input is taken into account, and for ENTSO-E who for some deliverables, like this AWP, receives very little input. We understand the challenges, for smaller associations in particular, paused by the high number of public consultations. ENTSO-E will elaborate a simpler methodology in 2018, possibly involving a fast track consultation process, more workshops... This process will also be fed by the answers received in our next stakeholder survey (to ran in January 2018). This point has been added to the executive summary (last paragraph) and to Chapter 6. The specific discussion of how to improve cooperation within the context of the stakeholder committees would be better brought to the ESCs, so as to also benefit from ACER's input.
107	*Executive Summary* *we aim to go further by providing energy market players with the services they need to make the energy transition happen,* This formulation is rather wide and possibly too wide. TSOs should not be involved in providing market services.	EFET	Indeed, TSOs are staying out of the market and are neutral market facilitators.
108	*2. Implementing the NC* *All codes have now either entered into force or are awaiting their entry into force, and ENTSO-E's resources are now mostly focused on their* Yes, all Codes are now approved. However, this chapter does not mention two important concerns. The orginal objective was that the EU Network Codes would be a single set of clear and harmonised rules and methods. This was not achieved. It became necessary to label the Codes as "Guidelines" meaning that only the frame for	EFET	It is important to recognise the value added of the framework set by the codes. Most codes being at the very early stage of implementation, it is too early to state whether the codes resulted or not in harmonisation. The results will be analysed in due time with all stakeholders, as well as the need (or not) for new codes.

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	developing clear and harmonised rules and methods has been set. Secondly, in many cases the Codes do not result in harmonisation or give room to individual TSOs to apply country specific rules.		
109	*2. Implementing the NC* *Their review is an ongoing process on which ENTSO-E will work jointly with ACER over the years to come* Market participants' involvement is important.	EFET	Indeed, the text of the AWP has been edited.
110	*2. Implementing the NC* *In addition, in its Communication 'Clean energy for all Europeans' of November 2016, the European Commission announced the creation of a Smart Grids Task force overseeing three stakeholder working group* Market participants' involvement is important.	EFET	The task force and working groups have been set up already, stakeholders are involved.
111	*2. Implementing the NC* *to prepare the ground for possible new network codes on demand response, energy- specific cybersecurity and common consumer's data format* Why a new code on demand response? Demand response should be covered by existing codes and regulations.	EFET	These potential new network codes should be launched only when, firstly, a gap analysis has been thoroughly undertaken between what is provided by the existing codes and what is missing and justifying a new code, and secondly when it can be ruled out that the missing elements cannot be addressed through amendments of the existing codes or guidelines.
112	*2. Implementing the NC* *Implementation often requires a combination of national decisions, regional agreements, and pan-European methodologies and tools* As most Codes became Guidelines, "implementation of Codes" became "implementation of Guidelines". This means that the actual methods need to be drafted, consulted, adapted and approved. In other words the actual codes are still under development.	EFET	Indeed. To make our AWP easier to read, and for the sake of brevity, the word 'code' is to be understood as encompassing network codes and guidelines, Note that using the word 'guideline' for all would also be a simplification.
113	*2. Implementing the NC* *However, the validation of the deliverables to be submitted to NRAs is made by 'all TSOs', not by ENTSO-E.* Interesting. Why exactly is this not done by ENTSO-E? And, would it be preferable if it was done by ENTSO-E?	EFET	TSOs are responsible for the implementation of the NCs / GLs. As a consequence, they are the ones who have to validate the deliverables required for the implementation of the NCs / GLs and for their submission to their NRAs. ENTSO-E can only facilitate such validation by all TSOs.

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114	*2. Implementing the NC* *A COLLECTIVE EXERCISE* *Stakeholder consultation and regulatory approval is of utmost importance in the implementation phase of the codes.* *Yes, stakeholder involvement is important. But it is also extremely challenging. Such challenges are not mentioned in the work plan.* The amount of codes/rules is huge. It is a time consuming process for market participants. And as real results are limited, it is questionable whether they can and will continue to give high quality input. One has to realise that ENTSO/TSOs are drafting rules that give rights and duties to both TSOs and to market participants. This would normally result in rules that are biased towards TSOs.	EFET	As discussed at the Advisory Council, the next issue of our annual work programme will put more emphasis on the challenges encountered in the achievement of our mandates. Regarding our consultation process and methods, please see our answer to comment 106.
115	*2. Implementing the NC* *ENTSO-E has commissioned a study to assess the impact of network codes in terms of value creation for European citizens* The value of market integration and XB-trade can be done. But it is extremely difficult to assess the added value of the codes.	EFET	It is a difficult task indeed, but we believe it is a necessary step to demonstrate the added value of European harmonisation to European citizens. ENTSO-E commissioned the study to assess the value creation of network codes for European citizens, recognising indeed that singling out the value created by network codes out of the value created by cross border trade is partly challenging.
116	*2. Implementing the NC* *MARKET CODES: COMPETITIVENESS & SOCIAL WELFARE* *Market codes are moving market integration forward for more competition and resource optimisation. They define rules on forward or long-term capacity allocation so that market players can hedge the risks associated with cross-border trading.* Forward markets are not just for hedging risks. It simply allows consumers and generators to buy/sell electricity. This formulation suggests that the physical market starts with the day-ahead market. This is not correct. The day-ahead market is a forward market like the week-ahead market etc. Moreover forward contracts can be contracts for physical delivery.	EFET	Increasing hedging opportunities is one of the main objectives of the FCA. The spirit of the answer is not to establish a rigid separation between the market timeframes. Also, the comment on products for physical delivery is valid. Text rephrased.
117	*2. Implementing the NC* *They set how capacity on interconnections is calculated and how congestion is managed to boost cross-border exchanges in the*	EFET	The meaning of the sentence is that increasing the capacities offered to the market is one of the key objectives. Text rephrased for clarity.

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	dayahead (the day before real-time market) and intraday timeframes. I do not understand the word "boost". Actually, the opposite (internal congestions are managed by restricting cross-border exchanges) is happening to a large extent.		
118	*2. Implementing the NC* *Because it was the first code to enter into force, in August 2015, the implementation of the CACM Regulation is well under way. The following implementation steps are ongoing:* It is true that the whole process is running according to time plan. At the same time there are concerns on the contents of the actual results. The proposed CCMs and min/max price proposal were strongly criticized. There also seem to be issue in the NRA /ACER approval process. These issues are not mentioned in the work plan.	EFET	The work on both those deliverables is still ongoing and the comments received (during the public consultations or other occasions) will be considered when finalising the proposals. See also our answer to comment 114 regarding the challenges encountered.
119	*2. Implementing the NC* *Because it was the first code to enter into force, in August 2015, the implementation of the CACM Regulation is well under way. The following implementation steps are ongoing:* The following s is a very useful overview of implementation steps! Some steps seem missing, like CCM, redispatch cost sharing method and CID.	EFET	Planning for CCM and RD&CT are also in the chart.
120	*2. Implementing the NC* *ENTSO-E and the TSOs involved expect to obtain model results from the external consultant in charge in the fall of 2017, and to analyse the results, consult* *with stakeholders and develop final recommendations by March 2018.* Recent problems with the so called model based scenarios (clustering) have raised additional concerns on the quality of the final recommendation. This is extra important as the process was formalised. The impact of a change of BZ configuration for the market can be huge. The work plan does not mention these challenges.	EFET	The model based scenarios (clustering) were completed before the models and data were frozen due to time restrictions. The TSOs and consultant have expended considerable time and effort to obtain high quality models and data before freezing these prior to the expert based scenario computations. Quality of the results is a primary consideration with all parties aware of the potential impact. With the very tight time lines until the final report is due, opportunities for consultation are limited. It is our intention that results and analysis as far as availables will be part of the public consultation.

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	Finally, this consultation should be on a draft recommendation. Because the different results have to put together in some form of consistent overview. Otherwise Stakeholders will not be able to give relevant feedback.		
121	*2. Implementing the NC* *THE FORWARD CAPACITY ALLOCATION REGULATION* *The forward capacity allocation (FCA) Regulation aims at establishing and promoting forward markets in a coordinated way across Europe. Forward markets allow parties to secure transmission capacity before the day-ahead timeframe, while hedging the risks* See previous concern. This artificial split of the market, where everything longer than day-ahead would be hedging should be removed.	EFET	Same comment as above. The idea behind the sentence is not to separate the markets but show key objectives of the FCA. Text rephrased for clarity.
122	*2. Implementing the NC* *THE ELECTRICITY BALANCING GUIDELINE* *Electricity balancing is the process by which TSOs ensure sufficient energy to balance inevitable differences between supply and demand in real time* There are fundamental concerns around the implementation of the Balancing Guideline. In particular the Guideline does not harmonise the role of TSOs. Some TSOs will be proactive others not. Some will use RR, others not.	EFET	The Electricity Balancing Guideline has been thoroughly developed under regular Stakeholder Involvement and approved in the Cross Border Committee Meeting in March 2017 by all member states. Therefore, firstly, the EBGL is not anymore in the hands of TSOs. Secondly, the EBGL has been drafted to fit both proactive and reactive TSOs with a common balancing energy market. Many main parameters for balancing will indeed be harmonized. Full harmonisation will not be achieved in this step, but may potentially further strived for in the future.
123	*2. Implementing the NC* *THE EMERGENCY AND RESTORATION CODE* *The Emergency and Restoration Code (ER NC) sets out harmonised rules on how to deal with emergency situations and to restore the system as efficiently and as quickly as possible* The E&R Code also needs to clarify how imbalance pricing and imbalance settlement is done, in case of brown-outs.	EFET	During the comitology process, EC considered the appropriateness of including market considerations when a power system is in an emergency. The scope of the E&R code was thus limited to include the steps to be taken in advising the market of the system state. Inclusion of rules to include the treatment of imbalance pricing and imbalance settlement however were not considered in scope. This can be further discussed as part of Stakeholder Committee interactions.
124	*3. Grid of the future* *By 2030 at least 45% of the electricity we consume will be generated from renewable energy sources (RES). This represents*	EFET	Yes and no, it is important that customers can participate in all markets. Integrating was a poorly chosen word, but TSOs do

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	a significant challenge for ENTSO-E and TSOs in terms of infrastructure planning, innovation efforts and integration of customers as active market participants Integrating customers as active market participants is not a task of TSOs.		have a role to play in the wholesale market. Text edited to "and allowing customers to participate in all markets."
125	*3. Grid of the future* *The TYNDP 2018 will consider other factors, such as RES curtailment and security of supply. The geographic scope of the system needs analysis will also be extended beyond the ten key boundaries considered in the 2016 edition.* RES curtailment is a tool for congestion management. So redispatch of non RES generation and storage and demand response should also be considered.	EFET	Redispatch of non RES generation and storage is considered in the CBA 2.0
126	*3. Grid of the future* *SYNCHRONISATION OF THE BALTIC TSOS WITH THE CONTINENTAL EUROPEAN SYSTEM* *Baltic TSOs have on their agenda the prospect of disconnecting from the IPS/UPS power system to which they are at present synchronously connected by having tie lines with Russia and Belorussia.* Correct name is now "Belarus".	EFET	Change made in AWP text.
127	*3. Grid of the future* *TOWARDS SMARTER GRIDS - RESEARCH, DEVELOPMENT & INNOVATION* *In the coming years, the European grid will face game-changing environments. New actors will enter the electricity market, such as storage, ICT, prosumers, and active customers.* These four "actors" are not new at all. And ICT is no market actor. So this formulation is not precise. Of course, there is a trend towards decentralisation.	EFET	Rephrased
128	*3. Grid of the future* *In addition, electricity grids must create synergies with other energy networks (gas and heat) and allow the transition towards sustainable transport through*	EFET	This will be further elaborated upon in future work programmes.

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	Very important point also for the future. Maybe elaborate in next work plan?		
129	*3. Grid of the future* *Our objective is to transform the European energy system into an integrated one, with emphasis on flexibility, storage, and end to-end digitisation to integrate different technologies and market services.* This formulation is wide and ambitious. But therefore, also questionable. Why for example this focus on storage? There is already a lot of storage capacity in the market. See for example: http://www.easac.eu/home/reports-and-statements/detail-view/article/valuing-ded.html (and note that this report only covers "dedicated storage", so not seasonal hydro storage.) The objective of TSOs should be to facilitate a market with a level playing field, so that market participants are able to take efficient decisions. And then the market will decide whether to invest in what type of flexible capacity.	EFET	The reference to storage has been deleted.
130	*3. Grid of the future* *The EC's Clean Energy for all Europeans package of proposals of November 2016 addresses this issue, with proposals such as, for customers, an easy switching of supplier, a better access to and protection of consumption data, and the definition of a legal framework for demand-side response.* Yes, but the CEP proposals are still heavily debated. EFET fro example finds that the CEP is unnecessarily regulating the market, which will result in inefficiencies and hinder innovation.	EFET	This comment would be better addressed to the European Commission.
131	*3. Grid of the future* *To meet the challenges mentioned above, TSOs and DSOs cooperate closely. The first objective of the joint TSO-DSO work is to build a common understanding of the challenges and needs from the perspectives of a system operator and neutral market facilitator and to share it more widely with the market parties, regulators, and European Commission.*	EFET	Text rephrased for more clarity. It is indeed necessary to involve market participants.

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	It would be good if TSOs and DSOs first develop a draft common understanding and then consult (instead of share) with market parties a.o.		
132	*4. System Adequacy* *TSOs are in charge of assessing system adequacy, where system adequacy refers to the ability of a power system to cover demand in all conditions.* Is this always the case? Or are Ministries responsible?	EFET	To our best knowledge yes, in cooperation with MS and NRAs
133	*5. Towards a digital future* *WHAT IT ARCHITECTURE FOR THE FUTURE DIGITAL GRID? - ENTSO-E'S IT STRATEGY* How is this "digital grid" defined? TSOs should use IT for their tasks, like for the CGM and RSCs. However market parties are applying IT solutions for all kind of activities like aggregation and customer services. These activities should not be overtaken by TSOs.	EFET	The term "Digital Grid" is intended to picture the fact that in order to allow the power system to globally to deliver what is expected from it with all the dramatic recent evolutions both technological and regulatory, digital concepts and technologies have an always increasing enablement role. By using this term and mentioning in its strategic topics, ENTSO-E wishes to stress that it is fully realized and that ENTSO-E wants to be up to its role to enable the Digital Grid. That does not mean taking over on any of the missions of the market participants or on the IT solutions supporting those. The intent is to the opposite to establishing the standard and infrastructures enabling all participants Information Systems to interact in the most seamless manner.
134	*5. Towards a digital future* *The IT architecture must be adapted to allow TSOs and market players to take advantage of innovation for designing more efficient processes and methods.* Market parties will develop their own IT solutions.	EFET	Absolutely no objection or differing view: please see our answer to comment 133
135	*5. Towards a digital future* *WHERE THE DIGITAL GRID STARTS: THE COMMON GRID MODEL* *TSOs plan the operation of the grid from one year ahead to one hour before real time; this is the last timeframe in which market parties can adjust their positioning in intraday markets.* Not correct. This is only true for XB trading. But in many countries market parties can trade very close to delivery. Which should also be the target for other member states.	EFET	The intention behind the extract in the AWP was referring to the intraday cross-zonal trade. It is true that in some countries intra-zonal trades can occur also closer to real-time. In line with the all TSOs' proposal on the intraday gate opening and gate closure times, the gate closure time should be 60 minutes before real-time. This has been clarified in the text.

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136	*5. Towards a digital future* *ENTSO-E will define a European electricity market role model based on the network codes and guidelines.* Would be interesting to hear more about this. Generally, I would distinguish just three roles: 1. Grid Companies (TSOs and DSOs) 2. Grid connected entities (generation and/or storage and/or consumption) 3. Other market parties (suppliers, off-takers, brokers, traders, market operators, aggregators etc.)	EFET	Thank you for your interest and your view. In the European Electricity Market Role Model, the roles will be picked up from the network codes.
137	*6. Co-Creation &Engagement* *Experience has shown that stakeholder contributions decisively increase the quality of our work and facilitate implementation.* Yes, stakeholder involvement is crucial. The tasks are huge and the efforts that ENTSO is doing as well! But the concerns remain.	EFET	Please see our answer to comment 106.
138	*6. Co-Creation &Engagement* *The length of a consultation varies depending on the deliverable, but in principle it is not less than four weeks.* 4 weeks seem to be the normal case. Moreover, we had many consultations during the summer period. This is extremely unfortunate.	EFET	Please see our answer to comment 106.