4th ENTSO-E Advisory Council meeting

Date: 4 October 2017
Time: 10h30 – 15h00
Place: ENTSO-E premises, Avenue de Cortenbergh 100, conference room - AMPERE

MINUTES

Advisory Council Members

1.	ALBA RIOS Juan Jose	EURELECTRIC
2.	CLAES Peter	IFIEC
3.	DICKSON Giles (replacing PARRES Alfredo)	RES Associations
4.	TRIO Wendel	NGOs
5.	GIESBERTZ Paul	EFET
6.	HORNE Stew	BEUC Citizens Advice

ENTSO-E President

1.	VOORHORST Ben (excused)	Tennet

ENTSO-E Chair of the Board

1.	HAGEM Bente (excused)	Statnett

Observer Member

1.	SUPPONEN Matti	EC

ENTSO-E

1.	LAFFAYE Hervé	Vice-President of ENTSO-E
2.	NIES Susanne	ENTSO-E
3.	SCHMITT Laurent	ENTSO-E
4.	NENOVA Stela	ENTSO-E
5.	MIESZCZANSKI Michael (item 2)	ENTSO-E

Observer Member - excused

1.	BUZEK Jerzy	European Parliament

Member - excused

1.	THIES Frauke	SEDC
2.	BUCHEL Christian	DSO associations

1. Welcome and introduction, approval of agenda and minutes

The AC Chair, Juan Jose Alba Rios, welcomes the AC members to the 4th AC meeting and Hervé Laffaye as Vice-President of ENTSO-E. Hervé Laffaye reminds of the objectives of the Advisory Council to provide input on general strategy and deliverables of ENTSO-E, discuss challenging issues and areas for potential improvements as well as suggestions on how to tackle better the challenges faced. AC recommendations and proposals will be taken to the ENTSO-E Board and Assembly for further consideration and action.

Decision:
- Agenda of the meeting is approved.
- Minutes of 3rd AC meeting are approved with minor changes as proposed by EFET.

2. Advisory Council ToRs review preparation & updates in membership

AC members welcome the proposed changes for the revision of the AC ToRs as reflecting the discussions and decisions at the previous meetings (1st AC meeting on 15 September 2016 and 3rd AC meeting on 8 June 2017). The updated ToRs will be discussed for approval subsequently by the ENTSO-E Board in November 2017 and by the Assembly (December 2017). AC members agree that the membership can be revised to increase the number of representatives of the RES associations to two members to reflect better the variety of RES technologies and ensure balanced advice. ENTSO-E can further consider whether storage needs a separate representation (ex. EASE).

AC members discuss views on enhancing the AC contributions to ENTSO-E's deliverables and strategy, without duplicating existing working structures and stakeholder forums, and welcome further guidance from ENTSO-E as to its expectations on the role of the AC regarding consultations.

Decisions:
- Regarding the AC membership, ENTSO-E will increase to two the representatives of the RES associations in the AC and will consider the participation of EASE.
- In addition to the changes introduced in the ToRs based on previous discussions, the ToRs should be amended to allow for a designated substitute to attend in case a regular member is not available to attend an AC meeting.
- The updated ToRs will be discussed for approval by the ENTSO-E Board in November 2017 and by the Assembly (December 2017).
- ENTSO-E should keep AC members informed of the launch of relevant consultations.
- ENTSO-E will aim to organize once a year a discussion between its four Executive Members (President, Vice-President, Chair and Vice-Chair of the Board) and the AC members to exchange views on AC recommendations and strategic input to the ENTSO-E Board.

3. Exchange on ENTSO-E agenda and strategy

Laurent Schmitt provides an overview on the main focus areas of the future ENTSO-E strategic agenda for 2018-2020 under development. ENTSO-E will continue working on its priorities with regard to timely NC implementation at pan-European, regional and national levels, continuous improvements in IT tools' development and data quality, better TSO coordination, and efficient stakeholder engagement and communication. In addition, ENTSO-E will further focus upon building a solid and trustful governance and financial planning, facilitating regional developments, and enhancing further transparency (including methodologies, calculations, and data quality), developing a new IT approach and capabilities to meet new challenges, and enhancing further the partnership with the DSOs, building upon the progress achieved jointly under the TSO-DSO platform.

ENTSO-E is developing a roadmap for improving the Transparency Platform (TP) and welcomes further recommendations more widely on enhancing relevant data quality and transparency especially regarding mandated deliverables with increasing European impact. Regarding regional coordination, ENTSO-E's priority is first to implement the five current RSC services as per SOGL deadlines, but longer-term thinking regarding new options for services beyond 2025 is also envisioned. With

regard to system planning, ENTSO-E is jointly working with ENTSOG on the TYNDPs and MAFs, and aiming to provide decarbonization solutions in some of its future scenarios.

AC members welcome and encourage closer TSO-DSO cooperation and exchange of best practices, and remind that regardless of the local DSO specificities and challenges, the overall aim of the joint TSO-DSO work should be to facilitate the European market, while also opening the TSO-DSO cooperation to stakeholders and ensuring a level-playing field for all. Progress on the data exchange aspect will be of key importance. As the roles of grid operators and market operators are changing and boundaries are blurring, this evolution should be taken into account in the future strategic thinking.

AC members welcome the proposals for the new ENTSO-E IT strategy for 2017-2020, which aims to provide an efficient governance framework to meet the challenge of increasingly interlinked IT needs of TSOs and other actors for NC implementation, under ENTSO-E's leadership on mandated platforms (CGM, TP, balancing) and products, as well as its role in ensuring interoperability, common IT policy, standards, and cybersecurity tools and expertise sharing. On cybersecurity, ENTSO-E is developing a policy paper and working with stakeholders and the EC on laying the grounds for a future NC. BEUC reminds that consumer engagement regarding cybersecurity aspects is very important. The key challenge ahead for ENTSO-E is ensuring financial resources to meet NC implementation requirements which need new IT tools. Further regulatory support will be crucial to unlock adequate resources for the implementation and timely delivery on those tasks.

AC members discuss the draft ENTSO-E Annual Work Program 2018 which has been under public consultation until mid-September, and will be finalized based on the feedback received for publication by end-2017. Suggestions from AC members include:
– Organize one-to-one meetings with stakeholders to discuss the AWP, as well as a dedicated workshop on the AWP to gather further feedback.
– As an overall advice, ENTSO-E should explore ways to reconcile short consultation timelines and deadlines, where consultations fall over holiday periods, with stakeholders' resource constraints to provide quality feedback on important topics (ex. develop a fast-track response for the consultations, informal workshops early-on in the process). The AWP could reflect more explicitly the challenge of receiving and incorporating stakeholder feedback through open consultations. A pro-active approach on some critical topics may help gather better feedback.
– The future AWPs can include ENTSO-E's view on the key challenges and difficulties encountered (in a side document or summary) with regard to NC implementation as the AWP is a tool to help those processes as well.
– The future AWP should especially focus on the relatively small number of tasks that do not derive from legal mandates.
– Regarding digital aspects (Ch. 5), ENTSO-E can clarify explicitly the scope limitations of the planned work.
– ENTSO-E can reflect upon new areas of work or possible actions that are not covered yet in the current legal mandates, but that can foster further market integration.
– Including more detail in the AWP as to who is the target audience of and should participate in ENTSO-E workshops can be beneficial for some stakeholders, such as consumers.

In the context of the CEP framework, AC members discuss open questions as to what future topics need to be addressed through NCs and what method is most suitable for drafting NCs, given the experience gathered on drafting and ongoing implementation and the fast speed of real market developments in some areas (cybersecurity, DSR, etc.). Laurent Schmitt notes that one possibility to go ahead is through amendments to align current NCs with future expectations and needs, while preserving a pragmatic approach. IFIEC notes that implementation challenges are significant for consumers and grid users within the various national contexts, and future changes and processes on NCs should take this into account as well.

Future topics for discussion and advice from the AC to ENTSO-E can include: TP and transparency improvements, TSO-DSO cooperation on a European level, sector coupling and the impact of electrification on the grid; what other NCs needed in the future, explore possibility to invite ENTSOG representative for an exchange of views on relevant issues. For future AC meetings, the agenda can include a high-level overview on latest ENTSO-E developments at each meeting, followed by a focused discussion on a specific topic.

Decisions and advice:
▪ The Transparency Platform (TP) should be on the agenda for the next AC meeting. ENTSO-E should present its roadmap on TP improvement; ENTSO-E should check the composition of the TP user group and consider including consumers.
▪ ENTSO-E should invite a representative from System Operations to the next AC meeting to exchange views on the development of future RSCs' services beyond the existing 5 services.

- ENTSO-E should explore suitable channels for integrating stakeholders in the TSO-DSO discussion forums (possibly in the framework of the existing TSO-DSO platform).
- BEUC should formulate their expectations and questions related to cybersecurity and consumer engagement and bring those to ENTSO-E and to the EC.
- ENTSO-E will take the suggestions and input provided by AC members respectively for the draft AWP 2018 where possible and for future AWP developments and processes. Specifically, the future AWPs can include ENTSO-E's view on the key challenges and difficulties encountered (in a side document or summary) with regard to NC implementation, and should especially focus on the relatively small number of tasks that do not derive from legal mandates.
- ENTSO-E will share an overview on ESCs' membership with the AC.
- ENTSO-E will coordinate with AC members the recommendations that the ENTSO-E Board should consider. ENTSO-E Board will discuss those at its next meeting and provide feedback to the AC on how the advice will be considered.
- ENTSO-E should keep AC members informed on a regular basis regarding upcoming policy papers.
- ENTSO-E will provide each AC member with 2 free passes for its Annual Conference on 5-6 Dec 2017.

4. Clean Energy Package

The Chair provides a brief overview on the need to develop a holistic perspective on transmission tariffs and outlines proposals on overarching guiding principles to be considered in the design of tariffs as well as open questions for discussion in the context of the CEP framework. AC members agree that a balance needs to be found to ensure that network tariffs reflect adequately network costs and incentivise efficient provision of infrastructure services, and that they provide economic signals to incentivise efficient behaviour and optimal use of the system. Some degree of harmonization of tariffs may be beneficial as well as common criteria and approaches to tariffs to help provide the right incentives, including for investments in smart grids and innovation in the networks.

It is noted that the discussion on tariffs within the context of the changing power system should also reflect on issues such as how to address properly self-consumption, prosumers' role and DSR, how to reflect congestion in the tariffs, how to address off-grid trends and the impact on the grids, how to ensure a level-playing field within the context of a wide variety of DSO networks, among others. It would be important to consider the types of services that will need to be provided by various technologies in the future (ancillary services), and the potential of locational signals. Double-charging and free-riding should be prevented.

Regarding RSCs, AC members agree that transparency is important, which means that if a TSO decides to not follow the decision of an RSC, the justification and reasons for the TSO decision to deviate should be transparent and shared publicly with regulators, MSs and stakeholders. AC members encourage ENTSO-E to be more ambitious with regard to regional developments (ex. balancing capacity procurement, sizing of reserves etc.) from a longer-term market perspective, to ensure that the right regional perspective is guiding on issues of regional importance. Laurent Schmitt underlines that transparency is one of the priorities for ENTSO-E and welcomes further suggestions on how to improve transparency on decisions taken by RSCs, while respecting sensitivities linked to system security issues (contingencies) in the context of enhanced transparency requirements.

AC members discuss further the new actors in the system, such as aggregators, LECs, and the need for establishing the right principles to integrate them successfully.

Decisions and advice
- Tariffs' proposal: the AC agrees that tariff topic is an important topic to reflect upon from a long-term market design perspective.
- The AC agrees on the following process for submitting further advice on tariffs to ENTSO-E: the AC will collect main principles, questions and suggestions on the tariff topic from a long-term perspective (2025) and the requirements that would be expected for the grid of tomorrow, and will provide to ENTSO-E an initial proposal. ENTSO-E's Working Group on tariffs under the Market Committee will take the AC proposals and develop further. AC can provide further feedback to ENTSO-E's work on tariffs in the subsequent process.

- On transparency: AC can provide concrete examples to ENTSO-E and suggestions on how to improve the transparency regarding RSC decisions, as regarding also MS, NRA and TSO decisions for deviations in that context.

5. International cooperation and European Neighborhood partnerships, COP23

Susanne Nies presents ENTSO-E's ideas to extend cooperation and strengthen engagement with some target groups of TSOs and other partners, including non-EU TSOs and relevant structures beyond the European level. One possibility for such cooperation is through the development of a partnership program for TSOs that are not ENTSO-E members but are interested to cooperate and exchange best practices regarding power system developments, Network Codes etc. The program will aim to help further integration, provide training opportunities, promote regional cooperation and the Internal Energy Market principles beyond European borders (Energy Community, third countries etc.). AC members welcome the idea and share some experiences of knowledge exchange and best practice sharing in other organizations.

ENTSO-E is participating for the first time in the UN Climate Change Conference with an event on the topic of active customers' integration, organized jointly with BEUC, Tomorrow and IRENA in the COP23.

Decision
- ENTSO-E can explore synergies and cooperation with EFET's existing dedicated training programs for some countries on energy matters, and with the EC External Action Service on an ad-hoc basis for important requests.

6. Regional Energy Forums

Susanne Nies presents briefly ENTSO-E's upcoming paper on the concept of Regional Energy Forums (REFs) to enhance regional cooperation and efficient and effective coordination by uniting in the regional discussions the political, regulatory and technical perspectives, including stakeholders, to develop solutions for the respective regions. AC members welcome the concept and note that the stakeholder involvement will be very important with a view to ensuring transparency, and that the good examples of such regional developments can be used as a foundation to ensure future progress.

Decision
- The AC welcomes the REF concept and encourages stronger cooperation between NRAs, MS and TSOs, also including relevant stakeholders.
- ENTSO-E should share the REF paper with the AC members.

7. AOB

Decision
- Date for the next meeting to be confirmed: 12th December afternoon, followed by dinner with the four ENTSO-E Executive Members.