

# 5<sup>th</sup> ENTSO-E Advisory Council meeting

Date: 12 December 2017

Time: 13h00 – 17h30

Place: Hotel Sofitel Brussels Europe, Place Jourdan 1, Brussels

## 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
7.	THIES Frauke	smartEn

### *ENTSO-E President*

1.	VOORHORST Ben	Tennet
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### *ENTSO-E Chair of the Board*

1.	HAGEM Bente	Statnett
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### *Observer Member*

1.	SUPPONEN Matti	EC
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### *ENTSO-E*

1.	SCHMITT Laurent	ENTSO-E
2.	NIES Susanne	ENTSO-E
3.	NENOVA Stela	ENTSO-E
4.	TWOHIG Sonya (item 4)	ENTSO-E

### *Observer Member - excused*

1.	BUZEK Jerzy	European Parliament
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### *Member - excused*

1.	BUCHEL Christian	DSO associations
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## 1. Welcome and introduction, approval of agenda and minutes

The AC Chair, Juan Jose Alba Rios, welcomes members to the 5<sup>th</sup> AC meeting. Updates regarding AC ToRs and rules regarding the replacement of AC members in meetings in case they are not available to attend will be addressed in point 2 of the agenda.

### Decisions

- Agenda of the meeting is approved.
- Minutes of the 4<sup>th</sup> AC meeting are approved.

## 2. Exchange on ENTSO-E agenda and strategy

AC members welcome the proposed changes for the revision of the AC ToRs and membership as reflecting the discussions and decisions at the previous meetings. The ToRs should additionally allow for a designated substitute to attend in case a regular AC member is not available to attend a meeting. The updated ToRs will be discussed for approval subsequently by the ENTSO-E Board in end-January 2018 and by the ENTSO-E Assembly (February 2018).

Laurent Schmitt provides an overview on the key building blocks 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 and data quality through a new dedicated IT governance framework and enhanced capabilities to support consistent regional and pan-European developments (CGM, XBID etc.) and cybersecurity, better TSO coordination, and efficient stakeholder engagement and communication. Additionally, ENTSO-E will further focus upon improving its governance and financial planning to deliver efficiently on its increasing mandates, facilitating regional developments through interoperability and coordination, also within the framework of Regional Energy Forums, and facilitating market developments and market design with a customer-centric approach. Enhancing transparency, including with regard to capacity calculation, and enhancing further the partnership with the DSOs, building upon the progress under the TSO-DSO platform, are the other elements central to ENTSO-E's new strategy.

Ben Voorhorst provides an overview on the new ENTSO-E long-term scenarios, which were developed jointly with ENTOSOG stakeholder consultations, as aligned with EU climate targets and ambitions. AC members welcome the improvements in the scenario building and modelling and transparency, and the underlying principles behind. Recommendations of AC members for improvements and considerations for future scenarios include: explore an alternative name of the ENTSO-E 'sustainable transition' scenario to align the connotation with the IEA's most ambitious 'sustainable development scenario; compare the ENTSO-E scenario with the Paris agreement scenario and analyse the implications for the power system development; explore together with DSOs the link between future electrification trends and smart cities' development and potential bottlenecks that could be linked to those trends from a long-term perspective; explore further thinking with regard to addressing future challenges such as significant increases in gas demand, the need for replacements of firm capacity and for developing new technology solutions.

### Decisions and advice

- Each AC member should propose a designated substitute, to be included in the AC ToRs. The substitute can attend an AC meeting in case a regular member of the AC is not available to attend.
- Regarding ENTSO-E strategy elements, ENTSO-E should reformulate its ambition as a leader in 'future power system design and facilitation of market design.'
- ENTSO-E should take into account the feedback provided and the proposals for considerations for the future development of the scenarios.
- As a follow-up from the discussion on tariffs at the 4th AC meeting, ENTSO-E will work on a paper on tariffs from a long-term market design perspective, including subsequent input from the AC.

## 3. NC implementation and stakeholder committees' work

Susanne Nies provides a brief overview on how ENTSO-E engages with stakeholders in various formal stakeholder committees, such as the ESCs on NCs, jointly organized with ACER, among others. Results demonstrate that some smaller organizations such as consumer groups, RES associations, and NGOs are less represented in those groups on average,

compared to others. ENTSO-E will strive as part of its overall stakeholder engagement strategy to increase its engagement with those groups.

AC members note that some of the organizations mentioned (consumers, green groups etc.) have a significant interest in the social impact of NCs but many associations, both larger and smaller, have limited capacities to contribute to the large amount of stakeholder consultation processes in the implementation phase of NCs. ENTSO-E is encouraged to provide more opportunities and channels for early stakeholder engagement, to target better relevant impacted groups, and to focus on integrating further the quality stakeholder inputs received in the development of its products. AC members welcome very much the FSR training on NCs, which has provided an extremely valuable forum for capacity building on NCs across Europe.

Juan Jose Alba Rios presents briefly some observations and recent experience of DSO associations with ENTSO-E's stakeholder consultation processes and recommendations to ENTSO-E on some areas for improvement. AC members provide further feedback ENTSO-E on how the consultation process could be improved: make the consultation process easier, more accessible, and better structured; provide longer forward visibility on upcoming consultations (a year ahead where possible); involve stakeholders proactively at an early stage of developing the consultation proposals; provide longer timeframes for consultations, especially if a number of complex ones run in parallel; tag consultations to show better the groups for which they would be most relevant (ex. consumers), develop an app for notifications etc.

ENTSO-E plans to update its stakeholder consultation process and the 2011 Consultation Process document as part of a new proactive stakeholder engagement approach in early 2018, will take the feedback gathered into this update to improve tools, facilitating engagement, especially from less represented groups.

### Decisions and advice

- ENTSO-E 2011 consultation process document should be updated based on feedback gathered from the wider stakeholder community and recommendations from the AC for improvements to the document.

## 4. Regional cooperation – RSCs forward

Sonya Twohig presents the current state of play on the RSCs' set-up and services as per the SOGL and provides a view on the evolving future services and roles where RSCs could support TSOs in addition to the existing ones, mainly with regard to producing a consistency assessment of the defence and restoration plans and measures in the NC ER, and in the coordination and management of critical grid situations. AC members agree that the Regional Energy Forums as proposed by ENTSO-E are a good way forward to strengthen regional cooperation and support regional decisions but note that stakeholder involvement will be very important with a view to ensuring further transparency. AC members note that a clear governance mechanism, involving stronger MS and NRA cooperation under ACER in addition to TSO coordination, is needed to solve regional challenges especially regarding correct allocation of responsibilities, costs' allocation and capacity allocation. ENTSO-E is encouraged to pursue further the European agenda for the internal market given the significant costs of non-Europe and various trade-offs between national, regional and/or European solutions.

### Decisions

- The AC will issue an advice to ENTSO-E on regional cooperation.

## 5. Clean Energy Package – state of play and views

AC members discuss the state of play of the Clean Energy Package, including capacity calculation, tariffs, storage framework, demand response, and roles of TSOs and DSOs as market facilitators. Ben Voorhorst explains that the physical reality of the system should not be ignored with regard to capacity calculation as redispatching solutions can be very costly from a societal point of view and less transparent. ENTSO-E is striving to provide more transparency to market participants with regard to cross-border capacity given to the market and is looking at ways to address the challenge of how to increase those capacities while also ensuring optimal and secure solutions, adequate incentives for interconnectors and delivering socio-economic benefits. Regarding this aspect, it is noted that ACER could play a stronger role vis-à-vis the NRAs.

As an organization with European mandates, ENTSO-E is encouraged to provide transparency on its CEP amendment proposals and publish them.

AC members agree that a streamlined approach on the flexibility products is necessary, along with TSO-DSO alignment and a common view as conditions to enable providers to choose where to offer their flexibility. Monitoring of flexibility in the system and consumer engagement can be two important aspects for benchmarking across Europe. A level-playing field for demand response is equally important and should be jointly facilitated by TSOs and DSOs.

Ben Voorhorst underlines ENTSO-E's commitment to work closely with the DSOs associations on addressing common challenges to provide choices to customers and to enable them to participate effectively in the market.

### Decisions

- Advice: ENTSO-E should strive for transparency and publish its CEP amendment proposals.
- ENTSO-E should follow-up with WindEurope regarding its storage position in the context of the Council discussions on the topic.
- ENTSO-E and stakeholders should consider to put on the next MESC agenda significant blocking issues (cost impact aspects) in the implementation of NCs (regarding NRA and/or MS cooperation).
- A streamlined approach on flexibility products and types and a common view and alignment between TSOs and DSOs should be pursued to avoid splitting the market.

## 6. Transparency Platform roadmap

### Decisions

- The topic of the TP roadmap is postponed for the next AC meeting.

## 7. AOB

### Decisions

- Dates for meetings in 2018: 3 meetings – second half of March, June, October
- ENTSO-E will send a doodle for selecting the meeting dates.
- ENTSO-E will share preparatory meeting materials with AC members one week in advance of the meetings.