

11th ENTSO-E independent Advisory Council Meeting

Date: 10 October 2019

Time: 10h00 – 13h00, followed by lunch

Place: ENTSO-E premises, Avenue de Cortenbergh 100, room AMPERE, 6th Floor

DECISIONS AND RECOMMENDATIONS

List of participants

Advisory Council Members

1.	DICKSON, Giles (Chair)	RES Associations – WindEurope
2.	BATTAGLINI, Antonella	NGOs - RGI (substituting for Eva Schmid/Germanwatch)
3.	ALBA RIOS, Juan Jose	EURELECTRIC
4.	HEMETSBERGER, Walburga	RES Associations – SolarPower Europe
5.	GIESBERTZ, Paul	EFET
6.	CLAES, Peter	IFIEC
7.	RANSCOMBE, Heidi	BEUC Citizens Advice (substituting for Stew Horne)
8.	NILSSON, Rickard	Europex
9.	KREUSEL, Jochen	T&D Europe
10.	THIES, Frauke	SmartEn
11.	GARAUDE-VERDIER, Rémy	DSO Associations (substituting for Christian Buchel)
12.	TRIO, Wendel	CAN Europe

Observer member

1.	ERMACORA, Florian	European Commission
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Observer members, Excused

1.	BUZEK Jerzy	European Parliament
2.	GENCE-CREUX, Christophe	ACER

ENTSO-E Representatives

1.	LAFFAYE, Hervé	ENTSO-E President
2.	FONCK, Pascale	ENTSO-E Vice-Chair of the Board
3.	SCHMITT, Laurent	ENTSO-E Secretariat
4.	NIES, Susanne	ENTSO-E Secretariat

5.	GYULAY, Zoltan	ENTSO-E Secretariat (item 3)
6.	SCHROEDER, Robert	ENTSO-E Secretariat (items 3-5)
7.	NENOVA, Stela	ENTSO-E Secretariat

Other representatives

1.	FRAILE, Daniel	WindEurope Secretariat (support to the Chair)
2.	MUEHLENHOFF, Jörg	NGOs (substitute)

1. Welcome, approval of agenda and minutes

- The Vice-Chair was temporarily unavailable due to maternity leave. The iAC recommended that Frauke Thies takes on the role temporarily.
- The minutes of the previous meeting were approved as circulated.

2. Update from ENTSO-E:

- ENTSO-E provided an overview of its priorities for 2020, including its focus on implementing Network Codes (NC) and Clean Energy Package (CEP) mandates, and developing the future power system with its vision for 2030, its scenario planning, and its research and development activities, among others.
- The iAC would like to see National Grid (NG) as fully involved as possible in the work of ENTSO-E after Brexit whatever the wider political circumstances. The UK and NG have a key role to play in the good functioning of an interconnected European electricity system.
- The iAC encouraged ENTSO-E to use the term ‘climate neutrality’ instead of ‘decarbonisation’.
- The iAC appreciated the fact that ENTSO-E had worked jointly with ENTSG on the TYNDP scenario building and that they had aligned on the electricity side with the draft NECPs.
- However, the iAC noted that the joint ENTSO-E/ENTSG analysis in the TYNDP pointed to only a 45-50% electrification share of the energy mix by 2050, while other studies (e.g. EURELECTRIC) envisaged 60%. The iAC was concerned with this low electrification share and encouraged ENTSO-E to align further on methodologies, assumptions and inputs with ENTSG. Stakeholders were invited to contribute to the upcoming TYNDP scenario consultation.
- The iAC would be interested to exchange at the earliest possibility on the Vision 2030, once it has been approved and released.

3. Clean Energy Package implementation

Recommendations:

- ENTSO-E provided an update on CEP implementation, based on the results of its own assessment on the CEP impacts and the resources needed. Its current focus was on delivering the new tasks in a timely manner. Cooperation with ACER on the clarification and application of Article 16 of the Electricity Regulation was ongoing, and ENTSO-E was facilitating and coordinating TSO work with a view to minimizing any negative impacts on system security of the new 70% rule.
- The iAC welcomed ENTSO-E’s focus on CEP implementation and on delivering on the new tasks, and looked forward to the timely implementation of the NCs and the Common Grid Model (CGM).

- The iAC welcomed the coordination of the TSO community on data provision for Article 16 and the timely delivery of the Bidding Zone (BZ) work and would appreciate any ENTSO-E additional clarification, input or data that would supplement the ACER guidance on Article 16 and the implementation of the 70% requirement.
- The iAC would appreciate a pan-EU approach to the BZ review to ensure further consistency between the regional and the pan-EU level. The iAC was concerned about the low level of stakeholder involvement in the process; and that the methodology didn't seem to be consistent with the text of the new Regulation and the functioning of the internal electricity market. The iAC will prepare written guidance to ENTSO-E on this topic for the next meeting.
- The iAC is concerned with the delays (already one year) in taking forward CGM. The iAC would like to see the CGM topic addressed also in the MESC on a regular basis, in order to take efficient markets and relevant implications into account.
- ENTSO-E confirmed that CGM delivery was a priority; it implied significant investments and the TSO community was building a first of its kind platform. Technical implementation for system operation tasks and Regional Security Coordinator (RSC) functions in a secure manner will be a priority, followed by further rollout for all other tasks as per the programme plan.

4. Sector coupling:

- The iAC presented to ENTSO-E its written Advice on this, which had been endorsed by 11 of its 12 members.
- The iAC looked forward to ENTSO-E's formal response to the Advice submitted, as well as to a response to the previous iAC paper on the ownership of assets by TSOs, available [here](#).
- ENTSO-E highlighted its views on sector coupling as a means to provide access to economic, efficient cross-sectoral flexibility. Important aspects to be considered included the need for a holistic and one energy system view across sectors, the need for a definition of green products, for technology neutrality, innovation and large-scale pilots, cost efficiency and open access to sector coupling infrastructure, among others.

5. Infrastructure planning:

Smart grid indicator:

- ENTSO-E was looking into the CEP smart grid indicator provisions in the workstream of its Research & Innovation Committee and looked forward to align further the views at the TSO-DSO level, as well as to further work with other entities. Aspects such as technology readiness, benchmarks and KPIs and cybersecurity implications needed to be assessed as well, and there might be a need for regulation to provide appropriate incentives.
- The iAC welcomed the ongoing work. The iAC thinks the regulation is quite open and that coordination will be important to align national implementation. The iAC supported the idea of the Council taking a role on finding a useful framework for this type of indicator and the learning experience and would like this topic to be covered at future meetings.

Grid investments & flexibility procurement:

- The iAC presented to ENTSO-E its written Advice on 'Procuring flexibility as an alternative to grid investment' (*) which had been endorsed by 11 of its 12 members. The Council acknowledged and supported the need for the swift implementation of grid investments as projected. They stressed that flexibility procurement was complementary to grid expansion and needed to happen simultaneously.
- ENTSO-E was invited to provide a written response to the Advice.

- The iAC did not wish to challenge the current TYNDP. On the contrary it strongly supported the execution of the ongoing projects for grid investments and congratulated the TSO community for advancing speedily with the grid expansion (for example the recent progress in Germany). ENTSO-E asked the independent Advisory Council members to change the title of the paper as to reflect the approach as here: it should read ‘procuring flexibility through grid investment and other solutions.’
* The Council have now changed the title of the advice to “Procuring Flexibility as part of cost-effective system development and integration”.

Offshore grid connection challenges:

- The iAC noted the growing interest in the development of hybrid offshore wind farms (with grid connections to more than one country) in the context of the expansion of offshore wind. It noted the legal issues that would arise from such projects, e.g. the bidding zone arrangements and the applicability of interconnector rules, to which clear answers did not currently exist. It noted that the Commission, Germany and other Governments were considering how EU regulation could provide the necessary clarification. It noted the importance to ensuring a level-playing field between onshore and offshore generation assets.
- ENTSO-E explained the category of offshore grid is identified in the TYNDP and the Projects of Common Interest (PCI) process. Work in that area was on a case by case basis, with significant differences from one case to the other, and technical implementation challenges, where further learning from the existing experience should help. Studies such as the one by Navigant shed further light on different models and benefits.
- The iAC and the Commission encouraged ENTSO-E to engage in the ongoing discussions on a regulatory framework of hybrid offshore generation and transmission assets, in the context of the German Presidencies in 2020 of the North Seas Energy Forum and the EU Council.

6. TSO-DSO update: Active System Management (ASM) report

- ENTSO-E provided an update on the state of play of the TSO-DSO cooperation and key directions for a market design vision based on the ASM report developed jointly with the DSO associations in 2019. The INTERFACE project where ENTSO-E is involved will put into practice some of the principles from the report.
- The DSO representative noted that they are proud of the report and further work would continue together with the TSOs on the preferred option ahead based on the report. Most importantly, TSOs and DSOs have agreed on several key elements such as ensuring open access to the platforms, interoperability, neutrality, among others, as a solid base for the next steps.
- The iAC welcomed the ongoing TSO-DSO cooperation and the joint work done on the ASM report. The iAC may come back with a recommendation on the topic.

7. AOB:

- The iAC was disappointed to see a proposal for only 2 meetings in 2020. ENTSO-E highlighted its challenge of limited resources.
- The iAC wanted to maintain at least three meetings a year in 2020 as previously.