

# Report from the Board

Bente Hagem, Chair of the Board

ENTSO-E

Assembly Meeting  
Brussels, 11 October 2018

entsoe 1

## Topics

1. ENTSO-E discussion on DSO neutrality
2. ICT Review on Balancing Platform
3. Process for IT Structure discussions
4. Status Common Grid Model
5. The Secretariat's transformation program
6. Reports
  - ❑ Resources committee
  - ❑ Digital committee
  - ❑ Reports from the independent Advisory Council

entsoe 2

## TOP – 1: ENTSO-E discussion on DSO neutrality

### Issue

- DSOs will have more responsibilities in the future power system
- TSOs concerned on DSO Neutrality with introduction of the EU DSO entity and new DSO tasks in the CEP

### Steps taken

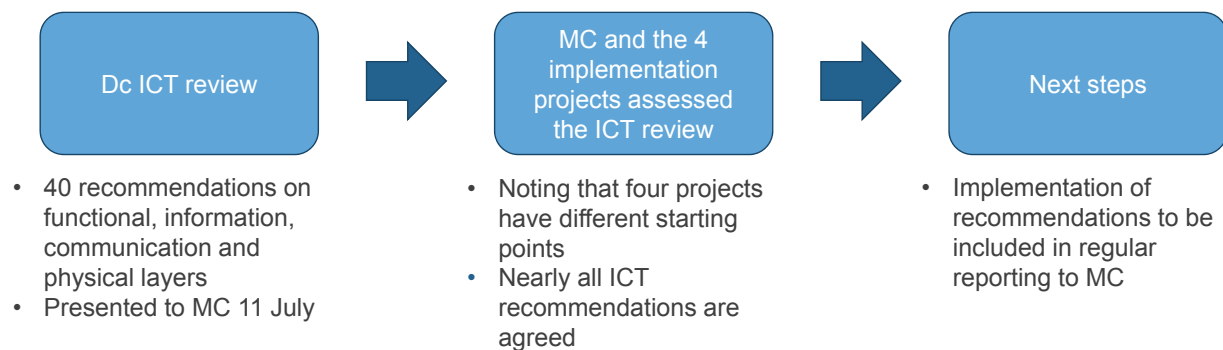
- LRG conducted an analysis that showed concerns in relation to the level of unbundling of the small DSOs and DSOs of vertically integrated companies
- TSO -DSO group with the support of LRG prepared the Board discussion

### Board Conclusion

- The September Board introduced a concept of a soft advocacy to support DSO neutrality, based on the key principle that anyone who has a role in system operation, market facilitation, including data management, should be neutral. (oversight needed for new roles)

## TOP 2 - ICT Review on 4 Balancing Platforms

Digital committee has identified opportunities for consistency, reliability and efficiency gains in the ICT implementation of the balancing platforms. The business governance of the project was not in the scope



## TOP 2 - Governance of the 4 European Balancing Projects

- Governance structure approved by All TSOs on 29 March. For:
  - Imbalance Netting
  - Automatic and Manual Frequency Restoration Reserve
  - Replacement Reserves
- The 4 Projects Steering Committee shall each :
  - Develop legal framework for project- and operational phase
  - Develop and implement the project
  - Decide where to operate the platform
  - Decide on budgets and costs
  - Report to All TSOs of the implementation progress

A workshop is scheduled to discuss  
the governance topic – 7 November 2018

## TOP 3 - Future IT Structure discussion process

- ❑ First bottom up baseline of alternatives with Pros & Cons initiated through a Dc dedicated Task Force taking into account current IT Strategy principles
- ❑ Discussion to be held in the Ic plenary on 17 October
- ❑ Launch of CEO interviews to discuss TSO motivations and preferred options
- ❑ First round of interview planned with a sample of TSO CEOs: 50Hertz, Amprion, Rte, TenneT TSO BV, SVK, Litgrid, PSE, Terna, Swissgrid, IPTO & Transelectrica
- ❑ First results reporting and discussion planned in 11 December in General Assembly
- ❑ Next discussion and formal decision on the way forward in the 27 February 2019 General Assembly

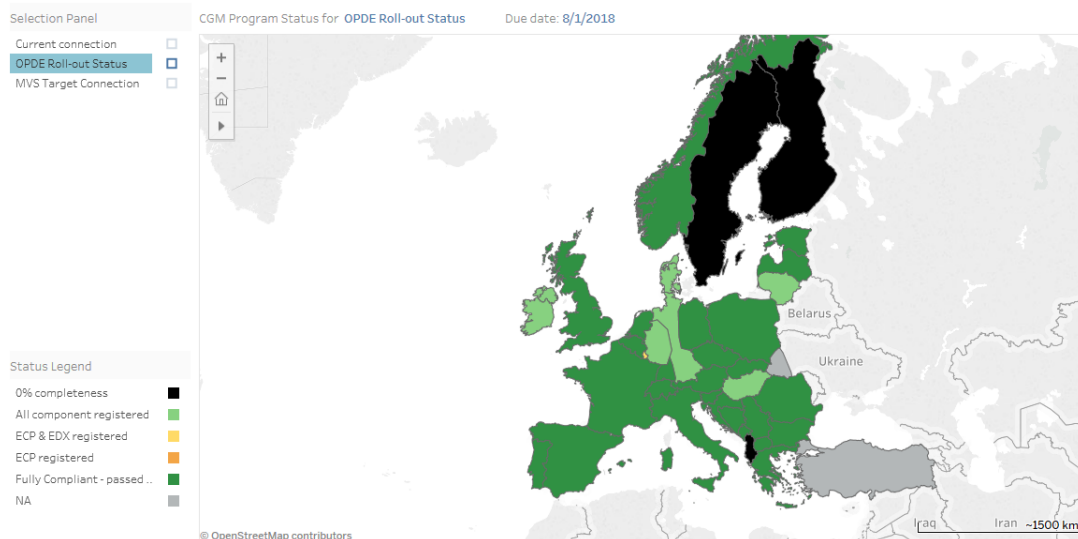
# TOP 4 - CGM Program Executive summary

Summary	Status	Trend	Sponsor	Frequency
Milestone 1 "Pan-European Data Exchange Capability" reached with work around for CWE connectivity. Final connectivity test for Svk, Fingrid & Nordic RSC expected within mid September. New Proposal for PEVF governance and BLM nomination finalized.	●	➔	Laurent Schmitt	monthly
			<b>Program Manager</b>	<b>Period</b>
			Nisheeth Singh	01.08.-29.08.
Achievements	●➔	Main challenges	●➔	
<ul style="list-style-type: none"> <li>Amprion, APG and Swissgrid are connected over ATOM network</li> <li>Rfl for Physical Communication Network has been sent to TSOs and RSCs / Gartner audit launched on Communication</li> </ul>	<ul style="list-style-type: none"> <li>costs</li> <li>LIP questionnaire has been processed. Draft report is under review</li> </ul>	<ul style="list-style-type: none"> <li>Connection of CWE RPN</li> <li>Finalisation of Post-CGM business requirements by business owners (TSOs/RSCs)</li> <li>HVDC modeling &amp; PEVF</li> </ul>	<ul style="list-style-type: none"> <li>application alignment with CGMA</li> <li>Separation of production and test environments</li> </ul>	
Cost	●➔	Risk	●➔	
<ul style="list-style-type: none"> <li>OPEX staff costs on track (recruitment in progress)</li> <li>OPEX IT costs underspend (-640 k€) for the period YTD July 2018 mainly due to late release 1 delivery (ATOM NOC (-276 k€), Application maintenance (-119 k€)</li> </ul>	<ul style="list-style-type: none"> <li>and OPDE (-302 k€)</li> <li>CAPEX costs July YTD are in line with forecast underspending -90 k€ on Software Development, overspending 40 k€ on Contracted Expertise.</li> </ul>	<ul style="list-style-type: none"> <li>Risk review performed in August by the CGM Program Director with the CGM Program team</li> <li>New issues have been identified: investigation ongoing. Level of risk perceived as constant.</li> </ul>	<ul style="list-style-type: none"> <li>Action Plans to mitigate most critical risks – Business Lead Manager and PEVF alignments have been finalized and presented at last Board.</li> </ul>	

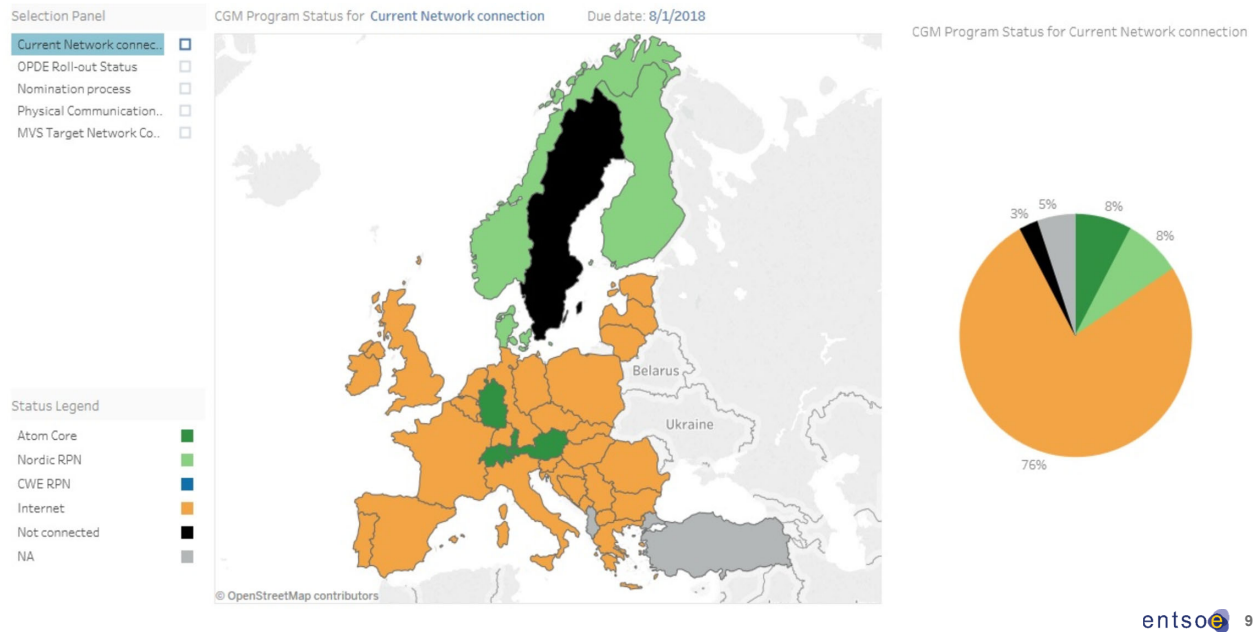
● All items according to plan ● At least one item might be not achieved as planned or risk has changed ● At least one item is not achieved as planned or risk occurred

# TOP 4 - CGM Program Update - Status connection to OPDE

## CGM COMPLETENESS REPORT



## TOP 4 - Status connection to Networks (9/10/18 update)



## TOP 5 - Secretariat Transformation program update

- Transformation Plan launched at Secretariat to improve ENTSO-E Operational efficiency
- Plan composed of 9 Secretariat Vital Change Actions and 10 Transverse Projects, all documented with Project Initiation Documents and followed monthly
- Two main Efficiency objectives
  1. Improved complex decision making
  2. ENTSO-E structure simplification & cost reduction
- Target to regularly report progress to Board

## TOP 6 - Report - Resources committee

Since last General Assembly held on 28 June 2018, the Resource committee met once on 19 September advising the Board on:

1. **CGM project follow up:** enhancement of project management standard for tighter budget control over the project development “cost to complete/earning value KPIs set up
2. **Budget 2019 and 5 year plan:** screening of the proposal before the Board (part of this Assembly agenda and to be continued for December new detailed proposal)
3. **Building security recommendation:** screening of the short and long term mitigation plan with a specific focus on financial simulation.
4. **Membership fee distinction for IT services:** follow up of IT structure discussion as well as potential alternative sharing key principle.
5. **Auditors mandate:** screening of the selection process and recommendation to Board to go for BDO proposal
6. **Financial reporting end August:** identification of savings mainly from CGM ATOM net work roll out (to be confirmed our reforecast within the 2019 budget proposal)

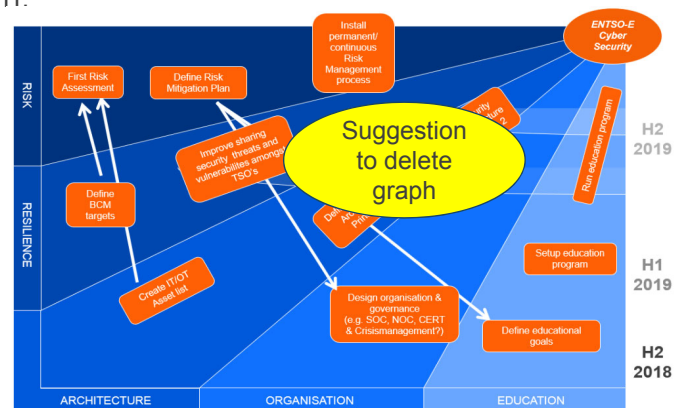
## TOP 6 - Report - Digital committee

### 1. ENTSO-E IT

- Subject to timely performance of Assembly Members interviews, ENTSO-E IT Structure analysis and evolution scenarios should be introduced at the General Assembly of December 2018.
- The Digital committee (Dc) advises to anticipate a long-lasting trend of increase in IT budgets in recognition of the always increasing criticality of IT.

### 2. Cybersecurity Updates

- The Dc recommends to perform an ENTSO-E inter-TSO/RSC Cybersecurity Risk assessment as the key first step for the execution of the CS strategy;
- Budget discussions are ongoing to start as soon as possible



### 3. CIO Community

- The Dc informs that the CIO Community 2 will take place on 17/10/2018

## TOP 6 - Report from the independent Advisory Council

### Recommendations of the 7<sup>th</sup> Advisory Council meeting on 4 July 2018 include:

- ENTSO-E is encouraged to work more on improving transparency on capacity calculation and regional developments
- The development of homogeneous solutions from a European perspective should be supported through existing cooperation forums
- Regional Energy Forums' concept is welcome and could play a role in security of supply, transmission investments and coordination of National Energy and Climate Plans
- The ongoing improvements to the Transparency Platform are highly appreciated by stakeholders

### **8<sup>th</sup> meeting of the Advisory Council, including new members: 12 October 2018**

Topics include: TYNDP scenarios, Clean Energy Package, TSO-DSO cooperation

13

**Thank you for your attention !**

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