
Annual Assembly Meeting of 11 December 2018

Date: Tuesday, 11 December 2018

Time: 10:00 – 15:00

Place: Hotel Thon EU, Rue de la Loi 75, 1000 Brussels, Belgium

MINUTES

1. Verification of attendance, quorum, voting rights - Approval of the agenda

The President welcomes the participants to the ENTSO-E Assembly meeting. He thanks the participants for coming to Brussels for the meeting and welcomes the new representatives attending the Assembly for the first time: Milica DERETIC (CGES), Obrad SKRBA (NOS BiH), Eduardo PRIETO (REE) and Manon van BEEK (TenneT TSO BV).

Decision

- The quorum is verified since the Representatives in attendance hold 100,00% of the first part of the voting rights, and 100,00% of the second part of the voting rights of the Association. The attendance form is annexed to these minutes (Appendix 1).
- The agenda is approved, subject to adding under AoB the following topics: (a) update on the Synchronous Area Framework Agreement (SAFA); (b) update on the recent developments on the Danish/German border ; and (c) suggestion concerning the governance of the balancing projects.

2. Report from the Board

The President gives the floor to the Chair of the Board for her reporting. The Chair of the Board presents the main issues on which the Board has worked since the October Assembly meeting and which are not covered elsewhere in the agenda. She gives the floor to the System Operation Manager who presents the state of play of the delivery by the RSCs of the 5 regional services and who explains the enhanced TSO-RSC interactions with the ENTSO-E Committees and the on-going work towards having by end 2019 the RSCs submitting for each CCR common provision for regional operational security. The Chair of the Board next presents the Association Communication Plan 2019 encompassing a new publication of statistical data foreseen in January 2019 (PowerFacts Europe) and an ENTSO-E conference to celebrate the 10th Anniversary of ENTSO-E. She then reports on the balancing implementation projects governance and on the recommendation from a dedicated Workshop followed by the November Market Committee concluding that implementation is on the right track. She explains that the Board took note of the recommendation and asked the Market Committee to continue monitoring the coordination between the four projects. She concludes her reporting with the Baltics synchronisation project, noting that the Baltic TSOs and PSE have submitted the system extension request in October 2018 and that a Project Group has been set up to identify the technical and legal requirements of the future Connection Agreement. She thanks the Secretariat for its facilitation role. A summary of the slides is attached as Appendix 2.

Decision

- The Assembly takes note of the report from the Board.

3. 2019 ENTSO-E Budget – Budget and action plan for Assembly approval

The President gives the floor to the Chair of the Resource committee to put the budget proposal into perspective. The President gives the floor to the Secretary-General. The Secretary-General recalls the key elements of the 2019 budget, as already reported at the last Assembly confirms and presents the action plan supporting the optimisation that will lead to flat membership fees in 2019. The Secretary-General presents the 2019 budget assumptions and 5-year financial plan and he highlights the additional tasks that the CEP will be allocating to ENTSO-E (risk preparedness, pan –EU resources adequacy assessment, RSC coordination, potential new network codes), noting that a detailed assessment of the CEP impact will be undertaken in the course of 2019. The President highlights the importance to start working as from now on the challenges ahead to ensure that the 2020 budget allows to deliver efficiently the Association mandates.

Decision proposal

The Assembly, upon Board recommendation:

- approves the 2019 budget of 28,7 M€ derived from the profit and loss statements. The membership fee for 2019 will be the same as for 2018;
- approves the 2019 capital expenditures budget of 6,7 M€;
- approves the membership fees for each Member given in appendix 6, with the following billing requirements:
 - to issue in 3 different bills per type of services for each Member (Association, Legal Mandates, IT)
 - to issue the bills on 15 January and paid 15 February 2019;
- approves that the level of the reserves must be assessed by the Board at each budget proposal based on the projected 5-year cash-flow statement; and
- takes note that in preparation of the next 5 year plan, ENTSO-E shall take into account the new strategy of the Association in line with the expectations and priorities of TSOs and new IT structure, ENTSO-E shall consider the decided impact assessments in order to achieve the necessary and optimal synergies and efficiency effort among TSOs, ENTSO-E and the RSCs

4. CGM Program

The President gives the floor to the Secretary-General for a status report on the CGM Program. The Secretary-General gives an account on the “Release 1” technical milestone progress, including status of communications network roll-out and he presents the key objectives for the “Release 2” and its status report, especially on the delay for the business requirements. He explains that the CGM budget associated to the deployment of the physical communication network has been reassessed considering TSOs readiness and that the project risks have been reassessed according to the feedback received by the users on Release1.

Decision

The Assembly acknowledges the update on the status of the CGM Program.

5. TYNDP2018 process review and steps forward

The President gives the floor to the Chair of the System Development Committee (SDC). The SDC Chair announces the submission of the TYNDP to ACER and thanks the team and the Secretariat for the work done. He presents the preliminary findings of the process review in terms of resources used, structural efficiency of the project, added value beyond the fulfillment of the legal mandates, to ACER the EC and the members. He reports that at this stage, some actions are identified, such as a consolidation of the TYNDP Governance Principles, a scoping of the TYNDP, a stronger separation between innovation and operation, and early engagement of external stakeholders at appropriate high level. SDC is continuing improving the efficiency of the TYNDP process.

Decision

The Assembly:

- takes note of the submission of the TYNDP to ACER and thanks the TYNDP team and the Secretariat for their work on this deliverable; and
- takes note of the reporting on TYNDP process review and steps forward.

6. Clean Energy Package update

The President gives the floor to the Strategy and Communications Manager who presents a status report on Clean Energy Package. The Strategy and Communication Manager outlines the recent developments on capacity calculation, RSCs and role of coordinated actions, on Risk Preparedness and on the issues that still need to be agreed at the last trilogue.

Decision

- The Assembly acknowledges the status update on the Clean Energy Package.

7. Frequency Deviations in Continental Europe, state of play and discussion on all possible options including on the option of launching a sanction procedure in accordance with Article of Associations and Internal Regulation

The President and the System Operations Manager give an update on the recent developments on frequency deviations in Continental Europe.

Decision proposal

The Assembly:

- acknowledges the continuing efforts of ENTSO-E to mediate between EMS and KOSTT in line with ENTSO-E's role under the Articles of Association;
- notes the outcome of the RG CE vote on the 'Operational Principles' and the 20 November Mediation Meeting presided by Ben Voorhorst, ENTSO-E President;
- notes the legal Memorandum of the Belgian law firm *Eubelius* regarding the proposed interim solution by ENTSO-E and the 'Operational Principles';
- notes that a short-term solution requiring the acceptance of both EMS and KOSTT is not available at this time; and
- recommends that, given that the recent developments regarding the registration of Elektroserver, EMS and KOSTT should actively support the fulfilment of the condition precedent set out in clause 16.1.b of the Connection Agreement.

8. Future IT structure – first preliminary discussion on possible options based on key outcome from Members' interviews and Board guidance (breakout session)

The President recalls that today discussion around the future IT structure is one of the follow-up of the last year budget discussion, where increase of IT costs lead to an increase of the 2018 ENTSO-E budget and that the discussion has to take place within the framework of the ENTSO-E IT Strategy on governance adopted in 2017. He gives the floor to the Chair of the Digital committee. The Chair of the Digital committee recalls the ENTSO-E IT Strategy and presents the outcome of the internal survey which identifies options ranging from improving the existing set up, up to setting up a dedicated legal structure to run IT projects.

The Assembly members break out into four groups to further elaborate on the key questions.

The President explains that the feedback gathered in each session will be summarised after the meeting and provided ahead of the next February 2019 meeting for final decision on the approach.

Decision

The Assembly:

- notes the inputs from the Digital committee Chair on behalf of the Board Chair; and
- agrees the next steps leading to finalizing the discussion on IT Structure at the Assembly meeting of February 2019.

9. Transfer of Membership, reflecting the transfer of TSO responsibilities, from National Grid Electricity Transmission (NGET) to National Grid Electricity System Operator

The President explains that in line with ENTSO-E Articles of Association, he received a letter from National Grid Electricity Transmission announcing the intention to transfer part of its transmission system role, functions and license to a new separate legal entity called National Grid Electricity System Operator Limited (NGESO) and asking for the transfer of ENTSO-E membership accordingly. He gives the floor to Fintan Slye (National Grid) who explains the regulatory background and the key elements of the transfer of responsibilities. Fintan Slye then asked to the Assembly to approve the transfer of ENTSO-E membership currently held by National Grid Electricity Transmission ENTSO-E to NGESO as from the date the NGESO licence is activated.

Decision

The Assembly:

- approves the National Grid Electricity Transmission plc (NGET) 's membership of ENTSO-E transfer to National Grid Electricity System Operator Limited (NGESO) as from the date the NGESO licence is activated; and
- asks National Grid Electricity Transmission plc (NGET) to inform the Members of the date of activation of the NGESO licence.

10. AOB

The President gives an update on the current election process launched for the positions of President, Chair of the Board and of Committees' and LRG's Chairs. He announces that the call for the candidates for the remaining 11 Board members positions and the position of Vice-President will be launched on 27 February 2019.

The President gives the floor to the Swissgrid representative to provide an update on the Synchronous Area Framework Agreement (SAFA). The Swissgrid representative explains that the SAFA is an implementation of network codes and highlights that due to the specific situation of Switzerland, Swissgrid requests a specific provision in the SAFA and that the issue will be shortly discussed by the Board. The President gives the floor to the representative of TenneT TSO GmbH to provide an update on the German/Danish border case. The Svenska Kraftnat representative reports on the letter issued by the Nordic TSOs asking that a discussion on the governance of the balancing projects takes place at Board level.

Decision

- The Assembly takes note of the update on the 2019 elections process, and that the NAc is extending the call for candidates for the position of Chair of RDIC until 18 December 2018 as there is no candidate so far.

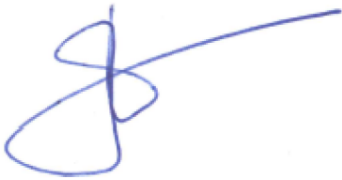
11. Approval of the Minutes

Decision

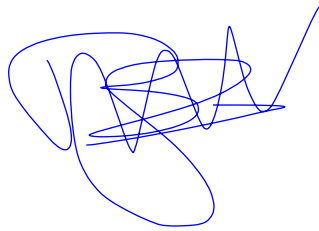
- The Assembly approves the Minutes and their publication on ENTSO-E website.

The President thanks all attendees for participation and reminds that the next meeting will take place in Brussels, on 27 February 2019.

Done in Brussels, on 11 December 2018.



Laurent SCHMITT
Secretary-General



Ben VOORHORST
President