Board meeting of 23 April 2020

Date: 23 April 2020
Time: 08:30 – 15:00
Place: web-conference

MINUTES approved at the Board meeting of 03 June 2020

1. Welcome, attendance, adoption of the draft agenda

Decision

The Board approves the updated agenda.

2. Approval of the Minutes of the Board Meeting of 11 March 2020 for publication

Decision

The Board approves, subject to the changes agreed during the meeting, the Minutes of 11 March 2020 Board meeting for publication.

3. Secretary-General Orientations

3.1 Association Dashboard
3.2 EU Affairs Dashboard, incl. EC Covid-19 recovery plan
3.3 ENTSO-E High-Level Engagement Plan
3.4 Network Code and Clean Energy Package Implementation Programme Report

On the Association Dashboard, the Secretary-General reports that the pandemic is impacting the timing of the TYNDP as it will be further detailed in a specific agenda item on the impact assessment of the Covid-19 on the Association activities. On the TYNDP scenarios, he reports that after having assessed the consultation feedback and the open letters received, ENTSO-E and ENTSOG decided to adapt biogas assumptions resulting in higher levels of both direct and indirect electrification. He explains that due to the Covid-19 Situation, the development of new guidelines governing usage, disclosure and publication of System Development data is currently on hold.

On the EU affairs dashboard, the Convenor of the Policy and Communication Group outlines the various consultations to which ENTSO-E will participate and presents the key principles of the EC Recovery Plan building upon the Green Deal and the Digital transformation.

On the High-Level Engagement Plan, the Secretary-General highlights the Technical Security of Supply briefing that ENTSO-E had with Commissioner Simson on how the current pandemic impacts the power sector and what mitigation measures are in place. He reports on the success of the high-level workshops on Energy system integration and infrastructure planning (smart sector integration) and on Market Coupling for the Western Balkan countries. He announces the forthcoming one on Electrical Grid Digitalisation and on Infrastructure Deployment and Offshore Grids.

On the Network Code and Clean Energy Package Implementation Dashboard, the Chair of the Market Committee reports on the current work on various draft methodologies, such as the draft methodology for the value of the lost load, the methodology for the sharing of costs incurred to ensure firmness and remuneration of long-term transmission rights, and the methodology related to the use of congestion income. The Chair of the System Operation Committee gives an update on the work for the submission by the TSOs of their nominations for the regional coordination centres and on the synthesis report on the frequency deviations in Continental Europe.

Decision

The Board acknowledges the reporting for information.

4. Debrief from:

4.1 Resources committee
4.2 Digital committee, incl. Cyber Security Network Code – approval of the coordination and validation process
4.3 SG TSO-DSO

On the Resources committee (Rc), the Chair of the Rc reports on the 22 April Rc meeting having approved the timeline for the preparation of the Budget 2021 with the orientations of a preliminary frame proposal to be submitted for Board and Assembly guidance in June. The other topics are covered by specific agenda items.

On the Digital committee (Dc), the Chair of the Dc reports on the support provided to the EC in the context of the informal work on the future Cyber security network code.
On the Steering Group TSO-DSO (SG TSO-DSO), the Chair of SG TSO-DSO the reports some delay in the workstream on data exchange and operability and on the finalisation of the position paper on the value of cooperation due to the Covid-19 situation.

Decision

The Board:
- acknowledges the debriefs for information; and
- agrees with the timeline for approval of the 2021 Budget proposed by the Resources committee.

5. Update on ACER decision on SOR

The Chair of the Board recalls that based on last March Board recommendation, a written Assembly approval process is currently on-going on the question whether or not to lodge an appeal against the ACER Decision 10/2020 on the definition of System Operation Regions and that the Board is now asked to give guidance on the basis of the developments since the last Board meeting. The Chair of the System Operation Committee

and the Chair of the Legal and Regulatory Group confirm that all procedural steps are taken in line with the Articles of Association and that all elements since the last Board meeting have been confirmed, especially on the soundness of the grounds for the appeal. They explain it is now important to start the setting up of the regional Coordination Centres on a sound legal basis and confirm the initial recommendation in favour of the appeal. Board members exchanges views, they acknowledge the quality of the work done so far and that the legal and technical grounds of appeal seem solid. On the other hand, they exchange strategic considerations noting the unprecedented character of appealing against an ACER decision and the delicate regulatory situation.

Decision

The Board:

- acknowledges the information provided to the Assembly by the on-going written approval process in which the Assembly is informed: (1) that ACER's Decision 10/2020 on the definition of System Operation Regions differs from ENTSO-E's proposal; (2) that this decision has been assessed by an external law firm and has been found to have a number of deficiencies, which confirms that there are sufficient grounds for an appeal; and

- recommends to the Assembly to approve for ENTSO-E to file an appeal against the Decision No 10/2020 of the European Union Agency for the Cooperation of Energy Regulators of 6 April 2020 on the definition of system operation regions in front of the ACER Board of Appeal.

6. Covid-19 – Impact Assessment on regular Association activities

The Secretary-General presents to Board members the conclusions of the impact assessment of the Covid-19 lockdown situation made under the assumption of resuming normal activities beginning of May. While few programs such as TYNDP and CGM PCN roll out have been postponed for few months, the fast reactivity undertaken by the Secretariat management team to organise a systematic teleworking has allowed to successfully mitigate major delays. Nevertheless, if the confining measures go beyond the end of April the impact on the staff productivity and staff engagement are expected to become more significant hence representing a higher risk to the organisation. Further reprioritisation such as further streamlining in reporting and in the support to members in Committees/LRG should be further investigated if necessary.

Decision

The Board takes note of Covid-19 impact assessment on regular Association activities.

7. Cyber incident, including:

7.1 Approval of the membership of the Supervisory Board (SB)
7.2 Scope of the external audit
7.3 Status report

The Chair of the Digital committee (Dc) reports that following the decisions taken at last Board meeting and after the reporting to the March General Assembly a new Cyber Incident Supervisory Team is set up and the Dc is now recommending to the Board to appoint its members. The Dc Chair explains that one of the key

tasks of the Supervisory Team is to define the scope and budget of an external audit on the incident, its mitigation and its remediation plans. The Resources committee will be asked to make a recommendation based on the final scope prior to the Board decision. The Secretary-General presents the status report and the outcome of the impact assessment made by Committees showing that the main identified delays have so far been identified on System Development activities (TYNDP and MAF) and CGM program while in general Committees have managed to maintain delivery of other key legal mandates although the current more cumbersome IT processes. The Secretary-General outlines the conclusion of the legal and financial analysis of associated impact for ENTSO-E and its Members, mainly around potential risks related to late delivery of legal mandates.

Decision

The Board:
- notes the recommendation of the Digital committee and appoints as members of the Cyber Incident Supervisory team the following persons: Guido Guida as Dc Chair, Roberto Tundo from Terna, Grzegorz Bojar from PSE, Lars Jansson from Svke, Yannick Baudesson from Creos and Ana Marić from NOSBiH;
- takes note of the role of the external audit company within the Cyber Incident Supervisory team and mandates the Cyber Incident Supervisory team to select it as per the preliminary budget estimate presented at the Resource committee; and
- takes note of the status report on the audit incident, including the preliminary legal assessment.

8. Status report on Active 2020+ Programme

The Chair of the Board explains that the First Programme Management Call took place on 31 March 2020 during which an impact analysis of the recent events (the spread of Covid-19 and the cyber-attack) on the implementation of Active2020+ measures were made and concluded that all foreseen actions were all expected to be completed on time (i.e. by June 2021). The Leader of the Active 2020+ measure on "Improve Internal Communication" presents a proposal for a new internal newsletter.

Decision

The Board:
- acknowledges the Active 2020+ status report following the First Programme Management Call held on 31 March 2020;
- approves the development of a new Executive Member Newsletter using the current budget and resources;
- approves the target audience and content of this new newsletter as outlined above; and
- approves the development of a pilot after the Board of September on this basis.

9. Q1 Forecast

The Head of Finance Section and Administration Section presents the 2020 Q1 forecast considering the latest developments since the Budget 2020 approval from October Assembly meeting consisting mainly of the impact of the cyber incident as well as of the Covid-19.

> **Decision**
> The Board takes note of:
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> - the 2020 Q1 forecast; and
> - the provisional costs of the cyber incident remediations that could be absorbed by the current budget.

10. ENTSO-E Advocacy plan

The Chair of the Policy and Communication Group explains that Active 2020+ aims at streamlining ENTSO-E's advocacy activity in targeting it on the priority topics as defined in the ENTSO-E advocacy plan.. He explains that areas of particular interest for proactive actions include, on the one hand, initiatives in relation with the European Green Deal including e.g. the TEN-E Regulation revision, the strategies for smart sector integration and for offshore renewable energy etc but, on the other hand, also current implementation tasks according to the Clean Energy Package. In addition, several other measures of the Green Deal will require monitoring on ENTSO-E's side to be prepared to intervene if necessary. Such areas include amongst others: digital and data strategy, sustainable and smart mobility, the Green Deal external diplomacy aspects with respect to third countries and the Western Balkans market coupling agenda etc.

> **Decision**
> The Board:
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> - approves the use of the Advocacy Plan as a tool to implement ENTSO-E's 'targeted advocacy' in the context of the Active 2020+ Strategy; and
> - endorses the priority areas as identified and the proposed ways forward for advocacy in line with those priorities.

11. ENTSO-E Position Paper on Offshore Development – Recommendation for Assembly approval

The Chair of the System Development Committee reminds that as part of the Green Deal initiative the EC identified offshore grid development as being one of the key topics to reach its climate goals. He explains that cross-Committees activities took place in Q1 2020, leading to the adoption of a position paper which is now being presented to the Board before going to Assembly approval. The Board members welcome the timely initiative as offshore development is strongly supported in the Association.

> **Decision**
> The Board:
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> - authorises the use of the key messages on Offshore Development by ENTSO-E members as these messages are supported by the Board, the System Development Committee and the Market Committee; and
> - recommends the Assembly to approve the ENTSO-E Position Paper on Offshore Development via written process following a webinar to be organised for the Assembly Members as soon as possible.

12. TEN-E Review: Working document on key messages and next steps

The Chair of the System Development Committee explains that the review of the TEN-E Regulation is on the DG ENER agenda for 2020 and that a dedicated Task Force has been set up to develop a Working document on key messages that will be addressed in the TEN-E Regulation revision context. This document considers already approved position papers on Sector Integration, including the work on the Roadmap for TYNDP in the context of Sector Integration, the Offshore Development position paper and some previous reports used for the Copenhagen Infrastructure Forum in 2017. The Board members exchange about the various relevant initiatives in the area and welcome the work towards a new consolidated working document, with view to develop a position paper.

Decision

The Board:

- takes note of the Working document on key messages towards TEN-E Review process (the Working Document), the status of the work, the way forward and current challenges;
- authorises that the list of already approved existing position papers and the key messages that synthesise them can be used in preliminary exchanges with the European Commission and mandates PCG together with SDC to structure the advocacy material around these positions; and
- asks the SDC to forward for Board and Assembly approval a final position paper by Q4/2020 and in time for the ongoing legislative process involving the other Committees as appropriate.

13. Target Operating Model (TOM) of the Physical Communication Network (PCN) - Recommendation from the Digital committee

The Chair of the Digital committee explains that the Physical Communication Network (PCN) is currently implemented to support the CGM Programme related services. The use of the PCN will now be extended to support other authorised communications to avoid unnecessary and costly duplication. He further explains that as a result, the implementation of this solution requires the definition of governance and a new Multi-lateral agreement for the PCN network. He concludes by presenting for Board recommendation the PCN Target Operating Model which defines a high-level governance model and the implementation strategy for the governance and the PCN MLA.

Decision

The Board:

- approves the PCN Target Operating Model that will allow the reuse of PCN infrastructure for all communication needs (including Electronic Highway, OPDE, balancing platforms, etc.) between ENTSO-E Member TSOs and all the authorised parties (e.g. RSCs);
- requests SOC to finalise and approve the Communication Networks Term of Reference and Framework, required to operate the PCN, without endangering the ongoing PCN rollout project; and
- requests SOC and LRG to start drafting a new MLA for PCN and check dependencies with any existing MLAs.

14. TYNDP Scenarios 2020: stakeholder feedback, final adaptations and lessons learnt for the next cycle

The Chair of the System Development Committee presents the feedback received from the stakeholders after the publication of the ENTSO-E and ENTSOG joint scenarios for TYNDP2020 and explains that the stakeholders mainly advocated for higher electrification, higher use of RES potential and lower use of biomass, imports and carbon capture and storage (CCS). He reports that both ENTSO-E and ENTSOG are running additional assessment and are considering the possibility to update a scenario.

Decision

The Board acknowledges the debrief for information.

15.1 CGM status Report

The Chair of the Board refers to the status report circulated to the Board. He acknowledges the achievements reached so far and gives the floor to the Secretary-General for an impact assessment update in relation to the Covid-19. The Secretary-General reports a risk of delay in the scheduled roll-out of the Physical Communications Network (PCN) due to reprioritization of internal resources and activities and delays in finalising some Business Requirement Specifications with a likely impact on the release of the version 4.0 of a minimum of three months (to end of Q2 or early Q3 2021).

Decision

The Board acknowledges the CGM programme status report.

15.2 STA/OPC Programme status report

The Secretary-General reports that the project is in line with the budget and the timing.

Decision
The Board:

- acknowledges the key project highlights (go-live in two steps for OPC and then for STA); and
- acknowledges the STA-OPC status report.

15. AoB

Decision

The Board congratulates the colleagues who worked over many years to achieve the approval of the new Connection Agreement with KOSTT, in particular, the RG CE Convenor, the Secretariat and all Members who supported the achievement of this important milestone.

17. Approval of Decisions

Decision

The Board approves the Decisions of 23 April 2020 Board meeting.