ENTSO-E Board meeting of 24 September 2020

Date: 24 September 2020

Time: 8:30-15:05

Place: Online via BlueJeans

List of Participants

Chair of the Board

1.	VANZETTA Joachim	Amprion	Germany

Vice-Chair of the Board

2.	FONCK Pascale	Elia	Belgium

Board Members

3.	GUIDA Guido	Terna	Italy
4.	HANSEN Frank Peter	TenneT TSO BV	Netherlands
5.	JESBERGER Michael	Transnet BW	Germany
6.	KRISTENSEN Soren	Energinet	Denmark
7.	MANOUSAKIS Manos	IPTO	Greece
8.	PAPROCKI Robert	PSE	Poland
9.	PRIETO Eduardo	REE	Spain
10.	SLYE Fintan	National Grid ESO	United Kingdom
11.	VIRBICKAS Daivis	Litgrid	Lithuania
12.	ZUMWALD Yves	Swissgrid	Switzerland

President

1.	LAFFAYE Hervé	RTE	France

Vice-President

1.	BOLDIS Zbynek	CEPS	Czech Republic

Committee Chairs

1.	PURCHALA Konrad *Chair of the Market Committee*	PSE	Poland
2.	CHANIOTIS Dimitrios *Chair of the System Development Committee*	RTE	France
3.	BORGEN Hakon *Chair of the Research Dev. & Innovation Committee*	Statnett	Norway
4.	KAPETANOVIC Tahir *Chair of the System Operations Committee*	APG	Austria
5.	DE LA BARREDA Ines *Chair of the Legal & Regulatory Group*	REE	Spain

Invited

1.	DECROIX Timothee	Swissgrid	Switzerland
2.	JONAT Yannick	AMPRION	Germany
3.	BEUGER Lisa	AMPRION	Germany
4.	SALBOIR Uroš *Vice-Chair of the Research Dev. & Innovation Committee*	ELES	Slovenia

ENTSO-E

1.	SCHMITT Laurent	ENTSO-E	Belgium
2.	GYULAY Zoltan	ENTSO-E	Belgium
3.	LAWLER Derek	ENTSO-E	Belgium
4.	MELCHIOR Florence	ENTSO-E	Belgium
5.	RICHET Nicolas	ENTSO-E	Belgium
6.	SCARAMANGA Arnaud	ENTSO-E	Belgium
7.	TWOHIG Sonya	ENTSO-E	Belgium
8.	SCHROEDER Robert	ENTSO-E	Belgium
9.	KUUSIK Maarja	ENTSO-E	Belgium

1. Welcome, attendance, adoption of the draft agenda

Decision

The Board approves the agenda.

2. Approval of the Minutes of the Board Meeting of 03 June 2020 for publication

Decision

The Board approves the minutes of the Board meeting of 3 June 2020.

3. General Orientations

3.1 Secretary-General reporting

3.2 Network Code and Clean Energy Package Implementation Programme Report & Dashboard

The Secretary-General debriefs the Board on the main meetings and main activities that the Board Members should be informed about since the last Board meeting on 3 June 2020. He notes the successful InnoGrid Webinars (over 150 participants participated in each half-day webinar) highlighting best TSO innovations with focus on Offshore grids and TSO/DSO related innovations and introducing the new ENTSO-E Flagships to stakeholders. He mentions various meetings with the EC and ACER to clarify the choices made on TYNDP latest Scenario trajectories and the continuous activity on Green Deal during Summer months.

On the Network Code and Clean Energy Package Implementation Programme Report the Head of System Operations Section presents the main developments, outlining the 8 July Network Code and Implementation & Monitoring meeting and the discussion around the Cyber Security Network Code. Each Committee Chair summarises the achievements in the drafting of the various methodologies and deliverables in the context of network code and CEP implementation. The Market Committee Chair reports that the public consultation of the CCR updated proposal has been now completed and the proposal will be soon submitted to ACER. The Chairs from the System Operation Committee and from the LRG report on the oral hearing before the ACER Board of Regulators concerning the appeal against the System Operation Region proposal from ACER and announce that the decision is expected on 4 October 2020. The Chair of the System Operation Committee informs the Board of a last-minute postponement by 12 months of a deliverable deadline by ACER and proposes to react to this due to the fact that a such an approach might negatively impact the motivation to timely deliver of TSOs in the future and might further imply higher costs due to misallocation of scarce resources. The Chair of the System Development Committee explains the importance of working on the updating process of the Connection Codes. The Head of the Market Section informs about a recent letter from the EC about the timeline on Day Ahead projects, with interim coupling to be implemented by April 2021 and Core Flow-based Market Coupling to follow in February 2022. Board members discuss about the letter sent by the EC to Swissgrid and to ENTSO-E concerning Swissgrid participation in the Terre Balancing Platform, noting this is a matter for the attention of Swissgrid and of All TSOs.

> **Decision**
>
> The Board acknowledges the reporting of the Secretary-General and the Network Code and Clean Energy Package Implementation Programme reporting.

4. Debrief from:

4.1 Debrief from Resources committee meeting

On the Resources committee (Rc), the Vice-Chair of the Board reports on the Rc meeting having made a recommendation to the Board on the 2021 ENTSO-E budget proposal and its 5-year plan and to define a consistent approach for governing and operating TSOs multilateral agreements .

4.2 Debrief from Digital committee meeting

On the Digital committee (Dc), the Chair of the Dc announces the start of an external audit on the recent cyber incident and the launch of a call for candidates for CIO (IT manager) members in the Digital committee.

4.3 SG TSO-DSO

On the SG DSO/TSO the Chair of the Steering Group TSO-DSO provides an overview of the work done in relation to the DSO-TSO interface, with an update of the on-going work on the Memorandum of Understanding between ENTSO-E and the future DSO entity.

He further explains that the gap analysis on the integration of distributed flexibility in congestion management and balancing is under approval by Committees. It demonstrates that many market barriers can be alleviated by implementing or amending existing regulation. He then asks the Board to confirm the change of the name of the ENTSO-E Steering group TSO-DSO into ENTSO-E Steering Group for Transmission and Distribution Interface.

4.4 Debrief from PCG

The Chair of the PCG presented the latest EU policy developments including an overview of the current TEN-E revision, of the on-going work on the 2030 Climate Law and on the various measures part of the EU Recovery Fund to support the green energy transition. Further, he provided an update on the EC ongoing public consultations on key Green Deal measures.

Decisions

Resources committee
The Board acknowledges the reporting from the Chair of the Resources committee.

Digital committee
The Board acknowledges the reporting from the Chair of the Digital committee

SG DSO – TSO
The Board:

- approves the amended Terms of References of the ENTSO-E Steering Group for Transmission and Distribution Interface as circulated in the Session File subject to one wording change agreed during the meeting;

- approves the new name of the Steering Group; and

- acknowledges the reporting of the Steering Group's activities by the Chair.

PCG
The Board acknowledges the reporting from the Chair of the PCG.

5. ENTSO-E 2021 Annual Work Programme – recommendation for Assembly approval

The Chair of the Board and the Head of System Operations Section recall that following Assembly and Board approvals in June 2020, the Annual Work Programme (AWP) 2021 was published for consultation from 1 July to 14 August 2020. He explains that following a review of this feedback, some changes, were applied in the final AWP 2021 which were all in line with agreed positions. The Work Programme provides a high degree of transparency to stakeholders on the main work areas of ENTSO-E. The Chair of the Board highlights the quality of the work programme which the Board is now asked to present to the Assembly for approval.

Decisions

The Board:

- notes the stakeholder feedback received from the public consultation which closed on 14 August 2020 and approves the updates to the ENTSO-E Annual Work Programme 2021; and

- recommends the Assembly to approve the "ENTSO-E Annual Work Programme 2021" as circulated in the session file for submission to ACER for Opinion and for subsequent publication subject to a positive ACER Opinion.

6. 2021 ENTSO-E Budget Proposal, including 5-years plan – for approval

The Secretary-General explains that following the feedback received from the June Assembly, the final 2021 budget proposal has been amended in close cooperation with the Committees and the Resource committee during the summer and is now based on the following key assumptions: the inclusion of the needed investments to ensure the long-term sustainability of the Transparency Platform; the inclusion of the cyber security enhancements; further savings driven from Covid-19 way of working, and further efficiencies driven from insourcing and overheads optimisations; the inclusion of the necessary resources to deliver the Clean Energy Package with an enhanced effort for Adequacy and sector integration; and the increase of fees perceived beyond membership fees to support regional cooperation's services. The Board aims to define a consistent approach for governing and operating TSOs multilateral agreements in order to increase transparency. In order to further increase internal transparency the Chair of the Board proposes to it organise a Webinar for CFOs of the Members and/or the Assembly Member themselves to present the 2021 Budget proposal ahead of the October Assembly meeting.

Decision

The Board:

- recommends to the Assembly for approval of the 2021 budget proposal leading to:

– a total budget (OPEX) of 48,5 M€ among which 34,3 M€ is covered by the ENTSO-E membership fees, by 13 M€ beyond membership fees and by 1,2 M€ from the reserves;

– recommends to spread the usage of the 1,2 M€ additional reserves in 2021 and 2022 on the top of the 0,6 M€ (3 M€ over 5 years approved by the Board in 2020);

– recommends a total CAPEX of 6,4 M€;

– recommends to the Assembly to approve the 2021 membership fee of 34,3 M€ derived from the 2021 profit and loss statements in appendix 1;

– recommends to the Assembly to approve the membership fees for each Member, which will be calculated as per the proposed budget according to the applicable AoA sharing key calculation;

- takes note of the 5-year plan update considering the following new 2021 budget assumptions:

– the formal closing of the CGM programme after 2021 go-live; – additional CAPEX for further CGM extensions are not yet evaluated and will have to be submitted in the frame of a new programme submission;

– no economy of scale has so far been considered due to the use of CGM physical Communication Network for Electric Highway services;

– to consider further efficiencies in 2022 to lower member fees step increase;

- takes note of the estimated budget dedicated to the activities beyond membership fee for 13 M€ based on the following main assumptions:

– STA/OPC investment funding has been reconsidered to avoid any pre-financing by ENTSO-E, associated investments will be funded immediately by TSOs (and so are not any longer considered through the 5-year depreciation period);

– the Transparency Platform is used for broad Balancing data publication as requested by the Balancing data publication projects.

– the 24/7 CGM OPDE support shall be provided using an existing or dedicated new MLA between the respective RSCs and TSOs,

– the set-up of a Cross-Committee/LRG task force to define a consistent approach for governing and operating arising TSOs multilateral agreements in order to get more structure.

7. Responses to ACER's requests

The Board acknowledges the reporting on several topics addressing the common duty of ACER and ENTSO-E implementing European legislation and especially implementing tasks stemming from the third package and the Clean Energy package. Based on this reporting, it is recommended to work on an effective, consistent and targeted stakeholder management as outlined and approved in the targeted advocacy concept.

7.1 ENTSO-E updated deliverable timelines

The Secretary-General recalls that in its 3 June 2020 meeting, the Board asked the Secretariat to present to the September Board meeting a list of ENTSO-E legally mandated deliverables and their respective timeline for delivery. Besides the 4-month delays affecting the TYNDP2020 as a consequence of the cyber incident and the potential delay on the European Resources Adequacy assessment because of the current controversial debates with ACER around the scope of methodologies the remaining deliverables managed by ENTSO-E are currently on track including the CGM Program which does not report any specific delay as compared with the plan presented last year and acknowledged by EC and ACER.

Decision

The Board takes note of the reporting.

7.2 Data deliveries

Further to the request of the Board in its 3 June 2020 meeting, the Chair of the LRG presents, a description of recent ACER's data requests and of the legal provisions governing ACER's power to request data.

Decision

The Board acknowledges the reporting of data deliveries and the applicable legal regime.

7.3 Bidding zones

The Chair of the Market Committee updates the Board on the timeline for the bidding zone review and the current proposal by ACER and some NRAs to have a 2-wave approach process for the bidding zone review which includes different regional timelines and wide obligations for TSO`s to calculate and deliver locational marginal prices (the „LMPs"). Board members exchange and express their views about this development, especially in terms of scope, timing and resources.

Decision

The Board acknowledges the reporting on the bidding zone review status.

7.4 Resource adequacy

The Chair of the System Development Committee explains that following their submission by ENTSO-E on 4 May 2020, ACER has significantly amended the resource adequacy methodologies. He mentions that ENTSO-E formally expressed its concerns towards ACER through both a written and an oral hearing in July. However, at the 7 September 2020 Electricity Coordination Group meeting ACER maintained its position. He explains that ACER's amendments create a risk of underestimating potential adequacy concerns and that occurrence of adequacy issues would impose a very substantial cost to society. In addition, he mentions that some proposed amendments could impact the perception of security of supply. The finally approved methodologies are expected around mid-October.

Decision

The Board acknowledges the reporting on Resource adequacy.

7.5 TEN-E positioning

The Chair of the System Development Committee explains that on 19 June, ACER and CEER have released a joint position on the revision of the TEN-E and infrastructure governance Further, he recalls that the recently approved Advocacy Paper on TEN-E consolidates in a single document the following six key messages:

1) Make the TEN-E Regulation fit for purpose to reach the European Green Deal ambitions and climate neutrality objective by 2050, acknowledging European electricity network as the backbone of the energy transition;

2) Make use of the TEN-E Regulation as a key instrument for an integrated infrastructure planning and as a catalyst for decarbonizing the European energy system;

3) Strengthen the PCI label as a mere presumption of usefulness and as a stable driver for project promoters;

4) Define eligibility criteria for a PCI status to meet new challenges;

5) Support project realization through fair and simple financing instruments and mechanisms;

6) Timely deliver PCIs through faster permitting and comprehensive public engagement.

Further, he outlines the positioning and possible advocacy actions in order to prepare the upcoming discussions.

Decision

The Board acknowledges the reporting and proposed advocacy actions.

8. TYNDP

8.1 Strategic orientation (Key Policy Issue Paper) and governance of scenario building

The Chair of the System Development Committee explains that the SDC is starting to define the strategic orientations (KPIP) of the future TYNDP and for that purpose is currently considering various potential objectives such as ensuring that the short-term perspective remains closely linked with National and EU ambitions whilst providing a visionary/thought leading perspective for the period up to 2050 and beyond; being the reference repository for scenario data in relation to European energy planning activities and ensuring a coordinated development of scenarios for the ENTSO-E and ENTSOG TYNDP, based on technical excellence and reflecting to a reasonable extent stakeholders' expectations. The Chair explains that the strategic orientations will be presented to the November Board meeting and the December Assembly for approval.

Decision

The Board:

- acknowledges the debate about KPIP issues; and

- acknowledges the proposal of a broadened governance structure of scenario building within the TEN-E debate.

8.2 TYNDP 2020 Interlinked model dual assessment – approval of process and messages

The Chair of the System Development Committee (SDC) recalls that Regulation (EU) 347/2013 requires ENTSO-E and ENTSOG to develop a consistent and interlinked electricity and gas market and network model. He reports that in that context, the SDC has developed a methodology aiming to identify where interactions between electricity and gas are relevant enough to trigger a dual assessment. This new investigation aims to develop a dual assessment methodology, a methodology that will assess projects by looking on their impact on the electricity and gas sectors. He announces that the preliminary result will be available for the Madrid Forum.

Decision

The Board:

- acknowledges the preliminary messages on the Interlinked Model to be presented at the 34th Madrid Forum 14-15 October;

- gives the mandate to the System Development Committee to approve the final messages on the Interlinked Model to be presented at the 34th Madrid Forum given agreement on the wording with ENTSOG still needed; and

- gives the mandate to the System Development Committee to approve the final messages on the Interlinked Model to be presented at the Copenhagen Forum 2020.

9. Active 2020+ Programme

On Measure 1 "Mission and Role of ENTSO-E", the Chair of the Board recalls that he developed the "Mission & Role" measure of the Active 2020+ Programme in close cooperation with the President of ENTSO-E mainly based on the results of the TSO member interviews recently conducted. He explains that those results after discussion with the Board have now been translated into the Internal Paper on "Identity, Mission and Role of ENTSO-E that shall serve as a basis and guideline for the delivery of all the Association's common work products, the content Mission of ENTSO-E (what ENTSO-E does) as well as the operational excellence of ENTSO-E (how ENTSO-E does it). He explains that the objective is to present it to Assembly to gain its approval in October. Members welcome the Paper and further suggest to highlight the link to EU law and the mission of ENTSO-E described in Article 28 (1) of the Regulation (EC) 2019/943 and a reference to the terms of description of this mission in the Articles of Association.

On Measure 5 "Involvement of existing non-EU members", the Chair of the LRG explains that as part of the Active 20290+ Programme there has been a review of the main achievements of the EU and third country Member TSOs cooperation and of the current mechanisms put in place to ensure proper involvement of non-EU TSOS for example in the preparatory phase of the All-TSOs process and in technical cooperation through private agreements and a review of the legal framework identifying options. She reports that in parallel, and still in line with the requirements of the Active 2020+ Measure, works has started to prepare a paper including the legal, technical and political argumentation highlighting the need for the full involvement of third-country Member TSOs in ENTSO-E.

On Measure 10 "Interaction of Committees/LRG and Sections", the Chair of the RDIC explains that under the Active2020+ Programme the team working on the measure "Interaction of Committees/LRG and sections" is now proposing to Board approval the "Guidance for effective and efficient interaction of Committees/LRG and sections". The cross-committee Guidance makes several recommendations to improve the strategic and operational interactions between the Committees, the LRG and the Secretariat of ENTSO-E.

Decision

Mission and Role

The Board:

- takes note of the main general comments received during the Board commenting phase as well as the proposed amendments;

- takes note of the implementation of and feedback to all comments received;

- approves the internal paper for submission to the Assembly subject to the change agreed during the meeting; and

- proposes to develop an external Mission Statement based on the Assembly approved internal paper.

Involvement of existing non-EU members

The Board:

- decides to approve the "Options and high-level principles Note" to be submitted to the Assembly for approval; and

- takes note of on-going preparation of the "Advocacy Paper".

Interactions of Committees/LRG and Sections

The Board

- approves the "Guidance for effective and efficient interaction of Committees/LRG and sections" ("the cross-committee Guidance") developed in close collaboration between all Committee/LRG Chairs and relevant Heads of Sections for transversal activities; and

- approves that by development and operationalization of the cross-committee Guidance, the Active2020+ measure "Interaction of Committees/LRG and sections" is being implemented and fulfilled.

10. ENTSO-E 2nd position on Offshore Development, focus market issues

The Chairs of the Market Committee and of the System Development Committee present the ENTSO-E 2nd Position on Offshore Development. They recommend to the Board the approval of this position paper which brings forth essential inputs to the policy discussions on the EU's offshore strategy, while also allowing ENTSO-E and TSOs to speak with one voice and lend their technical expertise. They announce that the next step will be an assembly approval.

Decision

The Board:

- approves the Position Paper on Offshore Development focusing on Market issues;

- asks the Secretariat to submit the Position Paper for Assembly Approval; and

- takes note of the ongoing development of a third position paper on offshore development, focusing on operational interoperability.

15. Draft agenda approval of 15 October Assembly meeting

Decision

The Board approves the draft agenda for the 15 October Assembly meeting circulated in the session file, subject to changes discussed and agreed during the meeting.

17. Approval of decisions

Decision

The Board:

- decides that due to lack of time topics 11 (Cyber Incident audit), 12 (Covid-19), 13 (Conferences update), 14 (CGM Status report) and 16 (AoB) which are all for information and are all documented in the session file shall not be discussed and that any questions on the Madrid and Infrastructure Forum delegations shall be addressed to the SDC Chair; and

- approves the Decisions of the 24 September Board meeting.