

11th Electricity Balancing Stakeholder Group (EBSG) meeting

Date: 5 March 2018

Time: 10:30 – 16:30

Place: CEER, Brussels

Participants

De Wit	Paul	CEDEC	Y
Janson	Stefan	EFET	Y
Van den Kerckhove	Olivier	EFET	Y
Le Page	Jerome	EFET	Y
Perret	Claude	Eurelectric DSO	N
Hawkins	Nigel	Eurelectric	Y
Robaye	Hélène	Eurelectric	Y
Retsoulis	Ioannis	Eurelectric	N
Fraile	Daniel	WindEurope	Y (afternoon)
Šavli	Andraž	EUROPEX	Y
Lantrain	Aurore	EUROPEX	N
Doble	Trygve	GEODE	N
Theil	Anders	GEODE	N
Van der Velde	Fritz	IFIEC	N
Claes	Gaetan	EUGINE	N
Benquey	Romain	SmartEn	N
Pintobello	Andres	SmartEn	Y
Florian	Gonzalez	EDSO	N
Kuen	Nicolas	EC	Y
Leoz-Martin-Casallo	Maria Eugenia	EC	Y
Boussetta	Selim	ACER	Y
Fransen	Mathieu Fransen	ACER	Y
Fijalkowski	Jakub	ACER	Y
Povh	Martin	ACER	Y
Tellidou	Athina	ACER	N

Pasquadibisceglie	Marco	ACER	Y
Henriksen	Stian	ACER	Y
Costa	Leonardo	ACER	Y
Barmsnes	Kjell	ENTSO-E	Y (morning)
Genêt	Benjamin	ENTSO-E	Y
Høgh Møller	Martin	ENTSO-E	N
Nobel	Frank	ENTSO-E	Y
Dusolt	Alexander	ENTSO-E	Y
Renedo Williams	Ricardo	ENTSO-E	Y
Abada	Amine	ENTSO-E	Y
Maurer	Markus	ENTSO-E	Y
Morollon Castro	Gonzalo	ENTSO-E	Y (morning)
Ziegler	Sebastian	ENTSO-E	Y
Gerbec	David	ENTSO-E	Y (phone, afternoon)
Meeus	Leonardo	FSR	Y
Schittekatte	Tim	FSR	Y

MINUTES

1. Opening

ACER (Martin Povh) welcomes participants and informs that the group became with entry into force of the EBGL the official stakeholder group as a subgroup of the Market European Stakeholder Committee (MESOC). ACER will from now on chair the meetings together with the lead NRA (ACM, Mathieu Fransen).

The minutes from 10th BSG meeting are approved, the Agenda is approved with minor modifications.

2. Florence School of Regulation (FSR)

Leonardo Meeus from the FSR presented their Network Code training program for professionals, explaining this is also about bringing people together and adding the academic perspective. EFET proposed that market participants should also be represented in setting up the course program to reflect their perspective as well. Eurelectric also proposed to involve market participants in the panel discussions. Leonardo underlines that participants come from all sectors and will take away the feedback.

3. Governance of EBSG

ACER will propose changes to the TOR of the EBSG. Rules, governance, participation and communication should be revisited.

→ ACER to propose and circulate a version with proposed changes. This version is to be confirmed in the next EBSG.

4. General Implementation overview planning

ENTSO-E (Alexander Dusolt) presents the high-level planning for the EBGL implementation.

Eurelectric asks to inform the BSG once the timing for aFRR and mFRR consultation becomes clearer and proposes – in case of delays - to share the agreed parts of the implementation framework (IF) at an earlier stage. ENTSO-E (Benjamin Genet) explains that the agreed content will already be presented in the MARI and PICASSO stakeholder workshops on 26 and 27 March. EFET proposes to keep formulations more open and invite stakeholders to comment in case of disagreement. ENTSO-E explains, that concrete proposals are needed for the IFs. ENTSO-E highlights that also a workshop on the imbalance settlement harmonisation is planned on 23rd March.

ACER asks whether the implementation projects differentiate in their decision making between EU/nonEU/EEA country TSOs. ENTSO-E answers that there is no differentiation within the project, without prejudice to EBGL for the formal proposals for which the decision are taken in ENTSO-E.

ENTSO-E asks ACER and NRAs to support their TSOs to become full members in 4 implementation projects. This is important for the decision making and is not very costly, either currently only lower costs arise for project management (PICASSO and MARI) and historical costs are already defined (for MARI, costs as from beginning 2018 and for TERRE costs as from beginning 2017), so will be shared anyhow. ACER/NRAs can support the TSOs in that process and could ensure the cost recovery.

5. Progress on EU Platforms

RR – TERRE

ENTSO-E (Amine Abada) presents the updates on the TERRE project. He starts with introducing the project's background, since 2016 emphasizing some of the main developments since the last BSG. He also invites the audience to check the TERRE [website](#) where all the presentations, since 2015 to stakeholder events, are available.

Milestones overview:

ENTSO-E (Amine Abada) updates on the planning. ACER highlights the fact that the proposed timeline foresees decisions before its IF approval and calls for a mitigation plan for these potential risks. ENTSO-E (Amine Abada) points out that relevant items will be discussed in the Implementation Group (IG) Meetings to ensure the design is aligned with the implementation framework.

Accession status:

ENTSO-E (Amine Abada) explains the development of the accession of TSOs to the platform, from the 6 members in 2017 to the 10 today. ČEPS is intending to use RR which consequently will require Poland to participate in the RR platform. IPTO/ADMIE – Greece and Statnett – Norway have signed up the accession agreement to become observers.

Public Consultation results and NRAs opinion:

ENTSO-E (Amine Abada) reminds the 2nd consultation phase and the main topics consulted on. ACER informs that a decision by NRAs on their shadow opinion is expected mid-March. ENTSO-E (Amine Abada)

compiles the main topics with the NRAs feedback: Counter Activation, BEGCT, Number of daily market clearing – reaching 96 by 2021–, reduction as far as possible the XB Scheduling Step and increase stakeholder involvement.

Eurelectric and EFET requests clarifications on the counter activation, reminding the response they included in the last public consultation.

Related to the RR BEGCT definition, Eurelectric remarks the impact of the RR market running in parallel to the ID market on the liquidity of both.

Implementation Coordination:

ACER asks about the coordination with MARI, as both RR and mFRR share common features. ENTSO-E (Amine Abada) gives some examples of coordination between TERRE and MARI when needed in topics such as for the scheduled activation process and informs about the respective ENTSO-E organisation. ENTSO-E (Benjamin Genêt) on behalf of MARI SC Chairman reminds that timing of both projects and the geographical scope are not the same, implying that this may end up in some difference.

Implementation Framework Planning and Content:

ENTSO-E (Amine Abada) explains the general planning to submit the Replacement Reserves Implementation Framework and its main topics. Eurelectric welcomes the extended consultation period of 6 weeks.

ACER raises concerns about the amendments that may come after Go-Live, and asks if those will be for NRA decision or All TSOs approval.

Eurelectric asks about Article 9 – CMOL to be organised by the activation optimisation function, about “The connecting TSO shall submit the coherent bids to the common merit order list function”, ENTSO-E (Amine Abada) clarifies that RR standard products will ensure coherence.

TERRE Stakeholder Workshop:

ENTSO-E (Amine Abada) reminds the [invitation](#) to the TERRE Stakeholder Workshop on 19 March where all the topics above mentioned from NRAs as well the timing for BEGCT and TSO-TSO GCT will be dealt with.

Libra Platform:

ENTSO-E (Amine Abada) presents the main lots considered over the Libra Platform for RR purposes updating the main past and ongoing developments for each lot.

Imbalance Netting - IGCC

ENTSO-E (Markus Maurer) presents main updates of the project team Imbalance Netting and of IGCC.

Determination of CZC

Markus presents the hierarchy of operational areas.

ACER asks to clarify several points:

- The difference in the CZC between LFC areas in one BZ, and the CZC between bidding zones in one LFC area? In the case of BZs within one LFC area, they cannot be limited as you cannot know where the imbalance is (it is defined at LFC area level).
- What would be the technical limit in the case of CZC determination between LFC areas? In the current design for Germany and Austria, it is 5000 MW, i.e.: it is a number not limiting the exchange.
- Case of having one LFC area not connected and the case of Poland and Western Ukraine, with one LFC area and two BZs? This was discussed with Poland and a profile limitation could be considered, limiting the total import and export to an LFC block.
- ENTSO-E explains that after go-life, every TSO will be an affected TSO. ACER responds that the IF needs to be transparent and provide clear sets of criteria on which limitations can be introduced

- and why. ENTSO-E agrees, however clarifies that it is difficult to know this in advance, it can only be based on experience and for each TSO there are different cases for which limitations can be set.
- Will the limits between the bidding zones will be applied on the other projects? The proposals will be consistent between the balancing processes. For manual processes, it could be possible to express the demand per BZ, but this is not possible for aFRR and IN as the demand is set at LFC area level.

ENTSO-E explains how the values would be determined with an ID flow-based (FB) domain.

- ACER asks why the fact that ID has ATC means that balancing also should be ATC-based, why not flow based domain for the balancing? ENTSO-E explains that you would probably need to have all Europe using FB for the DA, which is currently not the case. ENTSO-E explains also that the FB detailed methodology which can be applied to the balancing market is not defined yet. The natural order should then be to implement it for ID since it would be controversial not to give capacity to the market to finally find capacity for the balancing timeframe.
- ACER asks to ensure consistency on approach of what CZC in all the IFs.

Optimisation regions

ENTSO-E explains that there are TSOs exchanging aFRR and how to include them in the imbalance netting. ACER asks to clarify:

- Why optimisation regions are technically needed? Is there any justification of why this brings more social welfare to Europe? ENTSO-E explains that a simulation was done proving this, but it could be further explained how TSOs concluded this.
- Are all the three layers of calculation of IGCC (including aFRR optimisation) a part of the IN process? Yes, all the layers are part of the IN process.

EFET asks if the second step is the netting of two imbalances, or the netting of each country? The latter, remaining imbalances of each LFC area.

Eurelectric asks to have an illustrative example. In the explanatory doc there is an example based on historical data. Eurelectric asks for the percentage of the total amount that is netted: between 60-80% of aFRR demand is netted.

TSO-TSO settlement principles

There are two options that fulfil these principles: 1) current settlement: based of the opportunity prices of individual TSOs; 2) equal benefit per MWh.

ACER asks:

- whether the current settlement is based on national aFRR prices and if, in the future, aFRR standard product prices would be used. ENTSO-E answers positively to both.
- These are the current two options on the table? Yes, but goal is to have one only proposal.

Timeline

After consultation, the IN IF will be updated and ENTSO-E will give final approval before 18 June, deadline to sending it to NRAs. After approval, if needed, final adaption of IGCC and accession of new members.

Most countries that have to implement IN-Platform are in an IN-cooperation. But still some TSOs are not in any sort of cooperation.

ACER asks:

- Why there are no TSOs joining for several months before the sequential incorporation starts. Communication line needs to be decided and from experience it takes approx. 6 months to implement this communication. In addition, there is an ENTSO-E process with the group of Coordinated System Operations (CSO), where there is a notification process from the SOGL which also takes six months. Finally, there are the national SCADA implementations.
- Are the limitations on each TSO side or on the IGCC side? The answer is two-fold: agreeing on a common communication infrastructure, as if the current is decided not to be the future communication structure, acceding TSOs would need to implement a communication line and then

replace it to a different one, implying extra costs. On the other hand, all TSOs are updating SCADA, which is not a Platform issue but a TSO issue.

Eurelectric asks to have full transparency on the netting algorithm. ENTSO-E explains that the algorithm is currently not public available however agrees to discuss whether it could be published in future.

aFRR - PICASSO

ENTSO-E (Benjamin Genêt) presents updates on PICASSO and preliminary proposals for design details for aFRR. The aim is to have the consultation on May-June, but depending on the time needed for reaching an ENTSO-E decision it may be postponed for about one month. There are two stakeholder workshops (26 March and 20 June, the latter aiming to explain the aFRR IF).

Consultation

Input from 68 stakeholders from 13 countries. Germans and Austrians were the most represented countries, mostly from generators.

Implementation framework

Decisions have been reached by PICASSO on most aspects of the implementation framework. The details will be shared with NRAs in the IG meeting on March 7th and with stakeholder meeting on March 26th. IF still has to follow the All TSO decision process inside ENTSO-E.

mFRR - MARI

ENTSO-E (Benjamin Genêt) presents updates on MARI and informs about preliminary proposals for design details for aFRR

Consultation

Input from 65 stakeholders from 17 countries, again mostly from generation and good representation from Austria and Germany, but medium and small stakeholders are better represented than in the PICASSO consultation.

Implementation framework

Decisions have been reached by MARI on most aspects of the implementation framework. The details will be shared with NRAs in the IG meeting on March 8th and with stakeholder meeting on March 27th. IF still has to follow the All TSO decision process inside ENTSO-E.

6. Other - Reporting

ENTSO-E (David Gerbec) updates on monitoring and reporting. He informs that the next step is to turn the current planning to the monitoring plan. The first detailed report will be finalized by 18 June 2020 and it will concern year 2019. However, there might not be a lot of data available for the year 2019 as the obligation to collect new balancing related data starts in December 2019 (2 years after entry into force). Every second year a shorter report will be published. The draft timeline prepared by project team was presented.

AOB

- Next Meetings: 7 June (CEER), 3 September (ENTSO-E), 6 December (ENTSO-E). All in Brussels.