

ENTSO-E CACM Network Code – Stakeholder Group

Inaugural Meeting – 6 July 2011

Participants

Name	Organisation	Name	Organisation
Christian Dobelke (Chair)	Tennet TSO/ENTSO-E	Marco Foresti	Eurelectric
Cecilia Hellner	ENTSO-E Secretariat	Ruud Otter	Eurelectric
Mark Copley	ENTSO-E Secretariat	Chris Wood	CEFIC
Antonio Lopez-Nicolas	ENTSO-E Secretariat	Paul Wilczek	EWEA
Frank Vandenberghe	Elia/ENTSO-E	Paul Kreutzkamp	EWEA
Oliver John	Amprion/ENTSO-E	Arben Klllokoqi	EFET
Andre Estermann	50 Hertz/ ENTSO-E	Paul Giesbertz	EFET
Paul Auckland	National Grid/ENTSO-E	David ASSAAD	Europex
Ritva Hirvonen	Fingrid/ ENTSO-E	Rickard Nilsson	Europex
Matti Supponen	European Commission	Yves Langer	Europex
Christophe Gence-Creux	ACER	Tahir Kapetanovic	E-Control/CEER

Minutes

Christian welcomes participants and summarises the purpose of the meeting, including: that ENTSO-E recognizes the importance of stakeholder engagement; that ENTSO-E will aim to use the group as a useful tool for 2 way communication throughout code drafting; that even though ENTSO-E will use several routes to consult stakeholders, we will make sure this group is aware of those. He then sets out that ENTSO-E sees the group as advisory only (it is ENTSO-E's role to write the code) and that it should consider issues solely related to CACM (and that other things are out of scope and are not for discussion in this meeting). Christian notes ENTSO-E welcomes comments, recommendations and suggestions.

Mark (see slides) clarifies the scope of the CACM code. That is, a single document covering intra-day, day-ahead and capacity calculation. He briefly notes important interactions. He stresses the importance of the final framework guideline in defining the ENTSO-E approach.

Following a question of forwards, it is noted that forward markets aren't as developed as the other areas and it was agreed by the high-level group (Commission, ACER, ENTSO-E etc) that they should be tackled later. There will be much in common with the CACM code and we'll use that where we can. The exact form is uncertain and will depend on the FG.

Mark (see slides) provides an overview of the process ENTSO-E will follow to develop the CACM code. This includes internal working and sign-off structures and expected milestones.

ENTSO-E outlines its approach to stakeholder engagement, noting various routes will be used. It also sets out that a technical workshop to discuss issues relating to capacity calculation will be held on the 7th. It notes that the stakeholder group will be kept abreast of progress.

Mark (see slides) moves on to discuss some of the challenges & issues to be tackled in network code development. He outlines some of the bigger questions that have to be thought about – such as the level of detail, change management processes and definitions of cross border issues.

The group discuss the importance of change management in determining the appropriate approach to drafting the network code. ACER notes that it will take forward work on change management issues which will apply to various network codes. Updates to be provided when work is taken forward.

Matti, notes interactions with the governance guideline under development by the Commission and notes the importance of establishing a clear division of responsibility between the guideline and CACM code. He notes that this distinction may be based around “functionalities” (code) and “decision making responsibilities” (guideline). He also notes the intention to consult on the guideline publically ahead of the summer break. Matti also notes that, in his view, the code should aim to “add value” and that this may be the means of determining what should be included. He also noted the challenge of ensuring robustness and flexibility. He then talks about the route to change codes (either via Comitology or leaving it to national legislation) and briefly notes changes in Commission processes. Matti stresses that the Florence forum may be a useful group in which ideas can be shared and agreed on. Paul W suggests that holding semi regular meetings with a representative group of stakeholders may be the best way to periodically review codes.

Issues and expectations from a stakeholder perspective

Christian outlines that we would like to hear initial views from stakeholders.

EWEA outlines that:

- Intraday markets are a key priority and are an important part of accommodating large wind volumes (as shown in their tradewind study).
- intraday gate closure should be as close to real time as possible and that there should not be any backward movement in existing gate closure times.
- the CACM code must be developed in a way that is consistent with the RES directive.
- codes should have an accessible level of detail and that transparency is key.

Eurelectric (see slides) outlines that:

- They welcome the meeting and will provide informal advice to ENTSO-E.
- consistency between the code, governance guideline etc is crucial.
- codes must facilitate markets and that periodic change processes will be important. Codes should be logical and sequenced.
- Reasoning and justification is important.
- ENTSO-E should share drafts of structure and content with the group.

Europex (see slides) sets out that:

- The scope of the code should be made clear and should be reasonably narrowly related to TSO activities.
- there is a need to recognise the trading rules and legislation that PXs face.
- Allowing scope for future development is important as continuous improvement will be needed.
- Addressing the compatibility of nomination rules may be beneficial.

EFET states that:

- Ongoing implementation projects must continue and the market should be facilitated.
- For the group to work effectively important issues should be addressed at an early stage in a full and frank way.

- ENTSO-E should not aim to compromise but set out clear and sufficiently detailed rules which avoid ambiguity.
- Codes should primarily deal with the regulated parts of markets.

CEFIC (noting that it is also representing the views of IFIEC (for this meeting only)) states that:

- They welcome the opportunity to participate.
- Coupling should not transfer costs to commodity prices.
- The code should aim to avoid diverging zonal prices and ensuring high levels of within zone liquidity. Zones should span congestions.

Tahir notes that he is comfortable with national regulators being represented by one party from CEER.

Christian summarises key points from presentations and confirms we will consider our approach in light of comments.

Making the stakeholder group work effectively

Attendees discuss the approach to meetings. The following points are relevant:

- Cecilia identifies the legal requirement to publish issues relating to consultation on network codes via the ENTSO-E website, and refers to the ENTSO-E consultation process description and the Open letter regarding the NC CACM as two key documents to guide ENTSO-E consultations. Both documents are published on the website.
- Paul G stresses the importance of recognising that positions develop over time and ensuring parties are able to provide free and frank comments.
- Parties agree and recognise that document discussed in the meeting will be work in progress.
- It is suggested that a short ToR is developed.
- It is recommended that this notes that parties will make comments without prejudice to their ability to amend positions or respond to future consultations.
- That documents are provided to members well in advance of meetings and that ENTSO-E establishes a cycle in which information is shared and then discussed in meetings.
- It is recognised that stakeholders will seek to facilitate 2 way communication with their members (i.e. they will represent their views and provide progress updates).
- ENTSO-E should aim to tackle important issues at an early stage.
- The group should be kept abreast of ongoing bilateral discussions or other technical workshops.
- The group should meet approximately once every 2 months.
- It is recognised that documents (including from stakeholders) should be made publically available via the website.
- Short minutes of each meeting should be produced and agreed.
- It was suggested that ENTSO-E should clarify the scope of the CACM code as a matter of urgency.
- It was agreed that consistent membership was desirable and that organisations should aim to send similar people.
- It was suggested that the circulation list for documents should not be overly lengthy and that a small (3/4) number of people per organisation would be appropriate.
- Meetings should be organised well in advance and ENTSO-E should develop a forward plan.

Actions

- ENTSO-E to circulate a poll of dates for the next meeting
- ENTSO-E to develop and circulate a terms of reference for discussion at the next meeting. All parties to consider and comment on the ToR.
- ENTSO-E to produce a short meeting minute and circulate for approval.
- ENTSO-E to provide an outline of the code structure for the next meeting.
- ENTSO-E to publish information from the meeting on the ENTSO-E website.
- All parties to seek views from their members and further consider their key issues.
- Parties to give thought to ways in which the group can work effectively.