

20th Market European Stakeholder Committee (MESC)

Wednesday, 17 June 2020 from 10:30-16:00
Online Meeting

Draft Minutes

Participants		
Christophe	Gence-Creux	ACER/Chair
Athina	Tellidou	ACER
Martin	Viehhauser	ACER
Mathieu	Fransen	ACER
Rafael	Muruais Garcia	ACER
Markela	Stamati	EC
Paula	Ceballo	EC
Nico	Schoutteet	CREG
Julio	Quintela	CRE
Lisa-Maria	Mohr	Bundesnetzagentur
Maarten	Klijn	ACM
Rickard	Nilsson	Europex
Edmund	Beavor	Europex
Ronald	Gjurkowitsch	EXAA
Hélène	Weil	EPEX SPOT
Paul	De Wit	CEDEC
Peter	Claes	IFIEC
Cosimo	Campidoglio	All NEMO Committee
Rafael	Gomez Elvira	All NEMO Committee
Karol	Nicia	All NEMO Committee
Diego	Roldan	CNMC
Yannick	Phulphin	Eurelectric
Helene	Robaye	Eurelectric
Jerome	Le Page	EFET
Paul	Giesbertz	EFET
Sonia	Saly	EFET
Maria	Popova	EFET
Stefan	Doerig	Tiko Energy solutions
Blandine	Malvault	Windeurope
Vasiliki	Klonari	Windeurope
Petteri	Haveri	Geode
Tim	Schittekatte	FSR
Valerie	Reif	FSR
Javier	Barrantes	ENTSO-E/REE
Mario	Turcik	ENTSO-E/SEPS
Konrad	Purchala	ENTSO-E
Kristine	Marcina	ENTSO-E
Jean	Verseille	ENTSO-E/SIDC Chair
Kacprzak	Przemysław	ENTSO-E
Tore	Granli	ENTSO-E
Michele	Dion-Demael	ENTSO-E
Benjamin	Genet	ENTSO-E/CWE TSOs/Core TSOs

Participants		
Zoltan	Gyulay	ENTSO-E
Ricardo	Renedo Williams	ENTSO-E
Stela	Nenova	ENTSO-E
Marta	Mendoza	ENTSO-E
Alexander	Dusolt	ENTSO-E

1. Opening

1.1 Welcoming address, Approval of minutes, and Draft Agenda (Christophe Gence-Creux; ACER)

The Chair opens the meeting and welcomes the participants. Marta Mendoza explains the online meeting functioning. The meeting minutes of the Meeting in December 2019 are approved. The agenda is approved with additions to AoB.

1.2 Update recent developments (recent decisions, appeals, update on CCR) (Christophe Gence-Creux; ACER)

The Chair updates on the recent decisions:

- CCR proposal: After the General Court annulled the Board of Regulator's (BoR) decision of 17 March 2017, the Board of Appeal (BoA) issued a decision on 22 May from which the initial CCR proposal from 2016 should be reviewed based on the current circumstances. ACER and NRAs invited All TSOs to update their initial CCR proposals taking into account the developments since, to organise a short public consultation and to submit as soon as possible to ACER.
- EBGL: Decisions on nine EU wide and four regional proposals were taken
- System Operation Regions: Decision as required by the CEP
- FCA GL Art. 61: two decisions for sharing costs for ensuring firmness and remuneration of long-term transmission rights
- NRAs from the SEE region referred the proposal on splitting rules for transmission rights
- CACM Art. 34 and 35: Redispatching methodologies were referred by CORE and SEE region
- SOGL Art. 76 referred by CORE region and expected to be referred by SEE region.
- Bidding Zone Review: Decision expected
- Adequacy: Two methodologies received a month ago for decision (including ERAA, VOLL, KONE, reliability standard). More to come with method for XB participation in CMs.

The Chair expresses worries about an increased number of appeals from TSOs. So far seven appeals were submitted this year and most controversial decisions are yet to come. Two appeals were received for determining prices on balancing energy. Four appeals for the implementation frameworks for aFRR and mFRR related to the governance of the EU balancing platforms. The issue at stake is whether to use the term capacity management function or module, which has implication on the governance of the platforms. One appeal on SOR, where the main point of disagreement is the inclusion of Iberian TSOs in Continental Europe and if one TSO can belong to two different RCCs. The Chair notes that the SOR appeal has 600 pages and expresses the wish that sufficient resources also be made available by the TSOs for meeting the implementation deadlines. The Chair clarifies that after the ACER decision there are two months where an appeal can be launched. The Board of Appeal has then four months to take a decision.

Konrad Purchala (ENTSO-E) underlines that TSOs are not keen to make appeals, and that TSOs are in generally happy with the dialogue with ACER. TSOs, NRAs and stakeholders collaborate to find solutions and the last word is with the Agency. If TSOs feel the Agency goes too far, potentially beyond the legal framework, TSOs don't have another choice than to react with an appeal.

Konrad Purchala (ENTSO-E) confirms that the resubmission of the CCR proposal is expected to take place as soon as possible. The earliest possible date for the launch of the consultation would be the second half of July.

1.3 Update from the EC on the review of the NCs/GLs

Markela Stamati (EC) thanks for organizing the remote meeting. They appreciate the BoA decision on the CCR proposal as it will provide legal certainty. She underlines that many compromises need to be found in creating a pan EU market. As full consent by all parties seemed impossible, qualified majority voting was introduced. Everybody has the right to appeal but it is indeed something to be considered with care given all the work ongoing and the deliverables to be completed. For EC completing the deliverables from the NC/GLs, implementing the market coupling is a priority, appeals shall not stop the work.

Paul Giesbertz (EFET) states that the decision on the appeal on the CORE capacity calculation methodology was very detailed and elaborated, so that it was useful to get insight in the issues. To avoid appeals, full transparency in the earlier phases is important. As long things are unclear there may be frustration resulting in an appeal.

Markela Stamati (EC) updates on the planned review of four Guidelines (GLs) and thanks Stakeholders for responding to the consultation. 14 replies by associations and companies were received, still waiting for the one from NRAs. The first meeting with Member States (MSs) is scheduled for Monday 15:00 as a first informal meeting to update MSs on details of the proposal and results of the consultation. The general impression from the consultation is that the proposal is well received, positive on the need for fixing some procedural issues and aligning with CEP. Some concerns were raised, which the EC believes are valid. The EC is trying to finalise the update soon.

Markela Stamati (EC) explains that the upcoming ECBC will be a short meeting with main point on amendment of GLs, an update to MSs on the implementation state of the 70% rule and capacity calculation methods under CACM and SOGL. She explains that with all the delays in implementation there is not much time to work on a bigger review of NCs/GLs at the moment. A bigger review can be discussed in the autumn in the context of the MCO governance group or other format related to other issues. Some useful comments for a bigger review were also submitted in the consultation. EC welcomes any input from NRAs or stakeholders on bigger review in particular on CACM. A formal proposal will be launched not before mid of next year and depends on EC's priorities in general. Informal work will continue from autumn.

Yannick Phulphin (Eurelectric) states that market participants would be happy to be involved in discussing revisions of CACM, which is not given in the MCO governance group. Market participants should be included before the formal process is launched. Markela Stamati agrees that stakeholders may also have strong points and underlines that the MCO governance group strictly focuses on the governance issues between TSOs/NEMOs/NRAs. They want to take time to discuss extensively with everybody before starting the formal process.

2. Balancing

2.1 Update on recent developments (Athina Tellidou, ACER; Michele Dion-Demael, ENTSO-E)

Athina Tellidou (ACER) updates on the ACER decisions on balancing methodologies. She thanks for the participation in public consultations and workshops.

Michele Dion-Demael (ENTSO-E) informs that ENTSO-E and TSOs have submitted all methodologies in time. Accession roadmaps for EU platforms are published. A public workshop is planned on 13 July and the cost report to be published in June. TERRE became operational in January 2020 and two TSOs already joined the platform (CEPS on 6 January and REE on 3 March). REN, Swissgrid, Terna, RTE and NG ESO are expected to join the platform after the summer. MARI will use TERRE's IT platform Libra and the IGCC IT system will be used for PICASSO. She confirms that the Swiss TSO is participating in the balancing projects, and that so far there is no indication that they will not join the balancing platforms.

3. Forward

3.1 NRAs' update on capacity splitting in the CORE CCR (Nico Schoutteet, CREG)

Nico Schoutteet (CREG) updates on the splitting rules methodology in the CORE region. Amendments requested by CORE NRAs did not tackle the proposed split but requested to have a proper assessment of the ratios to be submitted six months and two years after approval of the long-term capacity calculation methodology to assess the splitting ratio. The amended proposal was submitted. CORE NRAs draft position paper is intending to approve the amended proposal. Block bid approach is discussed, giving market participants the option to buy on top or instead of yearly and monthly capacity also monthly blocks over several months. It was considered out of scope of the CORE splitting rules and escalated to ACER's FCA taskforce. They plan a consultation around summer, afterwards feasibility study. Nico Schoutteet explains there will be interactions with NRAs, TSOs and ENTSO-E on the framework, then proposal to TSOs as basis for consultation, then consultation. NRAs intend to finalise it before summer break, with consultation likely in September.

The Chairs asks the NRAs how to ensure the decision on splitting of LTTRs will be coherent with the CCM which is not yet received. Nico Schoutteet informs that once received, NRAs will either amend or approve the CCM. Once implementation is finalized, splitting rules can be implemented. In terms of consistency you first have the outcome of LTCC, then you apply splitting rules.

3.2 How are the bilateral historical commitments on the DE-DK1 and DE-AT borders reflected in the LT Capacity Calculation Methodologies?

Lisa-Maria Mohr (CORE NRAs) informs that the topic will be discussed in the CORE consultative group next week. From NRAs' perspective, which is supported by ACER and EC, the approach chosen by TSOs in the long-term capacity calculation (LTCCM) methodology should yield capacities comparable to today overall (but not necessarily border per border). Bilateral historical commitments should not be formally reflected. Those capacities are often higher than the capacities that would be calculated according to the methodologies that would be implemented by TSOs. Furthermore, NRAs want TSOs to start considering what methodological amendments are needed to incorporate the flow based approach. Next TSO/NRA meeting will take place on Friday. Feedback will be given in CORE consultative group next week or the following one to inform Stakeholders. Proposal from TSOs will need to be consulted so all Stakeholders will be involved. Furthermore, she informs that national decision on the proposal from TSOs in CORE region to implement FTR on all borders except Slovenian/Croatian border are in the drafting.

Benjamin Genet (CORE TSOs) highlights that on top of the agreements shown (DE-AT and DE-DK1), other agreements are in force, however these won't change the LTCCM. Guidance with capacity to be reached in line with historical capacity remains an open point. Especially the case when these historical agreements include redispatch capacity is a controversial topic, which needs further evaluation. He informs that for the LTCCM content and timing of the proposal are discussed. The timing is subject to further discussion, but the plan is to submit the methodology by end of November, therefore the consultation will most likely be in October.

Jerome Le Page (EFET) states that the idea of trying to reflect capacity that is available as today and not taking historical agreements into account in the CCM itself, seems contradictory. Is there a willingness to get away from bilateral agreements? Nico Schoutteet (CREG) acknowledges that it is a somewhat contradictory statement. However, there is no consensus on a more precise statement among NRAs. Whatever approach chosen the outcome should reflect current capacities. Statement applies mostly where agreements don't exist. This leads to problems where these agreements do exist. Either established between NRAs, ministries or private parties. Of course, available capacities should be as high as possible and as close as possible to bilateral agreements. NRAs will compare new and old capacities and confirm the approach. So far, no rule for assessment is agreed.

Yannick Phulphin (Eurelectric) raises a question on the FB allocation as target. It seems not obvious how it could work as there is no net position per Bidding Zone as well as long-term rights are traded on each border in both directions. More details are appreciated. Nico Schoutteet assumes flow based with NTC extraction is foreseen. He acknowledges this is a radical shift from current approach, more discussions are needed to see how the solution could look like. Would have to amend products, congestion income distribution, SAP to organize market coupling. The original idea from ACER was to only have flow based capacity calculation. Benjamin Genet understands that the ACER target model is to have FB capacity allocation. In opposition to what happens in day-ahead, the fact that the flows will materialise is uncertain. To take it into account the relieving effect on the lines is not considered, i.e. the negative PTFDs are set to zero.

Paul Giesbertz (EFET) understands that forward capacity calculation should not take into account historical agreements. He suggests that discomfort can be solved with more transparency on bilateral arrangements themselves, e.g. on the DG competition decision of the case DE/DK1. There is monitoring of commitments but no transparency, may not preclude publication of monitoring reports on this case. He also suggests that these bilateral agreements, if they don't impact calculation of forward capacity calculation, they will impact probably XB redispatch decisions. Requirement every two years to have an update on XB redispatch arrangements, probably should move to harmonisation, request that TSOs in report on XB redispatch inform how their capacity commitments impact redispatch or countertrading actions.

Paula Ceballos (EC) reminds that guidance from ACER, EC and NRAs was that capacities have to be similar to what we have globally but not necessary on border by border level. Results will go back to NRAs and NRAs will decide whether they are acceptable, e.g. global 90% of what is today could be ok. Once methods are approved and implemented, this should be the way to calculate capacities. She is confident on transparency by governments and NRAs. The idea is to have coordinated capacity calculation in a region. In the beginning of implementation of the method, bilateral agreements may be ongoing, but the idea is that everything is calculated regionally and not based on bilateral agreements. She will contact EC colleagues at DG COMP and try to publish the monitoring reports on DE/DK1 agreement. There is a need for more transparency what's happening under bilateral agreements and impact on redispatching.

4 Transparency (Yannick Phulphin, Eurelectric)

Yannick Phulphin (Eurelectric) presents highlights of Eurelectric's report on cross zonal exchange capacities. Content is based on feedback from members of Eurelectric and other stakeholders, happy to consider other feedback. Transparency on cross zonal capacities is key for price forecasts. Capacities can vary sometimes by 1 GW.

Konrad Purchala (ENTSO-E) notes that significant amount of data is requested and promises to discuss the findings with TSOs, however underlines that it is not easy to publish all the requested data. Calculation of XB capacity is complex, even if we try to have more capacity, TSOs don't have information about the future and how the market participants will use capacities (flow based principle). The Chair asks TSOs to provide more detailed feedback in next MESC. Benjamin Genet states that the issue is that we have regional methodologies, therefore the CORE consultative group may be the best forum to address it. Yannick Phulphin responds that the report is general not only about CORE. CWE is relatively advanced, which is also result of good level of stakeholder involvement. He states that on some recommendations all information already exists. The Chair understands it's discussed in CORE CCR but should be also addressed with the TSOs/NRAs of the other regions.

Action: TSOs to provide detailed justification on reasons preventing publication of data on CZ capacity calculation and allocation at the next MESC meeting.

Peter Claes (IFIEC) states that they are a priori in favour of more transparency and asks whether it will influence generators' pricing strategy in DA and ID only or also on forward markets. Would the requested information influence volume and/or price for a certain volume made available? Yannick Phulphin explains when creating price expectations, you need to look at fundamentals of the system and how they evolve. Like evolution of CZ capacities due to changes in methodologies or infrastructure, new lines, generation. This has impact on forward prices. Information can be used as direct input for speculation and price forecast can help decide whether assets are dispatched or not, thus on volumes.

Paul Giesbertz (EFET) fully supports key recommendations. One issue e.g. in Sweden is that national security legislation prevents further transparency. Can it be addressed by EC whether it is legitimate to not publish e.g. critical network elements. The Chair adds that the Swedish issue appears also on ACER's side for monitoring activities, struggling to get the data. They intend to raise it at ECBC next week.

Paula Ceballos (EC) suggests addressing it in the ECBC next week under aob.

6.1 Update on BZ review

Rafael Muruais Garcia (ACER) informs that the methodology was resubmitted by the TSOs to the NRAs, but still without scenarios for continental Europe. They expect a referral of the decision to ACER in July. A decision on the resubmitted package is expected in October, latest by end of the year. He explains ACER's indicative improvements to the BZ review methodology.

Yannick Phulphin (Eurelectric) states that it is key for the efficiency analysis to have correct modelling and consideration of related costs for welfare and not only expenses for TSOs especially regarding redispatching and countertrading (RD&CT). Additional costs for availability and readiness may also be included. He questions in which timeframe RD&CT can be considered and suggests the early ID timeframe, right after DA clearing and based on DA price. Furthermore, he asks whether there would be a minimum threshold for expected benefits compared to the costs for change to consider changing configurations? Rafael Muruais Garcia explains that for RD&CT the simulation is a two-step approach, it would only consider one point in time for considering redispatch and it would be performed a bit ahead of delivery, a bit beyond DA. This would align with the point in time where coordination of CZ redispatch is expected to be performed. Additional cost may be incurred in RD timeframe, they may be closer to balancing if it is close to real time, if ahead of real time then opportunity costs align better with intraday. In Germany ID has become opportunity cost reference. He clarifies that no concrete threshold is assumed, if benefits are low it may indeed not be worth implementing changed configurations. There are benefits on the one side and implementation costs on the other. This could indicate the number of years a configuration should remain to make it worth.

Sonia Saly (EFET) asks why the target year is 3 years after the start of the BZR. In the discussion with TSOs, NRAs, we always suggested there should be a minimum 5 years. Rafael Muruais Garcia confirms that the 3 years are provided by the regulation.

Paul Giesbertz (EFET) agrees that the target year is in the regulation, but we may need to look 7 years ahead (5-year target year + 2 years of BZR). There may be a more relevant timescale than the one provided in the regulation, e.g. efficiency was analysed 2016 in Sweden after the BZ re-configuration was made in NOV 2011. Furthermore, he notes that the BZR seems to focus on DA market efficiency and welfare effects of DA market. There is a focus on static dispatch as only criteria where it allows for monetarisation of welfare effects, however the regulation mentions 20 criteria of which many can't be monetarised. He suggests that ACER takes a step back to look at all 20 criteria. He is concerned that with the two-step approach result can only be that smaller zones will be selected to be further analysed and the merger of zones may be excluded beforehand. Rafael Muruais Garcia understands that there is a value for going beyond 3 years. However, we should not reopen discussion on the time horizon as this was agreed before and reflected in the regulation. It does not exclude TSOs adding further, longer scenarios. He also would like a formula which considers all criteria, but believes that proposal is a good approach, as it e.g. considers liquidity and price signals. Methodology allows to not take those configurations where non-monetary criteria would show negative results. ACER can propose a transparent process, allow TSOs to make recommendations but still there is another layer where MSs will decide whether to go for BZ change.

Yannick Phulphin (Eurelectric) presents on the liquidity dimension which is difficult to quantify and monetise. CACM includes different criteria, many of them may not be possible to monetise, such as the possibility for dynamic retail market to make commercial offers to consumers, redistribution of congestion rents, capacity mechanism costs for TSOs and redistribution of values of assets and stranded investment. Rafael Muruais Garcia answers that a look into retail market may be relevant, some aspects are considered, challenge is whether they can be monetised.

Rickard Nilsson (Europex) stated that while they agree with a proper study of alternative BZ setups from a day-ahead perspective it is crucial that effects of BZ configurations on all timeframes are considered as well, in particular linked to potential impacts on forward market liquidity. He referred to the slides submitted by Europex for further details.

Jerome Le Page (EFET) appreciates that ACER looks into the question of liquidity in the context of the BZR. They have some concerns on assumptions from external consultants DNV GL on certain conclusions and biases, especially on liquidity e.g. forward but also DA, ID, Balancing. It's important to get the right metrics to study liquidity effects. The consultants' metrics seem fundamentally wrong as they don't capture these. Forward liquidity and effect on welfare should be included. Rafael Muruais Garcia confirms that forward markets are actually under metrics to be included, main challenge is how to model markets that don't exist yet. The BZ configuration is not about getting the right indicators but how liquidity could evolve. See if TSOs can model beyond DA, but concern more on ID and Balancing. They still see the need, if simulation is possible, to look into indicators also on access to CZ capacity to be modelled.

A stakeholder suggests aligning BZ and TYNDP process.

6.2 Update on 70% implementation

ACER presents their views on monitoring: they will start data collection as of July 2020, aiming to map data availability and quality issues in each MS.

NRAs are also finalising a paper with guidance for TSOs on derogations (underlying reasons, identification of concerned CNECs, criteria for monitoring methodology for LT solution, etc.).

Marta Mendoza (ENTSO-E) presents the input collected from TSOs on requesting derogations, whether they decided to request them, decided to not request them or are not yet decided.

Jerome Le Page (EFET) appreciates ACER's, NRAs's and ENTSO-E's work on transparency in general. He understands that if a derogation is granted for two years then there have to be improvement from one to the other year. These improvements are not so clearly required, if derogations are renewed after one year. They suggest that progress should be made also when derogations are renewed regularly. Lisa-Maria Mohr (BNetzA) agrees that there may be a loophole in the CEP. There needs to be a decrease in extent of the derogation and proper monitoring. Derogations may be there for more than two years, but for all NRAs the extent decreases. The Chairs confirms that if yearly derogations are applied regularly, ACER still expects an increase in capacity each year.

Yannick Phulphin (Eurelectric) understands that there are countries that have defined action plans but still asked for derogations and asks how it fits with linear trajectory. Furthermore, they appreciate the requirement by all NRAs that operational security issues within a BZ should not have effect on XB capacities. He questions how external allocation constraints are considered for the 70% rule. The Chairs answers that derogation requests based on external allocation constraints could be reasonable to the extent that they are not under TSOs' direct control. TSOs need to prove if it is under their control. The Chair agrees with the interpretation that a two-year derogation should be closer to an action plan. At least to have linear trajectory and significant increase year by year.

Konrad Purchala (ENTSO-E) explains that there are a number of TSOs which want to file derogation requests. The reasons for derogations from last year are often still valid, e.g. flow based capacity allocation not yet implemented. Some items like loop flows remain valid until the coordinated flow based approach is implemented. If loop flows don't change and they are outside of the control of TSOs, then another derogation may be needed. He asks on the process, as NRAs said that 6 months may be needed for granting derogations, should TSOs submit derogation requests now for 2021? The Chair confirms that NRAs have two months for approval but if they refer it to ACER, ACER has six months. Lisa-Maria Mohr confirms that derogation requests should be submitted as soon as possible.

Benjamin Genet (CORE TSOs) complements that if we fulfil NRAs' criteria, but reasons are beyond the TSO's scope it can't be guaranteed that capacity increases year to year. There is a reason for not having linear trajectories with yearly derogations.

6.3 Update on SDAC

Mario Turcik (Interim coupling project) updates on the implicit capacity allocation between 4M and MRC region, to become part of the SDAC. The project was launched beginning 2019, a central solution is implemented and is now in the testing phase. Some project parties informed that they were not ready, and EC and ACER were informed. The tests that could be conducted were successful. Original go-live date was September 2020, currently no new roadmap available.

Benjamin Genet (CORE TSOs) updates on the flow based implementation in the CORE CCR in a joint project with NEMOs.

Jerome Le Page (EFET) notes that the timing for CORE flow based is still unchanged Q2/Q3 2021. With potential delays on the interim coupling, timelines may collide. What is the view of the CORE project on whether flow based should come slightly after the interim MC project? Benjamin Genet confirms that TSOs are trying to keep the timeline of the Core FB project. Mario Turcik explains that these are two different projects, but dependent on each other and there is one year to accomplish both of them, including around six months for external parallel runs. There could be a benefit to allow trade in an NTC setup to learn how new situation will look like and then change to the CORE flow based setup as this would be smoother for NEMOs, TSOs, MPs but depends on the timeline of interim project. May need to consider whether it makes sense that both projects go live within a couple of months. Paula Ceballo reminds the EC's priority is the extension of SDAC asap to all EU borders. They are disappointed that interim project is delayed and frozen. They are discussing now with NRAs and project parties to ensure interim coupling go live. This should not mean a delay in the other important projects, esp. CORE flow based.

Sonia Saly (EFET) expresses the wish from market participants to have at least six months testing after the interim MC go live and the flow based coupling.

Rafael Gomez Elvira (NEMO Committee) updates on the completion of SDAC, partial decoupling and 15min MTU implementation. Paula Ceballo invites MPs to take actions towards NRAs and EC in regard to any of the delays in the DA coupling project when it affects them. Also, EC wonders about the reasons for the low participation in shadow auctions during the last decoupling event.

Yannick Phulphin (Eurelectric) asks how BZs with ISP longer than 15mins are addressed. Euphemia is supposed to handle SIDC auctions. Same issue expected, according to which only 15min products will be available by 2025. Rafael Gomez Elvira explains that there will be situations with 15mins and 30mins ISP on each side of the border. Currently the SDAC algorithm can't afford the situation and EC and NRAs are informed. Cross-product matching functionality in intraday is feasible as the algorithm is simpler and products are less complex. But no cross-product matching solution foreseen in DA for the moment.

Action: Eurelectric/EFET to get back to EC on market impact of delays in coupling projects and on low participation in shadow auctions.

Diego Roldan (CNMC) informs about the CNMC and ERSE position on the proposed Iberian technical bid limits.

Jerome Le Page (EFET) explains that EFET does not agree with the reading of the regulation by CNMC and ERSE on this point. They understand that EC is looking into it discussing it with NRAs. ACER clearly stated that technical price limits including automatic adjustment mechanism should be a technical requirement, related to algorithm. EFET would welcome justification, beyond the legality of the proposal itself, how the proposed bidding limits would be justified by technical reasons, which is missing in presentation. They are asking ACER and EC for meaningful application, using in Iberia like in the rest of the SDAC/SIDC areas the technical clearing limits that have been decided by ACER.

Yannick Phulphin (Eurelectric) notes that maximum prices are discussed and asks whether the min price is assumed to be zero. Assuming zero has already been reached several times, the min bid price should be revised. Diego Roldan expresses openness to discuss the minimum price. They, and other stakeholders have a different view from EFET. Many Stakeholders prefer even lower thresholds. Markela Stamati (EC) thanks for presentations and informs that discussions with relevant NRAs are ongoing. There is a concrete rule in the CEP, clear to EC, ACER and majority of NRAs that legal interpretation is that there should not be any other limits than technically bidding limits set in the ACER decisions. There should be other ways to accommodate the problem/issues seen by market participants.

6.4 Update on XBID/SIDC Sidc/xbid Karol

Karol Nicia (NEMO Committee) updates on the SIDC and Jean Verseille (SIDC Chair) confirms that the main concern is the transit shipping issue.

Paul Giesbertz (EFET) asks if there is a possibility to reduce the costs for transit shipping, e.g. on the deposits NEMOs need from each other. Karol Nicia clarifies, with a note, since he cannot speak on behalf of all Transit Shippers – as cost incurred may vary between Transit Shippers and are individual costs - that the main issue is imbalance risk and potential costs associated with it as well as costs of updating local systems, internal procedures and local processes (for example: extra operational monitoring 24/7 for Transit Shipper) in order to minimise possibility for such imbalance risk to occur. Collaterals are not the biggest driver. Jean Verseille adds that this can be addressed in design for enduring solutions.

Action: Include XBID/SIDC earlier on the agenda for next MESC meeting.

6.5 EFET position paper for an improved market design in intraday

Not discussed.

7. AOB

The Chair will address Eurelectric's request regarding the CGM development and impact of delays on other methodologies separately to ENTSO-E

8. Meetings for 2020

Next meeting takes place on 23 September, most likely as online meeting.