

24th Market European Stakeholder Committee (MESC)

Thursday, 16 June 2021, 10:30-16:00
Online Meeting

Draft Minutes

Participating Members		
Christophe	Gence-Creux	ACER/Chair
Mathilde	Lallemand	EC
Jan	Papsch	EC
Rickard	Nilsson	Europex
Edmund	Beavor	Europex
Michael	Van Bossuyt	IFIEC
Yannick	Phulphin	Eurelectric
Helene	Robaye	Eurelectric
Stella	Benfatto	Eurelectric
Abi Afthab	OLIKATHODI	Eurelectric
Jerome	Le Page	EFET
Lorenzo	Biglia	EFET
Federico	Barbieri	EFET
Sonia	Saly	EFET
Tim	Schittekatte	FSR
Stefan	Doerig	SmartEN
Blandine	Malvault	WindEurope
Josh	Gartland	Windeurope
Anneli	Teelahk	EASE-Storage
Petteri	Haveri	GEODE
Paul	de Wit	CEDEC
Stefano	Alaimo	Chair of NEMO ID SC
Julio	Quintela	CRE (NRA)
Nico	Schoutteet	CREG (NRA)
Maarten	Klijn	ACM (NRA)
Marco	Pasquadibisceglie	ARERA IT (NRA)
Barbara	Zwinka	BNetzA (NRA)
Sven	Kaiser	E-Control (NRA)
Rafael	Gomez Elvira	All NEMOs Committee
Miha	Pregl	All NEMOs Committee
Michele	Dion-Demael	ENTSO-E/ RTE
Peter	Scheerer	ENTSO-E/ TransnetBW
Gert	Gottwald	ENTSO-E/ TransnetBW
Kilian	Kröger	ENTSO-E/ Amprion
Javier	Barrantes	ENTSO-E/REE
Mario	Turcik	ENTSO-E/SEPS
Ana	Luna	ENTSO-E/REE
Andre	Estermann	ENTSO-E
Marta	Mendoza	ENTSO-E
Zoltan	Gyulay	ENTSO-E

Participating Members		
Volha	Veramyeva	ENTSO-E
Christophe	Cesson	ENTSO-E
Mathieu	Fransen	ACER
Heni	Radanovic	ACER
Isaline	Court	ACER
Lisa-Marie	Mohr	ACER
Rafael	Muruais-Garcia	ACER

1 Opening

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

The Chair welcomes the participants. All approve the [agenda](#) and the [minutes](#) of the last meeting. The Chair mentions the difficulties to have all presentations on time due to the proximity with the Florence Forum (FF) which took place right before this meeting (on 14 and 15 June). Future MESC meeting dates should consider the proximity of other meetings involving stakeholders. He reminds the rules which allow members to speak while non-members should stay silent and raise questions only through the chat.

1.2 Update on recent developments (FF, recent decisions, appeals, forthcoming webinars, etc.)

The Chair updates on recent developments:

- The conclusions from the FF were circulated on 15 June and will be added to the [MESC folder](#);
- ACER published on 10 May its decision on the Determination of Capacity Calculation Regions;
- ACER published on 26 May its decision on requesting information from Nordic TSOs for monitoring the margins available for cross-zonal trade on critical network elements;
- Regarding the appeal against the ACER decision on the Methodology for Coordinated Redispatching and Countertrading for the Core Capacity Calculation Region, the ACER Board of Appeal's decision to dismiss the appeal was published on 11 June;
- Regarding the appeal against the ACER decision on the Core CCR TSOs' Proposal for the methodology for cost sharing of redispatching and countertrading, the ACER Board of Appeal's decision to dismiss the appeal was published on 11 June;
- Appellants against the ACER decisions may still decide to appeal ACER decisions in front of the EU Court of Justice;
- ACER is organising a webinar on 24 June on the high-level approach to identify alternative bidding zone configurations for the bidding zone review;
- ACER will launch a public consultation and organise a webinar (9 July) about the Core LT CCM;
- Nordic and Baltic NRAs are considering implementing LTTRs, this seems even more likely on the Finland-Estonia border. **A decision may come after the summer for the Finland-Estonia and Finland-Sweden borders.**

2 CACM

2.1 Update on the workshop and Public consultation

ACER (Mathieu Fransen) gives an [overview](#) of the [received contributions](#) to the public consultation. According to the topics, the responses to the public consultation display support (e.g. capacity calculation) or more balanced feedback (electricity regulation).

EFET (Johannes Schultz / Jerome Lepage) thanks ACER for the tool which allows to review the received responses to the public consultation. [EFET](#) would like first to formalise further the stakeholder engagement and specify how the stakeholder input will be considered when there is a review. It is also stressed that the current review should avoid preventing the ongoing implementation and repeating what is already in the guideline. The review should also stay within the limits set by the electricity regulation and focus on what should be improved. There are three priorities according to EFET: improve the current day-ahead (DA) and intraday (ID) markets, increase the transparency and consistency of the capacity calculation (CC) and establish a true coordination for the use of remedial actions. Delays due to issues on cost sharing or appeals must be avoided.

ACER (Mathieu Fransen) mentions that all responses will be reviewed by ACER during the summer. The drafting of the updated guideline will continue in September with the aim of an approbation in December. Stakeholders will be involved on specific elements.

Europex (Rickard Nilsson) asks about the process to involve stakeholders – beyond NEMOs and TSOs - in the coming months, e.g. via possible establishment of Stakeholder Groups or Webinars for specific topics such as Bidding Zone Review, Capacity Calculation and Remedial Actions.

ACER (Mathieu Fransen) replies that ACER first needs to assess the received responses. **An update will be presented at the next MESC meeting.**

2.2 Update on Brexit (CBA LVMC)

ACER (Julio Quintela) presents the [ACER and NRAs' view](#) about the options identified in the Cost Benefit Analysis for the Loose Volume Coupling between the EU and UK. The Option 1 is to be discarded, the Option 2a cannot be recommended and the Option 2b is outside the scope of the current timelines.

ENTSO-E (Marta Mendoza) highlight that EU TSOs are aligned with ACER and NRAs' view.

EFET (Jerome Lepage) [presents](#) on behalf of EFET, Eurelectric and IFIEC. The MRLVC presents elements of an opportunity and of a risk. The objective must be to maximise the opportunity while minimising the risk. To this purpose, TSOs need further guidance. A sound analysis must be done which takes care of the risks.

The Chair asks ENTSO-E about the next steps.

ENTSO-E (Marta Mendoza) replies that the work is on hold until further guidance come from the Specialised Committee and/or the Commission.

EC (Mathilde Lallemand) indicates that the discussion continues on the identified options. Further guidance may come by mid-July.

The Chair asks for an update at the next MESC meeting and when the final proposal must be sent.

ENTSO-E (Marta Mendoza) replies that the technical procedure shall be delivered officially in November but since ACER and NRAs need three months for the opinion, in practice, the deadline to deliver the draft Technical procedure is end August.

EFET (Jerome Lepage) asks the EC about how stakeholders could be involved.

EC (Mathilde Lallemand) will check internally about this.

2.3 Update on 70% (2nd report)

ACER (Isaline Court) presents the report on the [monitoring of the “70% minimum target”](#). In brief, the methodology focuses on the DA timeframe and the results show both the outcomes when considering third countries and when not. There is no data for the Nordic and Baltic regions. From the results, there is a clear difference between DC borders which rather meet “70% minimum target” and AC borders which show lower compliance with the target and more heterogeneity between regions.

ENTSO-E (Kilian Kroger) presents an overview of the [TSOs' analysis on the 70% performance that will be published as part of the ENTSO-E Market Report 2021 in July as well as the ENTSO-E Technical Report 2021 in autumn](#). He first reminds that the assessment should respect legal and technical reality, i.e. derogations and action plans as well as the use of forecasts by TSOs instead of post-processed data. It is also important to consider the long-term (LT), ID and balancing timeframes as well as exchanges with third countries and the operational reality of TSOs. With this background, most analysed borders (DC, SWE, Italy North, CWE and other AC borders) show compliance with the interim target (resulting from either the action plans or derogations).

The Chair asks what is to be considered as compliant when there is no intermediary target in case of derogations.

ENTSO-E (Kilian Kroger) replies that each TSO considers the details of their specific derogation, so this is a question to ask to each TSO, but further details will be provided in the report.

The Chair asks for clarity on this point and expects the ENTSO-E market monitoring report in July to bring it.

EFET (Sonia Saly) [presents](#) learning from the ACER report, a reflection on discrepancies between ACER's, NRAs' and ENTSO-E's reports and recommendations on the way forward. Among the remarks, EFET reminds that by default TSOs should provide the maximum available capacity to cross-border trade and ensure non-discrimination. EFET is surprised by the positive numbers presented by ENTSO-E and has no idea about the methodology. As far as EFET is aware, the methodology to apply is the one approved by NRAs and it should be up to NRAs to consider the action plans and derogations in their compliance report. EFET acknowledges that CC must be done at regional level and consider exchanges with third countries. However, this should not lead to discrimination.

Europex (Rickard Nilsson) generally shared the concerns raised by EFET, and especially related to the huge discrepancy in ACER's versus ENTSO-E's assessments of compliance with the regulation linked to minimum 70% rule.

ENTSO-E (Kilian Kroger) explains that many TSOs perform own assessments, which are approved by their NRAs for assessing compliance. Most TSOs used these reports as an input for the ENTSO-E analysis.

As a reminder, within the CORE region, TSOs must report to NRAs when they deviate from the 70% minimum target.

The Chair agrees with EFET except on the third countries exchanges. The ACER report presents results both with and without these exchanges, but it should be up to entities assessing compliance, i.e. NRAs to take a decision on this. The main difference between the ACER report and the ENTSO-E one is the focus: ENTSO-E looks at current or intermediate targets while ACER looks at the final target.

EFET (Jerome Lepage) comes back on the different considerations of the LT, ID and balancing capacity between the ACER and ENTSO-E reports: the regulation refers to capacity to the market while cross-border exchange at the balancing timeframe is related to TSOs' activity and the ID capacity is usually the left-over from DA and as such it should not be added to the DA. He asks a question to EC regarding the third country exchanges about the framework to consider those.

EC (Elaine Oconell) replies that agreements should take place between third countries and capacity calculation regions (CCRs), not between the two countries where a border concerns a third country and an EU country to ensure a level playing field between EU and non-EU TSOs. Reporting on the 70% should be complementary to ACER's report and it is unclear what assumptions or common/national methodologies are behind the numbers in the ENTSO-E slides.

2.4 EC's study on BZ liquidity

Engie Impact (Arnaud Laur and Gerd Küpper) [presents](#) the [study about smaller bidding zones \(BZs\) and liquidity realised for EC](#). They first highlight that power prices must cover production costs but also the grid constraints. The current trend within the electricity field is towards more decentralised and intermittent RES and a finer representation of the grid (e.g. to better integrate offshore RES) which support smaller BZs. Review of historical cases in Europe does not provide strong evidence that small BZs reduce liquidity. Where implemented, different mechanisms are in place to hedge against transmission risk. The different features of FTRs are presented: option vs obligation and flowgate vs point-to-point vs zone-to-hub. Some recommendations about FTRs are provided at the end.

EC (Elaine Oconell) mentions that, although the report was written with the context of smaller BZs, there is a need to improve hedging opportunities more generally. While the current focus is on the review of the CACM guideline, this topic should be discussed at some point in future.

Europex (Rickard Nilsson) considers the presentation as interesting and he agrees that long duration of whatever offered hedging instruments is important. It should be possible to hedge one's risk against the local bidding zone energy price on monthly, quarterly and yearly basis over a long period. He mentions that such BZ energy risks are not possible to handle only via LTTRs since LTTRs only provide a hedge against the price differential between adjacent BZs but not the energy price of any single BZ. The latter is however workable via derivatives contracts, e.g. by combining trade in a contract using a regional reference price as underlying and so called EPAD contracts which hedge the basis risk between the given BZ and the regional reference price. Also he said that in the event new Cross Zonal LTTRs would be considered to be offered for example linked to the Nordics then it is not workable to limit it to the interconnectors across borders between the three Nordic EU countries, as suggested in recent Nordic NRA consultations, because the Cross Border connections towards Norway and within Norway are sizeable and very important for the price formation in all of the Nordics, and also since there are 12 BZs in the Nordics and 11 of them on sub-national level, thus it is at least equally important to secure hedging instruments for sub-national BZs. Accordingly, in case LTTRs were to be considered it would logically need to be setup between all BZs regardless of if on sub-national or national level if it at all shall be able to contribute to increased hedging opportunities across the Nordics.

Engie Impact (Gerd Küpper) explains that the focus is on transmission rights and agrees that energy risk compared to the local price is also increasing. Increased liquidity at short term timeframes thanks to reinforced cross-border trade at DA and ID level as well as the implementation of the FB helps against this local risk.

Europex (Rickard Nilsson) indicates that Nordic NRAs have recently asked about hedging opportunities at the EU borders of the Nordic region based on that the NRAs have noted some growing concerns from market stakeholders about if there is sufficient hedging opportunities within some parts (BZs) of the Nordic region.

Engie Impact (Gerd Küpper) explains that their focus is on hedging between BZs or countries and not with a BZ or country.

EFET (Jerome Lepage) asks whether the drop in liquidity observed in some cases could be explained by the increase of RES or a BZ split. He would like more transparency to be provided. He also asks to develop a methodology to assess liquidity changes in case of new BZs. He believes the recommendations are worth being investigated and they may accompany ongoing developments. However, this is a reality check to perform about FTRs obligation: as TSOs allocate capacity based on the installed grid, would it then be guaranteed? Would this improve hedging? He also wonders about the link between zone-to-zone products and the FB allocation in the forward timeframe. He raises some questions about the zone to hub proposal and its interaction with the current zonal model.

Engie Impact (Arnaud Laur) agrees that there is a liquidity drop observed in 2008 and it is explained by the financial crisis which impacted all markets. Discussions with local market players indicated other reasons like the REMIT implementation and the leak of liquidity towards other markets. It is therefore difficult to identify one clear reason. Regarding obligation, this feature allows the application of netting which would offer more FTRs. Regarding the zone to hub, there is further work to be done, for example mapping the zones to the hub.

Eurelectric (Helene Robaye) would like to first have the documents before providing feedback, especially in the case of new ideas. Eurelectric welcomes the discussion on new forward products. Regarding LTTRs, they are allocated through auctions which happen only a few times a year while market participants may need to adjust their hedging more often.

The Chair asks EC about the next steps.

EC (Elaine Oconnell) replies that this is mainly food for thought at the moment.

ENTSO-E (Andre Estermann) thanks for the interesting study. These questions are at the boundaries between physics and markets. This would require a large discussion among TSOs. A revised version of the FCA guideline might take these recommendations into account.

GEODE (Petteri Haveri) reminds that the zone to hub products exist in the Nordic region. The liquidity of these products (EPAD) must be looked at. The FB allocation may allow more products to be allocated. Some of the recommendations would require changes to the current FCA guideline although it already allows for more than FTRs point to point. TSOs may be reluctant to offer other kind of products.

Engie Impact (Gerd Küpper) considers that the FCA guideline does not allow for zone to zone but only for hedging on a direct border.

GEODE (Petteri Haveri) asks whether the EPAD system could be extended beyond the Nordic region and whether the zone to zone would be more robust than the current way.

Engie Impact (Gerd Küpper) believes so.

IFIEC (Michael Van Bossuyt) considers this is an interesting discussion but too theoretical. For IFIEC, market integration is the most important. And smaller BZs may deviate from this objective by cutting liquidity too much.

Engie Impact (Gerd Küpper) replies that smaller BZs improve the outcome of the market integration through the coupling as grid constraints are better considered and priced. There is a need to review BZs in relation to the development of more RES coming to the market which also has a cost to consumers.

The Chair concludes that the study needs to be read regardless of the BZ reconfiguration. We must look at ways to improve hedging. This issue needs to be discussed further in the future and assess whether the FCA guideline must be adapted or not.

2.5 Draft Capacity Calculation report

ENTSO-E (Kilian Kroger) [presents](#) the content of the yearly ENTSO-E Market Report covering all time frames from long-term to balancing and the biennial Capacity Calculation & Allocation Report. The 2021 version of both reports will be published in July 2021 on the ENTSO-E website. The structure and the statistical & quality indicators are aligned closely between ACER and ENTSO-E. However, ENTSO-E added some suggestions in the ENTSO-E Market report 2021: a reliable future-oriented regulatory framework for continuous innovation, the status of the implementation of the CEP's 70% minimum capacity target, the role of the Joint Allocation Office (JAO) as a cross time frame service provider and further analysis of the Electricity Balancing Guideline based on TSOs' experience.

Eurelectric (Helene Robaye) asks which differences ENTSO-E sees between their report and the ACER Market monitoring report.

ENTSO-E (Kilian Kroger) replies that the reports are obligations from the network codes / guidelines. Project experts working on the implementation have the opportunity to provide their inputs, and by this, the TSOs' views on how to improve the projects and the next steps.

2.6 Update on SDAC/ Update on ICP/ Publication of aggregated bid/offer curves

All NEMOs (Miha Pregl) presents the [update on SDAC](#). First, he celebrates the successful go-live of the market coupling between Greece and Bulgaria on 11 May. He mentions the next go-live which is planned for the next day (i.e. 17 June) between Germany, Austria and Poland on one side with Czech Republic, Slovakia, Hungary and Romania. The go-live of the market coupling between Bulgaria and Romania and between Croatia and Hungary (as part of Core FB MC project) are being prepared.

EC (Mathilde Lallemand) asks whether the market coupling between Bulgaria and Romania will take place by the end of September.

All NEMOs (Miha Pregl) explains that there are preconditions such as the successful delivery of the interim coupling projects. This requires further tests and discussions and there is no conformation for the time being.

All NEMOs (Miha Pregl) continues with the presentation on new operational timings. These timings allow more time for the algorithm and postpone some elements such as the preliminary results publication or the full-decoupling deadline. He also stresses the importance of training market participants to allow them to be properly ready for the day-ahead market coupling procedures.

Eurelectric (Helene Robaye) looks forward to the go-live on 17 June which will hopefully go fine as the preparation went well. She agrees that training is important, and it also gives the opportunity to give feedback. Although the participation has been low, she will invite more Eurelectric members to participate.

The Chair mentions the question raised by Eurelectric about the reasons for allowing more time to the algorithm.

All NEMOs (Miha Pregl) replies that there is a need to make sure that results are correct. Considering the extension of the market coupling, the coming implementation of the FB and the future one of 15-minute products, the algorithm needs more time to deliver the calculations.

Regarding the publication of aggregated bid/offer curves, Stakeholders will have access to aggregated data after July if the outcome of the testing of this new feature of the Price Matcher Broker (a PCR software used and developed for the market coupling processes carried out by NEMOs in the SDAC MCO Function) is positive.

EFET (Jerome Lepage) would like the block bids to be published.

All NEMOs (Miha Pregl) indicates that block bids will be included in publication but additional request by EFET to publish execution status of block bids has been reviewed by NEMOs but this feature will not be in the new released PMB in July. This request will be further investigated after the successful release. He also notes that it is up to each NEMO to start publishing this data as it depends on the local process.

EFET (Jerome Lepage) reminds that this request was already raised in 2019. Without block bids, there cannot be a full picture of the bid order curve. While it is a pity it is not in the coming release, it should be a priority for the next one. A timeline for such a new release is needed.

All NEMOs (Miha Pregl) agree to bring this point to all NEMOs but disagree on the point that execution status was requested, the latter was requested lately and after the development of systems already started. At the end of May, all NEMOs agreed to confirm the package on the 15-minutes product process. At the next MESC meeting, there could be all requirements of this patch to respect the implementation timeline. According to the status, NEMOs will assess what can be done with this request.

EFET (Jerome Lepage) would like a confirmation that this request is understood and approved and not just discussed.

All NEMOs (Miha Pregl) reply that it is not approved but the point is taken. The NEMO steering group still needs to discuss several points.

CRE (Julio Quintela) is open to further discuss this request to enable all market participants to have all needed information. He thanks TSOs and NEMOs for prioritising the implementation.

Eurelectric (Helene Robaye) supports EFET's request. She looks forward to the all NEMOs' steering group feedback and to an implementation timeline.

CRE (Julio Quintela) asks whether showing the execution of block bids would be doable.

All NEMOs (Miha Pregl) explains that technical design is ongoing as such information is part of the post-coupling phase and not only pre-coupling, as today the aggregated curves are.

EC (Mathilde Lallemand) also support EFET's request and asks for a timeline.

All NEMOs (Miha Pregl) will report on this.

2.7 Update on SIDC by ENTSO-E/ [NEMOs](#)¹/ Update by ARERA on the go-live of XBID in Italy

All NEMOs (Stefano Alaimo) presents the [update on the SIDC](#). He covers the preparation for the 3rd wave go-live, the significant increase of trade since 2018 and complex R&D changes

ARERA (Marco Pasquadibisceglie) presents the [Local Implementation Plan 14](#) which covers Italian BZs. He explains in particular what the new ID scheduling process will be and how BZs and borders will be designed after the go-live.

EFET (Jerome Lepage) presents [how to guarantee equal access to the Italian ID market after LIP 14 go-live](#). EFET considers that the 45-minute suspension for each auction is not compliant with the regulation. NRAs should check whether there is a breach of the regulation. For EFET, the go-live of XBID and auctions (CRIDA) will exclude market participants without physical assets from the ID market. This may constitute a discrimination between local market participants and the other market participants. EFET proposes to implement Virtual Trading Units as this would allow market participants to trade in the Italian ID market. As a recommendation, EFET asks for the launch of a public consultation on the establishment of Virtual Trading Units at the earliest occasion and no later than Q4 2021.

ARERA (Marco Pasquadibisceglie) is aware of this complaint and he wonders why EFET is concerned about the Italian ID market while a similar situation occurred in 2015 with the DA market.

EFET (Jerome Lepage) indicates that although the start of the DA market coupling in 2015 removed explicit nominations, they have still been possible at the ID timeframe. With this new process, some market participants will lose access to the Italian ID market. EFET may clarify some details with its members.

ARERA (Marco Pasquadibisceglie) explains that in case Virtual Trading Units are implemented, when a market participant has no generation, she/e is exposed to unbalancing penalties if her/his position is not closed. He also reminds that the extensive use of Virtual Trading Units may constitute a breach of the REMIT regulation.

EFET (Jerome Lepage) replies that portfolio trading has not increased manipulation. The ID timeframe is a physical market which helps market participants balance their portfolio.

¹ A NEMOs' presentation on aggregated curves is saved in the meeting folder but it was eventually not used.

CRE (Julio Quintela) acknowledges that ARERA is responsible for the Italian market design. However, all EU countries are part of the Internal Energy Market and as such, no EU market participants shall be discriminated. The current liquid Italian ID market may be negatively impacted by this new process.

The Chair asks ARERA whether an update on the EFET's request could be done at the next MESC meeting.

ARERA (Marco Pasquadibisceglie) replies that they need a concrete proposal and that it will not be possible to indicate progress on this topic in September as ARERA has other priorities.

EFET (Jerome Lepage) indicates there are different systems of Virtual Trading Units in Europe and EFET has pushed for different solutions over the past one year and a half. EFET is not in a position to submit an official proposal and this must be done by TERN or GME. However, EFET is keen to contribute and provide examples. NRAs and EC should make sure compliance with the regulation is ensured.

ARERA (Marco Pasquadibisceglie) indicates that market participants can sign an agreement with TERN to trade within Italy. In these conditions, the EU treaties are respected.

The Chair proposes that ACER assesses this issue with EC and presents their view at the next MESC with maybe a possible way out.

EC (Mathilde Lallemand) agrees. She proposes to contact EFET and ARERA to better understand the issue.

2.8 Update on the sharing of order books at ID GoT in Germany

BNetzA (Barbara Zwinka) presents [the new ID gate opening time at 3pm D-1 implemented in Germany](#) since the 31st of May. With this new gate, market participants have access to ID continuous trading covering the whole Germany three hours earlier than previously. She thanks NEMOs and TSOs for the implementation.

EFET (Jerome Lepage) thanks TSOs and BNetzA for this improvement. He also highlights that the MESC is a good forum to bring issues and help projects move forward.

EC (Mathilde Lallemand) supports EFET's statement about the MESC.

On a related topic, the Chair informs the MESC members that ACER and NRAs sent [a letter to the NEMO Committee](#) to request NEMOs to keep their order books integrated in SIDC for those bidding zones where intraday trading is allowed also after the intraday cross-zonal gate closure time.

EC (Mathilde Lallemand) supports in a [letter to the All NEMO Committee](#) the ACER and NRAs' request to NEMOs.

As Rafael Gomez Elvira, the representative of All NEMO Committee in this issue is not at the meeting, there is no reaction from NEMOs.

3 FCA

3.1 Fallback process enhancement and remuneration of LTTRs in case of decoupling/ Feedback on the workshop and next steps

ENTSO-E (Andre Estermann) presents [the issue related to the remuneration of LTTRs in the event of decoupling](#). He mentions the fruitful workshop with NRAs to discuss short-/medium-term measures to mitigate the impact of such an event. He also invites market participants to update the Shadow Auction bids daily and informs the members about the external independent econometric assessment of the Shadow Auction mechanism. Regarding this assessment, stakeholders will be able to share their views on the preliminary outcome in September.

EFET (Jerome Lepage) presents its [reaction to the TSOs proposal](#) for special rules for decoupling events. In general, EFET denies the ideas of an overcompensation and of LTTRs not being a hedging opportunity against DA congestion pricing. EFET proposes to focus on where the problem of decoupling come from instead of changing the firmness which would be a quick fix that would backfire.

ENTSO-E (Peter Scheerer) asks from where EFET has values regarding congestion income and costs.

EFET (Jerome Lepage) indicates that actual values are only in the hands of TSOs. Values are based on the limited available data.

ENTSO-E (Andre Estermann) invites EFET and Eurelectric to help TSOs with more frequent update of the [shadow auctions](#).

EFET (Jerome Lepage) agrees with the invitation.

4. AoB

The Chair invites MESC members to participate in the [public consultation on the EB Pricing Methodology](#).

Documents to be circulated background information

- [ACER's letter](#) on ENTSO-E's report on harmonisation of rules for suspension of market activities

The Chair welcomes the report from ENTSO-E and invites ENTSO-E to propose a timeline to implement the mentioned improvements with detailed proposals and their impact at the next MESC meeting

- An update on ongoing developments in terms of hedging opportunities in the Baltic/Nordic area will be provided at the next MESC

5. Meetings 2021

Next meetings:

- 29 September
- 1 December