

13th ENTSO-E Advisory Council Meeting

Date: 7 October 2020
Time: 10h00-12h30
Place: via web-conference

Participants

DICKSON, Giles (Chair)	RES Associations – WindEurope
BATTAGLINI, Antonella	NGOs - RGI (substituting for Eva Schmid/Germanwatch)
ALBA RIOS, Juan Jose	EURELECTRIC
HEMETSBERGER, Walburga	RES Associations – SolarPower Europe
SCHULZ, Johannes	EFET
CLAES, Peter	IFIEC
HORNE, Stew	BEUC/Citizens Advice
NILSSON, Rickard	Europex
KREUSEL, Jochen	T&D Europe
THIES, Frauke (acting Vice-Chair)	SmartEn
DE BLOCK, Gert	DSO Associations (substitute of Christian Buchel)
TRIO, Wendel	CAN Europe
GUIDOUM, Yamina	WindEurope (supporting the chair)
ERMACORA, Florian	European Commission
BUZEK Jerzy (excused)	European Parliament
GENCE-CREUX, Christophe (excused)	ACER
LAFFAYE, Hervé	ENTSO-E President
FONCK, Pascale	ENTSO-E Vice-Chair of the Board

CHANIOTIS, Dimitrios	Chair, System Development Committee (item 5 and 6)
CORTINAS, Damian	ENTSO-E Vision 2030 Project Leader (item 2)
SCHMITT, Laurent	ENTSO-E Secretariat
NENOVA, Stela	ENTSO-E Secretariat

Draft decisions and recommendations

1. Welcome and introduction, approval of agenda and minutes of 12th iAC meeting

- The agenda of the meeting was approved.
- The minutes of the previous meeting were approved.

2. Update on ENTSO-E agenda and priorities:

- Cooperation with third country TSOs: ENTSO-E highlighted the importance of preserving safe and secure operation of the power system beyond political borders in the context of electricity co-operation with neighbouring countries such as UK. The role of interconnectors and co-operation with third countries would also be of growing importance to enable the EU to reach its climate neutrality targets successfully. ENTSO-E would welcome further advice on defining possible future co-operation solutions given the constraints and the physical reality of the interconnected power system.
- iAC members highlighted the need to ensure better outcomes for consumers and market functioning in the context of the growing interconnectedness between the EU and the UK. The iAC would reflect further on this topic.
- ENTSO-E Vision 2030: the iAC welcomed the ENTSO-E 2030 Vision and encouraged ENTSO-E to: 1) anchor the work on the TYNDP with civil society and consider public acceptance; 2) include in the scenario planning for TYNDP a 100% RES scenario for the longer term, and also to consider how to combine RES variability with security of supply and the costs of doing this; 3) take into consideration the role of consumers to a greater extent in all ENTSO-E deliverables and their impacts on consumers, putting the customer voice more in the centre; 4) foster alignment at European system level and address more proactively the development of uniform applications, common principles regarding market design and standards etc.; 5) focus on the regulatory framework and ensuring the right signals and business models to support investments; 6) help drive with its voice/actions the energy transition as TSOs are central to it; 7) ensure through appropriate governance arrangements that ENTSO-E is both operating with neutrality and having an impact on the energy transition.
- ENTSO-E invited stakeholders to attend the Vision 2030 webinars and contribute to the discussions. The Clean Energy Package provisions and new methodologies/assessments

such as the European Resource Adequacy Assessment (ERAA) should be sufficient to ensure security of supply until 2030, but the 2050 horizon poses new and different challenges. Power electronics and R&D would be game-changers to enable the operation and management of a system moving to 100% RES.

- The iAC would develop consolidated written advice to ENTSO-E on the 2030 Vision.
- ENTSO-E feedback on the written advice provided by the iAC: as a follow-up to the iAC advice on procuring flexibility (available [here](#)), ENTSO-E explained that it was setting up a new internal project team to develop recommendations for optimising grid development costs with non-wire alternatives, including flexibility procurement from transmission- and distribution-connected assets, from a system planning perspective. The work was expected to kick off in November, and a scoping paper for exchange with stakeholders was expected for Q1/2021. The paper would focus on: clarifying the hierarchy of the network and of decision-making; collecting and reviewing best practice/state of the art both at national level and in EU projects and activities; identifying flexibility solutions (incl. grid-embedded solutions, not only market-based) vs. system needs (non-frequency services); and identifying how projects deliver flexibility, in which volumes, and the potential for grid reinforcement and cost savings.
- The iAC welcomed ENTSO-E's feedback on its advice and looked forward to next steps of the process in particular regarding stakeholder involvement.
- On the topic of the bidding zone review and the advice provided to ENTSO-E by the iAC, ENTSO-E highlighted that the methodology was now under ACER review, and TSOs were preparing next steps. There would be one methodology developed by all TSOs with the next step related to the bidding zones' reviews done at regional level, an approach which had also been agreed with ACER and NRAs. The iAC acknowledged the response provided by ENTSO-E.

3. Grid Connection Criteria: advice from the iAC

- The iAC introduced the advice it had developed for ENTSO-E on the topic of criteria to connect new generation to the grid (available [here](#)). It highlighted that in the context of RES integration and energy transition challenges, applying the old criteria to new generation was no longer an optimal approach to grid planning. More flexibility should be given to generation developers: to combine different technologies and size their plants, while guaranteeing that the export at the connection point never surpasses the agreed maximum export capacity; and to introduce hybrid configurations and modernize their plants to make better use of the allocated connection capacity. Grid operators should make use of flexibility instruments to make optimum use of grid investments.
- ENTSO-E welcomed the advice and explained that its role in this area was limited as grid connection was dealt with at national level with a variety of national regulatory regimes, and the existing Connection Network Codes did not deal directly with the issues the iAC had raised. However, further discussions could take place through European Stakeholder Committees with regulators and stakeholders and with the future EU DSO entity. It could also be useful as a supplement to this discussion to collect and exchange best practices

with mixed customer sites, i.e. including demand and generation facilities behind the connection point.

- ENTSO-E was setting up a new project to develop recommendations for optimising grid development costs with ‘non-wire alternatives,’ including flexibility procurement from transmission- and distribution-connected assets, and that would provide further insights (e.g. flexible connection arrangements could be included in the alternatives solutions). The development of proposals for smart grid indicators as per the CEP could help support such efforts further. Challenges relating to national regulatory frameworks could be taken up through further ACER and NRA exchanges on best practices.
- The iAC welcomed ENTSO-E’s response, recognising that lots of issues had to be dealt with at national level, and further collection and exchange of good practices could help. The iAC looked forward to ENTSO-E’s formal response to this advice at the next meeting.

4. Flexibility demonstration projects: advice from the iAC

- The iAC introduced its advice to ENTSO-E on the topic of pilot projects for flexibility, advising ENTSO-E to work, in cooperation with DSOs and market participants, on contributing to a gap analysis regarding the existing framework for demand side participation in energy markets (including balancing) and congestion management procurement (available [here](#)). The gap analysis should also cover the need for local flexibility markets, setting out an inventory of possible remedies and paying attention to the interaction between local flexibility markets and wholesale markets. It should also cover the role of TSOs/DSOs in establishing platforms as a regulated activity and in identifying and sharing good practices from different projects and their broader application beyond the pilot stage.
- ENTSO-E explained that it performed an assessment of regulatory requirements for the participation of distributed flexibilities in balancing and congestion management. The analysis included a review of good practices based on existing R&D&I projects for several issues where ENTSO-E saw the need for further discussion before any regulatory intervention was taken, including aspects such as: design options for congestion management products; possible functionalities of flexibility resources register; required TSO-DSO coordination tasks for procurement of balancing and CM services; transparency on TSO/DSO needs for congestion management resources, easy market access for flexibility services providers (user-friendly prequalification procedure, single access platforms) etc.
- iAC members welcomed the ENTSO-E activity and highlighted the need to involve customers in the pilot projects, not only industrial ones but especially domestic customers/households so they can provide flexibilities to the system. iAC members looked forward to providing further input to projects regarding criteria and to being informed of next developments on this topic.

5. Offshore wind developments: exchange of views

- iAC members highlighted the growing role of offshore wind to meet future EU climate neutrality objectives and the need for an enabling framework for “hybrid” offshore wind farms (with connections to 2 or more locations) to allow such projects to participate in the market.
- ENTSO-E provided an update on its discussions of market and operational aspects to enable hybrid offshore configurations to operate in the future. ENTSO-E was looking into examining the possibilities and benefits for offshore bidding zone solutions as well as conditions to enable the proper integration of hybrid offshore projects through ensuring a holistic approach to infrastructure planning. It would be extremely important to have consistent unbundling rules for on- and offshore systems to ensure neutrality, non-discrimination, fair competition and security of supply; and to incentivize forward-looking and anticipatory investments through compatible frameworks in the different Member States as well as interoperability solutions and power electronics.
- The iAC welcomed the update from ENTSO-E and highlighted the need for some common high-level principles and guidance on market design to allow for a framework to facilitate market-based driven solutions and co-operation between countries on such new challenges to ensure the integration of efficient offshore solutions’ into the common market.

6. TEN-E Regulation review: exchange of views

- ENTSO-E explained how it was taking forward the iAC advice on sector coupling (available [here](#)) through its work on enhancements of the Interlinked model for the TYNDP 2022 edition, and the use of a common screening and dual assessment methodology to identify and assess potential interlinkages between gas and electricity systems and projects and to show the role of RES and decarbonized technologies/sources. A ‘one energy system view’ through a more integrated and cross sectoral approach would be needed, as well as the scaling up of technology, innovation and large-scale pilot projects to provide new solutions to new challenges in complement to efficient and functioning markets.
- The iAC thanked ENTSO-E for the response.
- ENTSO-E highlighted the improvements in the finalization of the TYNDP 2020 regarding transparency, stakeholder involvement, alignment with final NECPs, data quality etc. and described next steps on smart sector integration and a multi-sectorial planning approach for the forthcoming TYNDP 2022 processes. This new approach would include the introduction of multi-sectorial elements in scenario building and project assessment phases, multi-sectorial cost-benefit analysis indicators to capture the project interactions in the different sectors when these interactions are relevant, and extensive involvement of stakeholders in every part of the process.
- iAC members shared initial views on the TEN-E revision including the role of the TEN-E review to further align the TYNDP with the future needs of the energy system: better investments in the modernisation of the transmission and distribution grids, decentralisation, flexibility, smart sector integration, acknowledging the integrated energy system with greater decentralisation and new energy system integration challenges, the need to update the governance of the TYNDP

with more formalised stakeholder consultations, the need to simplify and harmonise permit-granting procedures for PCIs, among others.

- The iAC would work on developing further consolidated advice to ENTSO-E on the TEN-E.

7. AOB:

- Meetings in 2021: the iAC would continue meeting virtually in the first half of 2021. Dates would be confirmed through a doodle to suit availabilities of members.