

14th ENTSO-E Advisory Council Meeting

Date: 22 April 2021
Time: 10h00-12h30
Place: via web-conference

Participants

DICKSON, Giles (Chair)	RES Associations – WindEurope
SCHMID, Eva (Vice-Chair)	NGOs/Germanwatch
ALBA RIOS, Juan Jose	EURELECTRIC
HEMETSBERGER, Walburga	RES Associations – SolarPower Europe
SCHULZ, Johannes	EFET
HOLM, Inger Kristin	IFIEC
GOYENS, Monique	BEUC
NILSSON, Rickard	Europex
VILLA, Michael	SmartEn
KREUSEL, Jochen	T&D Europe
DE BLOCK, Gert	DSO Associations
TRIO, Wendel	CAN Europe
KOCH, Oliver	European Commission
BUZEK Jerzy (excused)	European Parliament
ZINGLERSEN, Christian	ACER
LAFFAYE, Hervé	ENTSO-E President
VANZETTA, Joachim	ENTSO-E Chair of the Board
PAPROCKI, Robert	Vice-Chair, StG T&DI (item 2)
KAENDLER, Gerald	Vice-Chair, System Development Committee (items 3 & 4)
PURCHALA, Konrad	Chair, Market Committee (items 4 &5)

SCHEERER, Peter	Vice-Chair, Market Committee (items 4 & 5)
TWOHIG, Sonya	ENTSO-E Secretariat
CONSTANTINESCU, Norela	ENTSO-E Secretariat (items 4 & 6)
CAMUS, Claire	ENTSO-E Secretariat
NENOVA, Stela	ENTSO-E Secretariat

Decisions and recommendations

1. Welcome and introduction, approval of agenda and minutes of 13th 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:

- ENTSO-E provided an overview of the results of its annual stakeholder satisfaction survey for 2020. Stakeholders were satisfied in particular with respect to the delivery of legal mandates with high quality despite the Covid crisis, the improvements on transparency for Network Codes (NC)/Clean Energy Package (CEP) implementation, and the consultation practices and processes among others. Some areas for further focus and improvement in 2021 for ENTSO-E would include closer cooperation on new NCs and Ten-Year Network Development Plans (TYNDPs) & with the new EU DSO entity, and stronger TSO coordination with a European voice, including on the need for greater ambition on scenarios for decarbonisation among others.
- The iAC welcomed the results of the survey and thanked ENTSO-E for the very high quality work delivered in the course of 2020 despite the extraordinary circumstances.
- **As a follow-up to the iAC Advice on criteria to connect new generation to the grid** (available [here](#)), ENTSO-E 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, opportunities for more technical and detailed discussions could take place through the European Stakeholder Committees (ESCs) 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.
- In addition, ENTSO-E was setting up a workstream on flexibility solutions in system planning with the objective to develop recommendations for optimising grid development costs with 'non-infrastructure alternatives,' including flexibility procurement from

transmission- and distribution-connected assets, and that would provide further insights. The work would include a collection and review of best practices, further specification on how solutions deliver flexibility, and the potential for grid reinforcement costs savings.

- In addition, the proposals developed by ENTSO-E and DSOs for smart grid indicators as per the CEP could help support such efforts further. Last but not least, challenges relating to national regulatory frameworks (e.g. variety of definitions and interpretations across jurisdictions) could be taken up through further ACER and NRA exchanges on best practices.
- The iAC welcomed ENTSO-E's response and encouraged ENTSO-E to proactively disseminate best practices once they have been identified (e.g. through a webinar) and looked forward to engaging with ENTSO-E on the follow-up to these initiatives.
- **As a follow-up to the iAC advice on pilot projects for flexibility** (available [here](#)), 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, etc.
- In addition, ENTSO-E set up a dedicated workstream to develop a mapping of platforms and interfaces focused on DER integration with the aim to provide a big picture demonstrating the reality of the role of distribution-connected resources in electricity markets and the different models at hand, develop a taxonomy and analysis of relevant business models/use cases, and identify key barriers and best practices for the realization of these use cases.
- iAC members welcomed the response to the advice and the initiatives developed by ENTSO-E. The iAC encouraged ENTSO-E to proactively disseminate best practices as well.
- ENTSO-E further provided an overview of its recent work together with the EU DSO associations within a joint task force which looked into developing voluntary indicators measuring the deployment of smart grids to feed into NRAs' considerations for the implementation of Directive (EU) 2019/944, article 59 1(l). The task force worked on aspects such as defining capabilities expected from future transmission and distribution grids in relation to the specific challenges, corresponding solutions/technologies including a description of expected benefits; definition of a list of pragmatic smart grid indicators (KI and KPI) in light of the technical differences of electricity networks in each country, and not associating to any form of technology, and the definition of requirements for KPIs selection and implementation.
- iAC members welcomed the update on the Smart Grid Indicator initiative which they found of great benefit and encouraged ENTSO-E to ensure that the indicators are followed as widely as possible across Europe.

3. TEN-E Regulation: exchange of views

- The EC provided an update on the state of play of the TEN-E Regulation review discussions and an overview of the forthcoming Fit for 55 Package and potential implications for the electricity sector.
- ACER provided an overview of its key recommendations for improvements to the TEN-E Regulation which included, inter alia, the need to promote a more transparent process for stakeholder involvement, improve the CBA methodology to support the energy transition, and invest in an integrated energy system that includes all energy carriers and technologies and develop a single network TYNDP including onshore and offshore, among others.
- ENTSO-E explained that it welcomed the TEN-E regulation review as a key instrument to deliver the Green Deal objectives and especially the new provisions regarding the inclusion of offshore hybrid projects and the new task for ENTSO-E to elaborate offshore development plans; the enhanced provisions regarding energy system integration, the support for innovation technologies and smart solutions, and the recognition of the importance of interconnections with 3rd countries.
- ENTSO-E further highlighted its recommendations for improvements to the TEN-E review, most notably the need for: a fit-for-purpose, balanced and inclusive governance framework with sufficient stakeholder engagement, alignment between onshore and offshore planning processes to ensure a full energy system view; strengthening the energy system integration perspective; creating the right conditions to raise the necessary financial support through fair and simple financing instruments and mechanisms; and promoting the timely delivery of PCIs through faster permitting and comprehensive public engagement, among others.
- The iAC introduced its advice to ENTSO-E on the TEN-E review which included recommendations for ENTSO-E to work on the following aspects: 1) ensure that TYNDP scenarios are consistent with the objective of climate-neutrality and consider the ambitions of the NECPs within overall EU-wide TYNDP, among others; 2) reflect the importance of smart grids, flexibility resources and distribution grids (art 11 and 13) as well as the contribution of all grid-edge flexibility sources in both the CBA and the TYNDP and at both TSO and DSO network levels, cooperate closer with the DSOs on future TYNDP developments; consider appropriately the deployment of alternative infrastructure solutions where more cost-efficient compared to infrastructure solutions; and 3) support energy system integration perspectives through working closely with ENTSOG on the TYNDPs towards a further integration between the electricity and gas infrastructure planning exercises, including the consideration of hydrogen production and transport assets. iAC members further highlighted the need to keep costs affordable for consumers through the energy transition and to take into account public acceptance considerations in light of the need for grid expansion.
- The iAC looked forward to ENTSO-E's response to the advice at the next iAC meeting in October 2021.

4. Offshore renewable energy developments: exchange of views

- ENTSO-E provided an overview on its latest position papers on market and regulatory aspects to enable hybrid offshore configurations to operate in the future as well as on interoperability and standardisation to facilitate efficient offshore RES integration. ENTSO-E was 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 of key importance 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 RDD projects to ensure a future-proof framework.
- The iAC welcomed the update from ENTSO-E and provided its advice to ENTSO-E on the topic, which comprised the following recommendations: 1) it is important to take a whole system approach to offshore grid investments. Onshore grids will likely need reinforcing too where the output of the offshore wind farm cannot otherwise be integrated. The import & integration of large volumes of electricity generated offshore will have implications for distribution as well as transmission networks; 2) ENTSO-E should fully consider the pros and cons of both approaches - offshore BZs vs home market - as well as the impact of offshore bidding zones on the wider functioning of energy markets; 3) Avoid treating offshore renewable energy as a separate part of the overall power generation mix; 4) Offshore grid investments should factor in the provisions and opportunities presented in TEN-E and the CEF; ENTSO-E should factor offshore investment needs into its approach to TEN-E; and 5) ENTSO-E should factor any use of offshore renewable energy for hydrogen production into its thinking on wider energy system integration and its collaboration with ENTSSOG.
- ENTSO-E welcomed the advice and thanked the iAC members for the inputs.

5. Market design 2030 consultation: questions and exchange of views

- ENTSO-E provided an overview of its market design 2030 ‘discussion’ paper under stakeholder consultation which covered a wide range of topics in the context of 2030 such as RES and consumers participation, wholesale (LT, DA, ID) and balancing markets, congestion management & spatial granularity, adequacy and investment signals. The aim of the paper was to trigger a debate as to inform policymakers, offering TSOs’ technical expertise and experience as neutral market facilitators’ role.
- The paper looked into questions such as whether the European electricity markets were equipped to meet the 2030 energy and climate objectives and how their design could be improved, and explored several options across different market design dimensions with a view to exploring possible further improvements which could suit certain countries or market timeframes beyond CEP implementation.
- iAC members welcomed ENTSO-E’s presentation and shared initial views on the market design 2030 consultation paper by ENTSO-E, including inter alia: the consultation included a large number of issues put on the table for further consideration within a very short timeline; the paper appeared to be intellectually stimulating and necessary in order to promote beneficial strategic discussions beyond the ongoing work on implementation

of existing legislation. Some iAC members recommended that the paper highlights better what the TSOs could envision to do to facilitate more efficient and integrated markets. The need to ensure appropriate access to data and interoperability in order to offer new products, while also taking into account new challenges like cybersecurity, would be equally important.

- The iAC would reflect further on this topic and consider providing advice to ENTSO-E on the market design 2030 consultation in addition to the regular consultation procedure round.

6. R&I priorities for transmission networks

- Detailed discussion on the topic was postponed for the next iAC meeting.

7. AOB:

- Next meeting date in 2021: 6 October