

79th ENTSO-E MC meeting

Date: Tuesday, 30 June 2020

Minutes

This document includes the MC decisions individually as part of implementation projects in accordance with Network codes (NCs)/Guidelines (GLs).

Participants

Country	Involved TSOs
Albania (non-EU)	OST - Operatori i Sistemit të Transmetimit
Austria	APG - Austrian Power Grid AG
	VÜEN-Vorarlberger Übertragungsnetz GmbH
Belgium	Elia - Elia System Operator S.A.
Bosnia Herzegovina (non-EU)	NOS BiH - Nezavisni operator sustava u Bosni I Hercegovini
Bulgaria	ESO – Electroenergien Sistemen Operator EAD
Croatia	HOPS - Croatian Transmission System Operator Ltd
Cyprus	TSO Cyprus - Cyprus Transmission System Operator
Czech Republic	ČEPS - ČEPS, a.s.
Denmark	Energinet
Estonia	Elering - Elering AS
Finland	Fingrid - Fingrid OyJ
	Kraftnat Aland Ab
France	RTE - Réseau de Transport d'Electricité, SA
Germany	Amprion - Amprion GmbH
	TransnetBW -TransnetBW GmbH
	TenneT GER - TenneT TSO GmbH
	50Hertz - 50Hertz Transmission GmbH
Greece	IPTO - Independent Power Transmission Operator S.A.
Hungary	MAVIR ZRt. - MAVIR Magyar Villamosenergia-ipari Átviteli Rendszerirányító Zártkörűen Működő Részvénytársaság ZRt.

Iceland (non-EU)	Landsnet - Landsnet hf
Ireland	EirGrid - EirGrid plc
Italy	Terna - Terna SpA
Latvia	Augstsprieguma tīkls - AS Augstsprieguma tīkls
Lithuania	LITGRID AB
Luxembourg	CREOS Luxembourg - CREOS Luxembourg S.A.
Montenegro (non-EU)	CGES - Crnogorski elektroenergetski sistem AD
Netherlands	TenneT TSO - TenneT TSO B.V. BritNed (as a certified TSO in the Netherlands)
Norway (non-EU)	Statnett - Statnett SF
Poland	PSE - PSE S.A.
Portugal	REN - Rede Eléctrica Nacional, S.A.
Romania	Transelectrica S.A.
Serbia (non-EU)	EMS AD Beograd
Slovak Republic	SEPS - Slovenská elektrizačná prenosová sústava, a.s.
Slovenia	ELES - ELES,d.o.o
Spain	REE - Red Eléctrica de España S.A.U
Sweden	Svenska Kraftnät - Affärsverket Svenska Kraftnät
Switzerland (non-EU)	Swissgrid - Swissgrid AG
Republic of North Macedonia (non-EU)	MEPSO - Macedonian Transmission System Operator AD
United Kingdom	National Grid - National Grid Electricity Transmission plc
	SONI - System Operator for Northern Ireland Ltd
	BritNed (as a certified TSO in UK) MOYLE NGIL (IFA) SHE Transmission SP Transmission ElecLink Limited (as a certified TSO in UK)
Chairman	PSE - PSE S.A.

Other Attendees with no voting rights	WG Conveners / other participants
ENTSO-E Secretariat	

1. Approval of the agenda and minutes

1.1 Draft agenda is approved.

1.2 [All TSOs minutes](#) and [MC minutes](#) of the last meeting are approved.

The Secretariat checks who is present in the call and points out that the quorum is met (100% for ALL TSOs counting UK as one and 84,94 % for MC)

The Chair opens the meeting, welcomes the participants and ask if the agenda and the minutes are acceptable.

2. Update on internal/external developments

2.5 The MC approves the continuation of the co-convenorship of Lucy Sarkisian and Tore Granli for MIWG and notes that the formal election for this position will take place in October 2020.

2.7 The MC asks the groups/project teams working on the ENTSO-E reports (especially but not limited to PT CC and WG RMI) to investigate potential modifications to the scope and structure, after summer 2020, and identify those change that could encompass more proactive communication of TSO market achievements (e.g. analyses of grid situations and market developments). This analysis should also encompass resource requirements.

Assembly

The Chair reports on the Assembly discussion and highlights that the 2021 budget will be prepared over the summer. He emphasizes the importance of funding the Transparency Platform`s developments.

MESC

The Chairs explains that both the regulators and EU institutions asked the TSOs at the MESC to submit the derogations from CEP 70% as soon as practicable with proper justifications.

He also reports that Eurelectric asked for increased transparency in the capacity calculation projects and asked the participants to consider the request in the frame of the regional implementation projects.

3. Please refer to the separate ALL TSOs Session File

4. WG MIT

The convener of the WG MIT presents the revisions performed to the Annexes of the TP Memorandum of Understanding (MoU), which was signed by ENTSO-E members and ENTSO-E in 2018. She highlights that the revised Annexes have finalized by the WG MIT members and put forward to the MC for unanimous approval, in accordance with Article 2(12) of the TP MoU.

MC member reminds the addition agreed with the MIT WG member ‘not earlier than TSO starts publishing the data depending on the implementation of the relevant processes under Electricity Balancing guideline and/or System Operation guideline.’ WG MIT convener confirms this addition to the decision.

She then presents the EIC code validation business requirement specification document, which is also put forward to the MC for approval.

Afterwards, she presents the request from IGCC project team to publish IGCC data stemming from imbalance netting implementation framework on the Transparency Platform, by June 2021. Considering the project timeline prepared to publish this data on the TP, she underlines that the legal deadline will not be met, in case TP is used for this purpose. Some MC members asked to explore the options to expedite the process by investigating further, so as to ensure that legal deadline is met, such as using ENTSO-E budget instead of drafting the multi-lateral agreement between the participating TSOs which can perhaps reduce the gap between the legal discussions and data delivery on the TP.

The WG MIT convener and the Secretariat then explains that the option to use ENTSO-E budget was explored when the Fskar project was launched which had a very similar setup with having the same number of TSOs. WG MIT was clearly against the idea of using the ENTSO-E TP budget for a regional development. In addition, Secretariat highlights that such move would have an impact on the 2021 ENTSO-E budget where the TP is already questioned. MC members did not question it further and for the reasons mentioned, the MC Chair concludes that there is no other way then continuing with the MLAs.

Finally, she mentions about the public consultation that EC launched to gather opinions on ACER fees, under REMIT.

4.1 Considering the position of the individual TSOs represented in the Market Committee meeting of 30 June 2020, ENTSO-E TSOs approve by unanimity the amended version of the Annexes of the Memorandum of Understanding regarding the provision by ENTSO-E Members of data to ENTSO-E Transparency Platform. Each TSO, for its data, shall confirm to ENTSO-E that the data items # 35.3, 35.4, 41, 44, 47, 48, 49, 50 and 51 of Annex 1 of this MoU can be made available with an open data license within six (6) months following the Market Committee decision approving the first revision of this MoU. Each TSO, for its data, shall confirm to ENTSO-E that the data items # 35.3, 35.4, 41, 44, 47, 48, 49, 50 and 51 of Annex 1 of this MoU can be made available with an open data license within six (6) months following the Market Committee decision approving the first revision of this MoU but not earlier than the TSO starts publishing the data depending on the implementation of the relevant processes under Electricity Balancing guideline and/or System Operation guideline.

4.2 The MC acknowledges that an update will be carried out on the individual agreements with BritNed and ENTSO-E with NPC Ukrenergó regarding the provision of data to ENTSO-E Transparency Platform. These updates shall follow the changes included in the new version of the Memorandum of Understanding regarding the provision by ENTSO-E Members of data to ENTSO-E Transparency Platform.

4.3 The MC approves the business requirement specification (BRS) document, prepared to validate the EIC codes provided by the TSOs in association with the data published on the platform against the database managed by ENTSO-E in its CIO tool.

4.4 The MC asks IGCC project team to provide feedback on the two possible scenarios identified and investigated and get back to WG MIT. Once WG MIT confirms on IGCC data publication on the TP, the recommendation will be put forward to the MC. In the meantime, Dc will be asked to check the technical feasibility of the TP to handle the IGCC data publication.

5. WG AS

The WG AS convener informs that a written voting procedure for the approval of the common MC-SOC Project Initiation Document on a new project team working on the ENTSO-E methodologies on RCCs' tasks on sizing of reserves and procurement of balancing capacity will be launched, together with a call for nominations, until 13 July. ENTSO-E informs that the e-mail will be sent today after the MC meeting.

The WG AS convener informs that the support from experts with intraday capacity calculation expertise will be needed in WG AS; the MC Chair requests TSOs to start aligning internally to provide such support.

6. WG MI

7. PT TCC

8. Offshore Development Core Group

The convener of the Offshore Development Core Group (ODCG) presents the external messages elaborated by the drafting team and to be submitted for cross-committee (SDC-MC) approval ahead of the discussions at a Ministerial meeting on 6 July 2020 to which ENTSO-E is expected to actively contribute. These messages, presented in a consolidated slide deck (comprising both a set of 5 “core” slides and a longer, more detailed version, both ready-to-use) will also serve to inform discussions in the context other forums with stakeholders (BEMIP, NSEC) in the following months.

She notably describes the main changes made to the slide deck since the internal webinar organised on 15 June to which MC and SDC Members were invited to take part and the subsequent commenting period that ended on 23 June. In line with comments received, the updated slide deck notably makes more explicit the different aims of offshore development (system operations efficiency, market design efficiency, and alignment with policy objectives) and, while attenuating the prescriptive dimension of the ENTSO-E conclusions, identifies which questions and challenges need to be addressed by policymakers. While not explicitly recommending Offshore Bidding Zones over the Home Market solution anymore, the slides nonetheless present the advantages and open questions of both options through the prism of the abovementioned aims.

The updated slides are well received by MC members who support the revised key messages for external use. A request for clarification was raised about the treatment of CO2 reduction credits as one member believed it would be more complicated in case of (transnational) OBZs. A fast-track written voting procedure (joint MC-SDC) of slides with key messages is to be launched straight after the MC meeting, from 30 June to 3 July, in order to be ready for the abovementioned Ministerial meeting on 6 July.

8.1 The MC supports the proposed approach to integrate MC and SDC comments to finalize the key messages on market principles for offshore development and asks the secretariat to launch the written approval procedure as soon as possible.

9. WG MD RES

Capacity Mechanisms Methodologies

The convener of the Project Team Capacity Mechanisms (PT CM) summarizes the recent work on the six methodologies and related explanatory document to take into account the comments received by stakeholders and ACER. Among the various improvements, additional examples and clarifications were included by the PT CM to better explain the approach taken. He explains that only one open issue remains to be decided before approving the methodologies and submitting them to ACER: whether the revenue sharing methodology should

include or not caps and floors. While both options appear as compromises generally acceptable to all members, the PT CM and the WG MDRES could not come to a clear recommendation on the preferred options. After a short discussion, MC members express their preferences and, based on the majority of preferences expressed, decide to include the option 2 with cap and floor for revenue sharing.

Several MC members congratulate the PT CM, its convener, and the secretariat for the hard work and the good quality of the final documents. The documents are then approved by all MC members with one abstention.

9.1 The MC approves the six methodologies on the cross-border participation in capacity mechanisms, including the methodology for revenue sharing based on option 2 with cap and floor.

9.2 The MC approves the explanatory document related to the methodologies on the cross-border participation in capacity mechanisms.

9.3 The MC approves the submission of the above-mentioned documents to ACER as well as their publication.

Registry of Capacity Providers

The secretariat representative from the Digital section presents the current status of work on the development of the IT tool for the Registry of Capacity Providers due by July 2021. He explains that the technical specifications have been drafted and will be ready for MC approval in the coming days. He also informs members that the hosting of the registry tool will be subcontracted externally to ENTSO-E and that a decision on how to organize such procurement – which will be run in autumn - has not been taken yet.

Some members raise comments about the possible hosting solutions, highlighting that hosting by TSOs may ensure a higher level of technical security. The Head of the Market Section reminds that budget implications also have to be taken into account. At the end members agree that a recommendation should be asked to the Digital committee on the pros and cons of the different options, while LRG should be consulted to ensure compliance of procedures.

9.4 The MC takes note of the draft requirements specifications for the ENTSO-E registry of capacity providers and asks the Secretariat to launch a written approval process by Monday 6 July.

9.5 The MC notes that the hosting of the Registry tool will be subcontracted. The MC asks the Digital committee and Legal Section to deliver a recommendation by September on how to organize the procedure given the need to ensure meeting the technical and security requirements.

Project Team Gap Analysis on Distributed Flexibility

The convener of the Project Team (PT) Gap Analysis presents an update on both deliverables currently prepared by the PT: (i) a high-level presentation summarizing findings and (ii) a detailed technical report to be finalized and submitted for committee approval in July, and later shared with the EC in August/September. He notably presents the main outcomes of the discussions between the PT, WG MD&RES and WG AS which are reflected in the final set of slides approved by the Steering Group TSO-DSO Interface on 24 June. He furthermore explains the PT's proposal for a cross-committee approval process on the technical report that is expected to be finalized in July, after a dedicated webinar and written commenting phase, and reiterating in greater detail the same set of recommendations put forward in the aforementioned slides.

9.6 The MC welcomes the interim results proposed by the PT Gap Analysis for Distributed Flexibility and asks the Secretariat to launch the written voting procedure of the detailed technical report as soon as finalised.

2030 Market Design

The Secretariat representative updated members on the revised plan for engaging stakeholders on the ENTSO-E 2030 Vision. The workshop originally planned for Q2 has been postponed to October and will be split in a series of short webinars. Accordingly, the market design discussion paper for consultation will be issued in mid-Q4. Members welcome the proposed scoping of the discussion paper. One member advocates for the inclusion in such discussion paper of topics related to investment signals and resource adequacy, linking them with the ongoing work of the Project Team Market Design for Security of Supply. Another member questions the inclusion of non-frequency ancillary services in the scope.

9.7 The MC welcomes the stakeholder engagement plan for ENTSO-E 2030 Vision and the current indicative scoping of the Market design discussion paper.

Market Design for Security of Supply

The Secretariat presents the current status of the Project Team (PT) work. Three main market design options for ensuring resource adequacy have been identified by the PT, along with complementary solutions to finance renewables and enhance ancillary services. MC members are asked if any other option should be considered but no comments are raised in this respect. The plan remains to finalize the paper by end of the year.

9.8 The MC welcomes the current scoping of the work on market design on monetising security of supply and ensuring resource adequacy.

10. RDIC / WG MD RES

Topic not discussed at the meeting.

11. WG EF

The convener of the WG Economic Framework presents the summary slides of the 2019 Congestion Revenues Overview report. The report, which is prepared annually by WG EF, provides an overview of congestion rents collected by European TSOs in 2019. The only new addition to the structure compared to previous years concerns the addition of separate rows for merchant interconnectors. He furthermore reminds MC members that, similarly to previous years, the Congestion Revenues Overview report would be shared with the EC/ACER upon request and would include a disclaimer against sharing any data with third parties.

The MC Chair congratulates the WG EF for the summary slides which provided quality insights on this topic.

11.1 The Market Committee approves the 2019 Congestion Revenue Overview and approves the sharing of the overview with EC and ACER upon request.

11.2. The MC asks EF WG to keep monitoring the ongoing discussions around TSO Cost Benchmarking.

12. ITC

The Convenor of the WG Economic Framework presents an update on the ITC Losses Costs discussion. Following the request by the MC in March, asking the Legal and Regulatory Group (LRG) to investigate into the practices of two ITC parties and conclude whether these are in line with the ITC agreement, the LRG has developed a memo drawing on the principles of the ITC regulation and agreement, of which a final version was shared with MC members a few days before the MC meeting.

While not explicitly looking into the practices of the concerned ITC parties, and whether or not they do in fact comply with the ITC agreement, the memo nonetheless makes several remarks. The use of two different methodologies for internal grid use and ITC settlements is, in general, not in line with the ITC agreement. The same basis for calculations must be applied but final values may differ based on different input data. Both values should be the outcome of the same methodology (basis) which is used to calculate all losses on the national transmission system. In case of differences, these should be justified by objective and non-discriminatory arguments (e.g. due to different timeframes which have to be used for calculations). Furthermore, operational costs may be included in the cost of losses calculation, but only if they are directly related to the purchase of energy for losses. This could possibly include such elements as Power Exchanges fees, currency conversion fees or even employment costs, as long as those “compose only a marginal part of the total costs”.

Despite these clarifications, the memo remains nonetheless inconclusive as to whether the concerned ITC parties do in fact need to adjust their calculation methodologies and raises additional questions, which brings the WG EF to ask the MC for guidance.

The majority of reactions from MC members points at the need for the LRG memo to bring greater clarity and therefore calls for further investigation on their part. It is therefore agreed that the LRG should further refine and finalize the memo, based on which the WG EF should come up with recommendations at the next MC meeting in September.

12.1 The MC asks LRG to finalise the memo on ITC Losses Costs.

12.2 The MC asks WGEF to discuss the LRG memo and come up with recommendations or options for the way forward based on the final LRG memo, to be submitted for feedback at the next MC meeting. The MC furthermore welcomes WG EF’s continued efforts in monitoring losses costs in upcoming ITC data collection- and audit processes-

13. 3rd Countries Coordination task force

Convenor of the task force presents the work done by the task force and informs that the further work on 3rd country inclusion will be done by respective regions. MC approves the report. The MC Chair suggests that the task force is now put on hold, in case any other questions arise regarding the 3rd countries topics.

13.1 MC approves the status report on cooperation with 3rd countries and thanks 3rd countries coordination TF for the work accomplished. The TF is now put on hold.

14. EG CIM

14.1 The MC approves the Balancing Transparency Process v4.7 to be published

14.2 The MC approves the Acknowledgement document uml model and schema v1.1 and the MOL document uml model and schema v1.2 to be published

14.3 The MC approves the Harmonised Role Model 2020-01 to be published

15. AOB

New Membership changes [no discussion]