

ENTSO-E MC Meeting

Date: Tuesday, 28 June 2022

Minutes

1. Approval of the agenda and minutes

The Chair opens the meeting, states that the quorum has been met (29 out of 39 MC members present). He asks for comments about the minutes of the last meeting and the agenda.

1.1 Draft agenda is approved.

1.2 All TSOs minutes and MC minutes of the last meeting are approved.

2. Update on internal/external developments

2.6. PICASSO go-live and MARI go-live planning

MARI representative provides an update on the go-live planning for MARI and PICASSO. ENTSO-E representative asks about the magnitude of exchanges that have taken place to date. MARI representative responds that a limited amount of exchanges happened in the period after go-live as a maximum exchange is limited to 200 MW. However, the limit on the cross-border exchange will be lifted in the following days. A TSO asks about the price volatility and whether any analysis has been performed. MARI representative responds that while the cross-border exchange prices are volatile, they are within a manageable level. The MC Vice Chair congratulates PICASSO on the successful go-live. The MC Chair reminds MC members that on 29 March 2018 in London, the platform implementation projects were approved. Four years later, a great achievement has been made.

2.7 RGCE decision on cross border commercial exchanges between Ukraine and Continental Europe

The Secretariat explains that the conditions precedent to the gradual restart of commercial exchanges with Ukraine have been met. In the short run unilateral daily allocations will take place. By mid-2023 coordinated and harmonised auction should be introduced. The neighbouring TSOs explain the envisaged next steps and the limitations stemming from the situation such as the measures that can and cannot be applied after the nominations.

2.8 Budget in ENTSO-E

The Chair explains that a so called best budget was prepared. This budget will lead to an increase. He highlights that alternative budget plans should also be also prepared for discussion. MC members support that the Chair argues for the best budget.

2.9 Market Committee Strategic group

The Chairs explain the various initiatives triggered by the current situation, especially within the WG MDRES and as a follow-up of the ENTSO-E Vision work. MC members asks for a transparent decision making and coordination among the various groups addressing the same question. The Chairs confirms that coordination will be ensured across Committees, with the ENTSO-E Vision Project Team and with the WG MDRES by involving respective Chairs and convenors, as well as additional MC members and experts to ensure the various TSOs positions are represented. External messages will be based on approved positions. Board and Assembly will also be informed the future initiative.

2.8. The MC:

- acknowledges the request of the Resource committee with regards to the 2023 Initial Budget Proposal;
- asks the convenors to work on the potential new budget option along the request in order to identify efficiency gains or prioritisation.

2.13.a. The MC asks the MIWG, WG AS and MDRES to support the Strategic group when requested and make the Market Committee Strategic group the reference group for topics linked to REPowerEU, High Prices and stressed market situation.

2.13.b. The MC acknowledges the need for the transparency with regard to the communication between TSOs and stakeholders on any potential market reforms and the related work of the Market Committee Strategic group.

3. WG MIT

The WG MIT convener presents the changes made to the TP Manual of Procedures v3r3 in response to the formal opinion received from ACER. He informs the members that the final version of the MoP v3r3 was approved by expert group (consisting of experts from European balancing Platforms and WG MIT) and the WG MIT had also approved the final version of the TP MoP v3r3 on the 1 June 2022. The WG MIT convener also informs MC members on the configuration changes made in the balancing domain of the TP. These changes were made also as a response to a section of ACER's formal opinion to ensure that publications on balancing domain are complying with the TP MoP.

3.1. The MC approves the final version of TP Manual of Procedures v3r3, subject to format, consistency and proofread changes, and asks secretariat to make the MoP v3r3 publicly available.

4. WG RMI

The Working Group Ancillary Services (WG AS) Vice Convener presents an update on the feedback received during the MC review of the Balancing Report 2022 and Balancing sections of the Market Report 2022, and confirms that all comments were incorporated into the final versions of the reports.

The WG AS Vice Convener notes that some of the change requests have been submitted at the time when the report has already been sent to the publishing agency causing some last-minute issues. She emphasises that TSOs should ensure to submit their feedback during the corresponding review phases next year.

A TSO asks to correct a footnote in the Balancing Report 2022. WG AS Vice Convener responds that the final reports were already finalised yesterday, and it is impossible to make further changes at this point. A TSO notes that there is an error in the Appendix of the Market Report 2022, which was identified yesterday. The WG RMI Convener confirms that it was corrected in the final version of the report.

4.1 The MC approves the remaining sections and data of the Market Report 2022 and Balancing Report 2022, subject to proof reading, format and consistency changes.

4.2 The MC asks the Secretariat to submit the reports to ACER and publish it on the ENTSO-E website.

5. WG AS

5.1. RCCs' task on Facilitation of BC Procurement

The Working Group Ancillary Services (WG AS) Convener provides an update to MC on the proposal for the RCCs' task on Facilitation of BC Procurement. He notes that a last-minute edit request has been submitted by a TSO via email, and the TSO clarifies this edit request. The WG AS Convener asks whether there are any objections of sharing the document subject to the incorporation of the submitted edit. MC Chair confirms that no objections have been received. MC approves the decision.

5.1. The MC approves sharing of the draft RCC Procurement Proposal with ACER and NRAs from 29 June until 16 August for their informal review and feedback for transparency purposes, subject to the incorporation of the proposed edits for clarification purposes agreed in the MC meeting.

5.2. WG AS Ancillary Services Survey 2021

The WG AS Convener provides an update to MC and asks for the approval of the publication of the WG AS Ancillary Services Survey 2021. A TSO notes that two small requests for edits have been submitted via email. The WG AS Convener confirms that it will be clarified.

5.2. The MC approves the results of the Ancillary Services Survey 2021 and Cross-border Initiatives Survey 2021 to be published on the ENTSO-E website subject to proofreading, consistency check and cosmetic changes, taking note of the small adjustments as per discussion in the MC meeting.

7. WG MI

7.1. Methodology for delegating the inter-TSOs settlements tasks related to RDCT to RCC

The MIWG convener explains the background of the methodology for delegating the inter-TSOs settlements tasks related to RDCT to RCC.

He explains how the cost sharing process is split into a technical part and a financial part. He further explains that only the technical part will be subject of the methodology, which will be submitted to ACER, where the methodology is subject to approval. In addition, a guidance document has been drafted detailing the financial part of cost sharing, and how to appoint a CSE (central settlement entity) for this part.

The MIWG convener asks MC to approve the Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to redispatching and countertrading, and to ask the ENTSO-E secretariat to submit the Methodology to ACER.

MIWG convener concludes decision 7.1 is approved with unanimity.

7.1. The MC:

- approves with unanimity the Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to redispatching and countertrading, subject to proofread, format and consistency changes.

- Asks the ENTSO-E secretariat to submit the Methodology for the Optimisation of Inter-Transmission System Operators Settlements related to redispatching and countertrading to ACER.

7.3 The MC warns that the 70% in ID would be a threat to system security. The members are invited to provide feedback on the High-Level messages related to the TSOs concerns related to the 70% in ID and the path that the team aim to take with further developments of the high-level messages presented in the session file till mid-August.

8. SG T&DI

The MC representative in the Steering Group Transmission & Distribution Interface (StG T&DI) presents the first analysis of the ACER draft Framework Guidelines on Demand Response. He reports that ACER runs the Public Consultation on the draft Framework Guidelines from 2 June to 2 August 2022. He further explains that the new rules would apply to all resource providers, all system operators, and to wholesale electricity markets, in particular to balancing including FCR, voltage control, and congestion management. The Framework Guidelines do not address retail market interactions, TSO-TSO coordination and cross-zonal congestion management and bidding zone configurations. A TSO asks if the development of a European Framework has impact on existing network codes and guidelines and when these changes have to be expected. The MC representative in the StG T&DI answers that the Demand Connection Code, the EB GL and SOGL might be impacted by the new rules, but it is not determined at this stage if and when the existing codes have to be amended. There will be a response to the ACER public consultation on framework guidelines prepared by the existing task force of the StG T&DI in coordination with relevant Committees. WG MDRES and WG AS are invited to contribute to the development of this ENTSO-E answer to the public consultation.

9. ITC

The WG EF convenor presents the proposal for a new Project Team on “the future of ITC”. The Project team will focus in a first step on developing two deliverables, namely on the ITC Losses Costs methodology applicable to ITC Parties whose losses costs are not approved by their respective regulators, and a document aiming at improving the execution of the Audit procedure. In a second step, the Project Team will make more forward-looking recommendations on how the core principles that underly the ITC mechanism could be supported in a context of volatile energy prices. Some MC Members see some challenges to any effective change to the ITC mechanism but welcome the initiative to have an in-depth discussion and concrete proposals for improving current methods. The MC unanimously approves the launch of the new Project Team.

9.1. The MC approves the formation of a dedicated Project Team for drafting and delivery of the ITC methodology and asks the Secretariat to launch the call for nominations as early as possible.

10. WG EF

The WG EF Convener presents the final TTO 2021 report, prepared by the Drafting Team under the Working Group. He explains that both the TSO and non-TSO components have decreased compared to 2020 in real terms and notes that more countries have applied G-charges in 2021 (18) than in previous years. Some MC members suggest organising an online workshop some time after the paper’s publication to both share the results of the report and gauge the interest from stakeholders and academia.

The report is unanimously approved and will be published pending layout enhancement.

10.1 The MC approves the 2021 Transmission Tariff Overview Report subject to proofreading, format, and consistency changes.

11. WG MD RES

The Secretariat representative presents the main elements of the REPowerEU Package and related EC Communication on market design. As the EC plans to consult stakeholders after summer on how to reform electricity markets’ design, ENTSO-E will soon need to agree its priorities and policy recommendations. In this context, the WG MDRES convenor explains the ongoing work of the WG to develop a policy paper on market design and high prices, elaborating further on the market design proposals of the ENTSO-E vision and on the previous MC key messages on high prices. The current structure of the paper reflects the main areas of possible reform as identified by the EC in their recent Communication, while also taking into account ACER assessment of wholesale electricity markets. Members welcome this initiative and recommend to speed up the work so to be able to communicate externally our key messages after summer, while ensuring coordination across the association as discussed under agenda point 2.9.

11.1 The MC acknowledges the main market design issues dealt in the REPowerEU communication and welcomes the proposed scope of work of the WG MDRES.

14 EG CIM

14.1 The MC approves the Capacity Allocation Configuration IG v1.3, Transmission Transparency Process IG v4.10, Transparency Platform EB GL process IG v1.7, Balancing Transparency Process IG v4.11 and Central Transparency Platform - IG for European Platforms v1.4 for publication, subject to proof reading, format, and consistency checks.

14.2 The MC approves the Resource Planning Implementation Guide v1.0 and Reserve allocation result document UML model and schema v1.4 for publication, subject to proof reading, format, and consistency checks.

15 AOB

New Membership changes [no discussion]