

ENTSO-E MC Meeting

Date: Wednesday, 8 February 2023

MC Minutes

2. Update on internal/external developments

The MC Chair opens the meeting and welcomes the participants to Brussels ENTSOE premises. Agenda and minutes of the last meeting are approved.

The MC Chair highlights the Assembly discussion about diversity and the approval of the general approach to electricity market design reform related works. He also highlights that the Board has appointed the MC as the lead committee for the NC DSR.

2.3. The MC appoints the new interim WGAS Convenor by applause.

2.4. The MC members are kindly asked to send their nominations for the WG MIT convener role by 24 February to the MC Chair and the Head of Section Market.

The MI advisor presents the latest developments and asks MC to confirm the need for an assessment of the future CCRs including EnC countries. The Legal team clarifies the work done at the EnC task force level. It is clarified that the work on the definition of the CCRs should start as soon as possible to be able to meet the deadlines set in the adapted regulation. The Market Integration representative clarifies that the work can start after the publication of the future CCRs assessment framework.

2.6.1 The All TSOs ask MIWG together with the EnC TSOs to initiate the assessment process of the CCRs for EnC countries.

2.6.2 The MC members are invited to nominate SPOCs in the MC for the implementation of the adopted regulation in the EnC.

2.7 The MC acknowledges the outcome of the strategic WS.

Under AOB of the internal development section, the MC Head of Section mentions that a meeting with the NRAS on the recovery of ENTSO-E and related resources` cost will be held on 10 February 2023.

4. WG MI – MC Part

The MC acknowledges the budget for 2023 and asks for 50k€ in addition for 2024 as there will be some tasks coming from the Energy market reform.

4.1. The MC approves Market Integration Work Program for 2023 and the preliminary Work program 2024.

6. WG RMI

WG RMI Convener informs the Market Committee (MC) about the status of the Market Report 2023 and the Capacity Calculation and Allocation (CC&A) Report 2023.

She explains that on a kick-off workshop of the RMI WG held on 6 December 2022 involving all relevant SPOCs, the table of content of Market and CC&A reports was presented and agreed on and the process discussed.

WG RMI Convener presents the outcome of the workshop to the MC. She also shares the draft advocacy topics foreseen in Market Report 2023. After a discussion on the advocacy topics, MC advises WG RMI to seek support on format and content of the respective chapter from PCG.

Concerning the CC&A Report, she explains to the MC that following FCA and CACM requirements regarding the alignment of Performance Indicators (PIs) with ACER, a document including the definition of CC&A PIs was developed in November 2022 and presented to the CCR SPOCs later on. A first exchange with ACER took place on 13 January 2023 and was followed by ACER proposing changes to the document which WG RMI will discuss with CCR SPOCs to finalize the PI Document as soon as possible.

WG RMI Convener informs the MC about the need of increasing the active participation of FCA/CACM/CCR SPOCs in drafting Market and CC&A reports.

WG AS Vice Convener informs that ENTSO-E Secretariat submitted the Performance Indicators (PI) Definition's document (detailing the PIs to be used for the Balancing Section of the Market Report 2023), to ACER in December 2022. She informs that EB Monitoring PT started the process of creating a draft of the Balancing Sections of the Market Report 2023 for the period of June 2022 to May 2023 and calculating the PIs using data from 2022. She notes that SPOCs were tasked with providing the initial draft content referring to PIs which are provided by platforms.

WG AS Vice Convener raises to the MC attention, that the EB Monitoring PT is in urgent need of active members, especially from Nordic TSOs but also representatives of other TSOs are highly welcomed.

6.1. The MC approves:

- the table of content of Market Report 2023 and CC&A Report 2023.
- the timeline for the preparation of Market Report 2023 and CC&A Report 2023.

7. WG MIT

7.1. Service Level Agreement for Zendesk Tickets

The WG MIT Convener updates MC members about the discussions that were held within the WG MIT on the placement of SLA to be in the terms and conditions of the TP. He also presents the high-level principles of the SLA that WG MIT agreed upon. It was agreed that for urgent issues the response time would be 4 calendar days, for normal issues the response time would be 7 calendar days and for low urgency issues the response time would be 10 calendar days. An MC member asks what the implications are, shall a data provider is not able to resolve/react to the ticket in 4 calendar days. The WG MIT convener mentions that considering that national holidays are different in the member states, the 4 calendar days could result SLA violation. This will be included as a disclaimer/note into the SLA. He also mentions that the set timings are not for resolving the issue but for reacting and informing the users about the foreseen actions to be taken. Another MC member questions the naming of this conditions mentioning that it would not be a service from TSOs but more a knowledge sharing. The MC member also asks if these principles in the Terms and Conditions of the TP are to become public. The WG MIT Convenor agrees with the MC member that the naming could be and will be amended. Regarding inclusion of SLA conditions in the TP terms and conditions, it will, indeed, be shown to users but it should not be taken as responding to users in these timeframes, but it is a communication timing between data providers and ENTSO-E service desk agents.

The next steps of the process are also presented to MC members explaining that after the SLA conditions will be finalised that includes non-TSO data provider consultation, it will be brought for MC's approval. The WG MIT convenor proposes to the MC to approve the high-level principles of the SLA.

7.1. The MC acknowledges the high-level principles on categorization of the TP tickets and response time according to the category of the ticket.

7.2. Statistical Data Portal

The WG MIT Convener provides a background of the project revival and updates the MC on the current state of the project. He mentions that the short-term solution for the project is that statistical reports will be based on TP data. He also mentions that not all the TSOs submitted Inventory of Transmission assets data that is not available on the TP and due to this limitation data from 2018 factsheets will be utilized, which might not be the preferred solution. The MC chair highlights the need for TSOs' active contribution on the matter. The WG MIT convener also presents the scope, timeline, and the budget for the project to the MC members.

7.2. The MC acknowledges acknowledges the mock-ups but asks TSOs to actively revise and correct the datasets that will be used for the Statistical Data Portal short-term solution and as a basis of the 2021 Statistical Factsheet.

7.3. Prioritization of adherence to data publications according to the Manual of Procedures of the TP

The WG MIT Convener informs MC members about the adherence issue on the TSOs side to previously agreed amendment to the TP Manual of Procedures (MoP). He provides an example of the TR art. 17.1.B and 17.1.C publications that were agreed to be sent and published in merged formats on the TP. He mentions the TSOs that comply with the change whereas the rest of the TSOs asked this merger to be done on the TP end with budget implication. He mentions that it is a double expenditure for the TSOs which already implemented the change in their internal systems. The MC Chair mentions that this is a risk for future bigger budgeted changes and that TSOs should follow and prioritize previously agreed decisions within the working group.

8. ITC

The Secretariat presents an overview of the losses costs values submitted to ENTSO-E as part of the 2023 ITC Audit, alongside an outlier analysis as has been done in previous years. The final values and the final ex-ante Spreadsheet are expected to be presented to the Market Committee for approval in its next Meeting.

8.1. The MC acknowledges the report from the WG EF on the proceedings of the 2023 ITC Audit, including the analysis of losses costs.

The Convenor of the Working Group Economic Framework presents a proposed workplan for the Project Team ITC, having taken into account suggestions made by MC Members during recent discussions. He also asks that the MC approves the nomination of Marco Malangone (Terna) as convenor of the Project Team.

Several Market Committee members highlight the need to prioritise items that can be delivered in the first half of the year and that can be implemented without the need for re-opening the ITC Regulation. It is agreed that the Project Team's workplan is to incorporate this feedback and focus on developing recommendations that aim at balancing the fairness and overall accuracy of the ITC Mechanism.

8.2.1. The MC approves the high-level 2023 workplan till May 2023 of the Project Team on the Future of the ITC Mechanism.

The Secretariat presents an update on the 2022 ITC Settlements, which have been subject to significant delays in large part due to errors in the snapshot data submitted by several TSOs to the Data Administrators thus requiring additional corrections. The secretariat furthermore proposes as a way forward that, while final settlements for the first half of 2022 shall be corrected to reflect the correct data, preliminary settlements should be signed without further delays such that invoicing can take place as soon as possible.

8.3. The MC acknowledges that the ITC settlements for 2022 are delayed due to several reasons, including the submission of incomplete data, unsatisfactory data quality sent by some TSOs, and the delayed approval of the 2022 ex-ante spreadsheet.

9. WG EF

The Working Group Economic Framework Convenor presents the final Regulatory Factsheets Report 2022 for MC approval. The slideset notably comprises summary slides that are marked as suitable for external use. He highlights the new information that is included in the report since the previous year's edition, such as treatment of EU legal mandates costs or innovation and sustainability costs.

9.1. The MC approves the final Regulatory Factsheets Report 2022 report as well as the selected slides for external use.

The Working Group Economic Framework Convenor presents the final TSO Industry Report 2020 for MC approval. The slideset also comprises several summary slides that are marked as suitable for external use. The

Report is based on 34 datasets, though 8 of those had to be collected manually by the Drafting Team in order to keep a consistent sample size with previous years.

The report focuses on several economic and financial indicators describing how the TSO industry is performing (commercial data, OPEX, investment cashflows, etc.)

9.2. The MC approves the final TSO Industry Report 2020 report as well as the selected slides for external use.

10. WG MD RES

The Secretariat representative updates members on the status of the drafting of the response to the EC consultation on market design. Thanks to the efforts of the drafting team members, and under the guidance of the Task Force Electricity Market Design Reform (TF EMDR), the draft response is almost finalised and few outstanding issues remain. The MC is asked for feedback on a number of them, namely on the question about the well-functioning of short term markets. Members debate on whether we can conclude that current short term markets are minimising costs for consumers and ensuring an efficient allocation of transmission capacity. While some members argue that this is not the case, others believe we should not overly criticise current short-term markets as they are working relatively well and need to be complemented by appropriate regulatory measures. As a compromise, the answer to the related question (for letters e) and f)) could be left blank. The TF EMDR will discuss and agree the final version of the response. Final approval will take place on Monday 13th after a quick review by the Board members. MC members thank the secretariat and all relevant members from WG MDRES, WG MIT, MIWG and WG EF for the hard work and quality drafting.

The Secretariat representative informs members of the ongoing data collection to prepare ENTSO-E Annual Report on Cross-border participation on Capacity Mechanisms to be delivered to ACER in mid March.

10.1. The MC takes note of the main messages of the draft response to the EC Consultation on Market Design and asks the TF EMDR to take into account the MC comments prior to the final approval.

10.2. The MC asks the Secretariat to launch a written voting procedure of the Annual report on implementation of cross-border participation to capacity mechanisms by beginning of March and notes the status of ENTSO-E data collection and the discussions with ACER.

11. ODCG

The Convenor of the Offshore Development Core Group presents an overview of the activities of the newly formed Project Team on Sea-basin Cross-border Cost sharing (PT SB-CBCS), for which a Project initiation Document will be circulated for approval.

The Project Team will aim at developing common ENTSO-E positions that can be shared with the team of consultants tasked by the European Commission to develop a proposal for the future Guidelines on Sea-basin Cost-benefit Assessment and Sea-basin Cross-border Cost-sharing. Given the timeline restrictions, the PT is to informally liaise with the EC and their consultants on a regular basis.

11.1. The MC takes note of the report from the PT Sea-basin Cross-border cost sharing.

12. StG T&DI

The Convenor of the Task Force Demand-Side Flexibility (TF DSF), provides an update on the status of the network code demand response. He explains that the internal governance is now clarified and established following the Board decision in January 2023 to appoint the Market Committee in lead, with support and guidance from the Steering Group Transmission & Distribution Interface. In this process, the MC should consult relevant Committees, in particular SOC. The Secretariat has advertised to Committees a call for nomination inviting TSOs to appoint one representative in the TF DSF (now closed).

ENTSO-E engaged the EU DSO Entity to establish a common organisation for the drafting process as well as a tentative timeline. A joint TSO-DSO Development Team with 7 TSOs + 7 DSOs experts will lead the drafting. It will be supported by four subgroups, each composed of 6 + 6 experts, to address the following thematic: aggregation models, access to markets, TSO-DSO coordination and market design. In terms of timeline, the aim is to have a complete network code draft by mid-July and to launch the public consultation shortly after.

These organisation and planning were presented to the European Commission which requested a meeting for this purpose on 1 February 2023. The European Commission explained their expectations in terms of stakeholders engagement and for the composition of the Drafting Committee. To date, the European Commission has still to send an official request to start the drafting process, but the TSO-DSO Development Team is already starting content discussion now that external and internal organisation are set up.

12.1. The MC empowers the TF DSF convenor to allocate members in the TSO-DSO Development Team and its subgroups, based on criteria of demonstrated personal contribution to the work as well as expertise, as well as to interact with DSOs based on the contents of the KPIP approved by the Assembly.

12.2. The MC asks the TF DSF for regular updates on the network code drafting, regarding both content and process. Subjects where fundamental decision making is required shall be addressed to the Market Committee. TF DSF is mandated to identify the need to coordinate conveniently towards other committees, in particular SOC, specific points within their and requiring those committees consultation.

14. AOB

New Membership changes [no discussion]