

ENTSO-E MC Meeting

Date: Thursday, 29 June 2023

MC Minutes

2. Update on internal/external developments

The MC Chair opens the meeting and welcomes the newcomers and the participants. He states the quorum is met. Agenda and Minutes of the last meeting are approved.

The Chair highlights the main topics discussed in the Florence Forum and the upcoming discussions expected in the MESC.

Vice Chair elections will take place in the MC in September, and members are encouraged to submit their candidatures to the MC Chair.

The 100 MC meeting will be a celebration, that will take place in Brussels on the 18 and 19 September. An online MC meeting will take place on the 4 September. An online MC meeting will take place on the 4 September.

Elia MC members highlights the main discussions (CACM CID, CCRs framework and HAR) that took place in the CACM and FCA coordination group and on the CACM Pentalateral group in June.

2.3. The MC mandate ENTSO-E delegation in MESC to approve the updated MESC ToR.

The Chair introduces the ongoing work with the UK TSOs on the feasibility of the Multi Regional Loose Volume Coupling (MRLVC). He explains that following the initial timeline, the report is expected to be delivered on the 10 July. The topic is political and sensitive, so it is agreed that any external communication will be coordinated through ENTSO-E.

2.8. The MC and All TSOs delegate the approval of the joint answer to the set of technical questions regarding Multi-Regional Loose Volume Coupling (MRLVC) to the involved EU TSOs (TSOs directly interconnected to the UK TSOs: Eirgrid/SONI, Elia, Energinet, RTE, Statnett, TenneT).

3. MD RES

WG MDRES Conveners inform on recent developments in the ongoing European Electricity Market Design Reform. Conveners summarise legislative timeline with the next important milestones, present key recent text changes and ENTSO-E advocacy efforts. Following that, the WG MDRES Conveners present progress on

development of the ENTSO-E policy papers on 1) Contract for Difference and 2) Capacity Mechanisms. The presentation includes information on scope, objectives and timelines for both papers.

3.2 The MC supports the proposed scope and timeline for the development of the position papers on Capacity Mechanisms and Contracts for Differences.

4. WG RMI

WG RMI Convenor informs about the drafting and approval process of the Market Report 2023 and CC&A Report 2023. In the approval process, it was highlighted that changes required to provided EMDR-related parts to be up to date in the Market Report, would be subject for approval at this MC meeting. After alignment with the experts for the respective topics, WG RMI proposed to adopt the texts on the virtual hub slightly to highlight that the majority of the stakeholders do not support the concept and that it is unclear how power exchanges providing derivatives are impacted.

Also, she informs that during and after the written approval process (30 May – 06 June), RMI WG received some corrections/remarks to both reports, which do not change the overall logic and messages provided in the reports and are of clarifying nature. All these adoptions were incorporated during the proofreading and laying out process.

RMI WG Convenor informs about the next steps: both reports will be published and sent to ACER on 30 June. Also, on 03 July RMI WG will hold a public webinar to present the key messages of the Market Report 2023 and CC&A Report 2023.

4.1. The MC approves the adoptions presented in the session file to the Market Report 2023 and CC&A Report 2023 and also made during the laying out process and asks the secretariat to proceed with its publication.

RMI WG Convenor informs that ENTSO-E and ACER agreed on the «PI Definition Document» for the Performance Indicators (PIs) calculation for the CC&A Report.

She informs that there were several alignments between ENTSO-E and ACER on the indicator calculation in the course of early April. After the calculation was finalized, further requirements were presented that were impossible to carry out before the publication of the report. Accordingly, ACER and ENTSO-E agreed to leave out this indicator for the report.

4.2. The MC approves the deletion of the Performance Indicator regarding the information used for capacity calculation in the Core chapter of the CC&A Report and inserting the explanatory footnote with the following wording: "After several discussions with ACER, it was agreed to exclude the indicator for the information used for capacity calculation from this year's report".

RMI WG Convenor also informs MC about the urgent need of the EB Monitoring TF for active members to contribute to the work, particularly for the large Balancing Report which is required for next year. Unless more TSOs provide resources, the high-quality final deliverables may be compromised.

5. WG AS – MC Part [No decision]

6. *Please refer to the separate ALL TSOs Session File*

7. WG MI – MC Part [No decision]

8. ITC

The Convenor of the PT ITC and the Secretariat present an overview of recent working-level discussions. They first present a summary of short-term “hard” options to mitigate the possible impact of high prices and price volatility in 2024. As none of the options received significant support, the PT proposes to keep monitoring the situation, and to come back with any recommendations after Summer.

In view of past MC discussions, the PT ITC also proposes to align on how a common methodology for the valuation of losses is distinct, but complementary to an ex-post valuation or reconciliation of losses costs, and how it would result in a decoupling of losses costs for tariffs and losses costs for ITC purposes. The Secretariat furthermore presents an early overview of how the discussed improvements to the ITC Mechanism would be introduced, and whether they would require amending the ITC Agreement or the ITC Guidelines.

8.2.1 The MC takes note of the Project Team’s ITC proposed messages reconciling ex-post valuation of losses and decoupling losses for tariff and ITC purposes in order to develop a common methodology under which prices of ITC losses would be calculated.

The Secretariat presents the project initiation document for implementing improvements to the execution of the ITC process, notably through automation and optimisation of data collection, reminders, collection of signatures, and execution of the annual Audit. The project will run until early 2024.

8.4 The MC approves the Project Initiation Document for the ITC Process Optimisation.

9. PT SB-CBCS [No decision]

10. SGT&DI

The Convener of the Task Force Demand-Side Flexibility presents the status of the Network Code Demand Response. The project timeline envisages several opportunities for MC to provide inputs and guidance to the TSO-DSO Development Team, starting with a written review of the first draft between 28 June and 12 July in

coordination with other Committees. The text will then be shared with the members of the drafting committee for early feedback.

MC is then provided with an overview of the main controversial topics such as the use of System Operator terminology, the minimum bid size for balancing platforms, the harmonisation of prequalification requirements for standard balancing energy products, the requirements for dedicated measurement devices in the context of aggregation of flexibility services, or the process for national terms and conditions related to market design for local services.

10.1. The MC acknowledges the update on the NC Demand Response given by the convener of the Task Force Demand-Side Flexibility on Network Code Demand Response.

MC requests to receive the version shared with the drafting committee after the cross-Committee review. It is also agreed to organise a strategic discussion in the next MC meeting (4 September) before the network code proposal is approved for public consultation.

10.2 MC approves sharing the drafted legal text with the Drafting Committee prior to the public consultation.

11. WG EF

The WG EF Co-convenor from APG presents the main highlights of the WG EF's 2022 Congestion Revenues Report. The Drafting Team compiled the data over the course of several months, with several adjustments to the template in order to align with the data request from ACER to NRAs.

The Congestion Revenues Report remains available to ACER and EC upon request.

11.1. The MC approves the Final Congestion Revenues Report 2022.

The WG EF Co-convenor from APG presents the main conclusions of the last Copenhagen Infrastructure Forum, notably on regulatory incentives and anticipatory investments. She furthermore outlines the main proposed actions from the WG EF, which are to be coordinated with the System Development Committee (SDC), Research, Development and Innovation Committee (RDIC) and System Operations Committee (SOC). Amongst these actions, the WG EF is notably working on a short update to the 2021 Financeability Paper to take into account recent developments and new challenges that have since emerged.

11.2. The MC takes note of the Copenhagen Forum's conclusions and approves the proposed follow up actions.

12. WG MIT [No decision]

13. ACER Data Exchange Project

13.1.1. The MC provides the CIM WG with the mandate to prepare the business requirements specification and the implementation guide for the FCA list of information.

14. AOB

New Membership changes [no discussion]