MCSC TSOs and NEMOs ad-hoc response to the ACER Guidance on project prioritization and planning for future EU implementation projects

MCSC NEMOs and TSOs welcome the follow-up steps after several rounds of discussion of the prioritization topic with EC, ACER, NRAs, and market participants. It is understood that a clear procedure and framework for the prioritization and timely implementation of oftentimes interdependent projects is essential and therefore NEMOs and TSOs very much support the prioritization exercise.

MCSC NEMOs and TSOs identify the following points requiring further discussion and elaboration to result in a future-proof guideline for the prioritization exercise:

General
- *Informal nature of prioritization principles* – The proposed informal set-up for the prioritization rules is in principle accepted by MCSC NEMOs and TSOs, however, the main implication is the non-enforceability of deadlines.

- *Establish a dedicated TF* on prioritization – As proposed by ACER the market participants shall be involved in the prioritization exercise in different stages and an active alignment on the priorities is needed. Moreover, MCSC NEMOs and TSOs recognize the need to secure the involvement of market participants besides regulatory entities and project representatives also in the preparation of this procedure/prioritization rules. Here the focus should be on a clear process which can be based on the guidance document prepared by ACER. As a proposal, a dedicated task force under MESC governance could serve for this purpose (similar as dedicated TFs exist under the PCG governance). It is understood that the definition of prioritization rules content of Project Planning and responsible entities to prepare different inputs for the exercise requires further discussion and the solution needs to be ready for 2026 onwards which provides substantial time for further work on these principles.

- **Frequency of the prioritization process** – In the ACER proposal an annual process is defined for the entire prioritization exercise while MCSC NEMOs and TSOs advocate for the benefits of a bi-annual cycle for assessing the pipeline. This to ensure a good balance between the stability of the priorities and the need for flexibility in order to cope with an agile portfolio containing rapidly evolving projects lifecycles.

Process 1
- ***Project prioritization criteria*** – Based on the proposal in chapter 6.3, the definition of criteria as well as scoring requires further alignment. As communicated previously, MCSC NEMOs and TSOs propose to thoroughly discuss the weights of different criteria as these are not seen as equal. The proposed framework does not differentiate between criteria and subsequently uses a simple mathematical scoring which in MCSC NEMOs and TSOs view does not reflect the full complexity of the project prioritization. Moreover, it is unclear at this moment if all key elements and dependencies will be captured by such a "simplistic" mathematical approach, possibly leading to inconsistent planning.
- **Content of Project Planning** shall be clarified as it is not detailed in the proposal what shall be the exact content of this material and in which part of the exercise this will be used.
- **Responsible entities** to prepare different inputs for the exercise shall be clearly defined to ease the process in the future.

Process 2

- ***Parallelization*** – Considering the notion of resources to parallelize the implementation of multiple projects, considering bottlenecks in delivery timeline, MCSC NEMOs and TSOs note that a pipeline with many parallel implementations leads to increased implementation costs which need to be accommodated for on a national level. Furthermore, enhanced parallelization may also lead to system dependencies where one delayed parallel stream may negatively affect deliveries in other streams.

Process 3
- ***Implementation timelines of the projects*** – MCSC NEMOs and TSOs consider fixed timelines of individual projects as a "theoretical" exercise, especially since many of the projects are interlinked and handling complex implementations which are first of its kind. Therefore, the focus shall be more on the correct (interdependent) sequence of the projects.