

31st Market European Stakeholder Committee (MESC)

Thursday, 9 March 2023, 10:30-16:00
Online Meeting

Draft Minutes

Participating Members		
Christophe	Gence-Creux	ACER/Chair
Mathilde	Lallemand	EC
Christian	Baer	Europex
Rickard	Nilsson	Europex
Michele	Stretti	Europex
Michael	Van Bossuyt	IFIEC
Marie	Bourrousse	Eurelectric
Helene	Robaye	Eurelectric
Donia	Peerhossaini	Eurelectric
Lorenzo	Biglia	EFET
Arben	Kllokoqi	EFET
Sonia	Saly	EFET
Annette	Jantzen	EUGINE
Valerie	Reif	FSR
Vidushi	Dembi	WindEurope
Naomi	Chevillard	SolarPower Europe
NRAs/ NEMOs/ACER/ ENTSO-E representatives		
Sven	Kaiser	E-Control
Lisa- Marie	Dallinger	BNetzA
Barbara	Zwinka	BNetzA
Michael	Pülke	BNetzA
Simon	Behrens	BNetzA
Christian	Offermann	BNetzA
Janine	Kieftenburg	ACM
Maarten	Klijn	ACM
Rafael	Gómez-Elvira	All NEMO Committee Chairman
Tore	Granli	ENTSO-E
Rodrigo	Escobar Rodríguez	All NEMOs Committee
Cosimo	Campidoglio	MCSC DA NEMO Co-Chair
Viktoria	Sipos	JAO
Andre	Estermann	MCSC TSO Co-Chair
Benjamin	Genêt	ENTSO-E
Jim	Villson	ENTSO-E
Peter	Scheerer	ENTSO-E
Pavlos	Natsis	ENTSO-E
Volha	Veramyeva	ENTSO-E
Pilar	Muñoz-Elena	ENTSO-E
Marta	Mendoza-Villamayor	ENTSO-E
Ludivine	Marcenac	ENTSO-E
Kristine	Marcina	ENTSO-E

Participating Members		
Nino	Vakhtangishvili	ENTSO-E
Marco	Foresti	ENTSO-E
Sultan	Aliyev	ENTSO-E
Marie Hjorth	Slattebrekk	ACER
Mathieu	Fransen	ACER
Marco	Pavesi	ACER
Cristina	Vázquez Hernández	ACER
Thomas	Kawam	ACER
Zoran	Vujasinovic	ACER
Patrick	Luickx	ACER
Martin	Povh	ACER

1 Opening

1.1. Welcoming address + Approval of minutes + Draft Agenda (Christophe Gence-Creux, ACER)

The Chair welcomes the participants to the 31st MESC meeting. The participants provided several comments on the previous minutes, which have been addressed. The minutes are approved. The way the minutes will be drafted will be discussed later in the agenda. Any last-minute point from the participants will be added under 'Any Other Business' section. The agenda is approved.

1.2 Update on recent developments (MESC ToRs, recent decisions)

The Chair provides a short update on recent developments:

1. Terms of reference of the MESC: The Chair proposes to adapt the ToRs of the MESC in relation to online participation. Online participation will be only allowed to those who are affiliated to the European associations represented in the MESC. The proposal was discussed, and attendees agreed with the amendment. However, some attendees suggest that the phrasing of the amendment should be clear to allow experts of each EU association to be invited on an ad-hoc basis. The Chair clarifies that MESC members, and their experts invited on an ad-hoc basis, are allowed to participate and intervene into the discussions. Non-MESC members affiliated will only be allowed to listen to the discussion.
2. Drafting of Minutes: The Chair proposes to simplify the draft of the minutes. Instead of reporting on each statement made by participants, the minutes will refer to the presentations and general conclusions, and attendees have to specifically ask for their individual statements to be reflected in the minutes if they wish so by stating it clearly before their intervention. Attendees agreed with the proposal.
3. Recent ACER's publications: The Chair mentions a number of recent publications: 1) the decision on long-term flow-based capacity calculation methodology for the Core region, which was re-issued with no fundamental changes, following an appeal from PSE; 2) the decisions on min max prices for DA and ID timeframes; 3) the decision on the second ERAA drafted by ENTSO-E; 4) the ACER's and CEER's contribution to the EC's public consultation on the market design reform.
4. ECA's report. The Chair invites attendees who have read the ECA report and have questions about it to approach him bilaterally rather than in the MESC.
5. The Chair also announces that before the end of the month, an inventory of all emergency measures put in place by Member States in the last year will be published, with a high-level assessment to follow later in the year.

2. Internal Electricity Market

2.1 Update from the EC on the Market Design reform

Mathilde Lallemand (EC) explains that EC is working on the proposal and that the release is still scheduled for next week. It will include a legal proposal and a staff working document. This staff working document will summarize the stakeholders' contributions to the public consultation. The non-confidential contributions will also be published on the EC's website. There will be an assessment of the impact of the proposal but not a full impact assessment.

In terms of planning, the Swedish presidency' intention is to have the package adopted as soon as possible; the EP has still to endorse this short planning.

Rafael Gómez-Elvira (All NEMO Committee Chairman) expresses his personal view that the fundamental message that wholesale spot market in Europe must be preserved is clear, but there is a lack of clarity on the virtual hub concept. Rafael asks for clarity on the concept and whether the EC intends to follow the Nordic model, if the final version is what is on the leaked document and asks if the EC is proposing a regional system price.

Donia Peerhossaini (Eurelectric) comments on the leaked document on the market design and expresses her concern about the potential proposal of the creation of regional virtual hubs in the forward market. She emphasizes the need for proper assessment of this option and asks whether the feedback of the consultation of the Commission about these virtual hubs has changed compared to the public consultation that was launched last summer. She also suggests that this provision should not be part of the change of regulation but should be part of the revision process of FCA.

Arben Kllloqi (EFET) requests that sufficient assessment and discussions are allowed for all the stakeholders and market participants, particularly on the virtual hub concept on a technical level, before the debate is closed with a legislative proposal.

Kjell Arne Barmsnes (ENTSO-E) thanks everyone and mentions that there is a proposal to move the intraday gate closure time to 30 minutes before gate closure or before real-time. He notes that this may result in a shorter gate closure time for intraday, but operational constraints and balancing approaches need to be considered. Moving to 30 minutes would interfere with the balancing time frame and leave little time for balancing processes. He also discusses transmission access guarantees for offshore and notes that there should not be additional compensation other than a possible support scheme. If offshore renewable assets are prevented from injecting due to re-dispatching, separate compensation is needed. He also mentions that ENTSO-E advocates for a more transparent and proportionate mechanism, such as the two-way 2-sided capability-based approach. He briefly discusses adequacy and calls for a review of capacity mechanisms in EU countries. He notes that these mechanisms are likely to become more required in the future to ensure system adequacy. Kjell also mentions the decline in liquidity since 2008 and notes that it may be due to additional requirements regarding collaterals and reporting costs. He is unsure if moving to a virtual hub setup will guarantee an increase in liquidity in the forward markets. He suggests allowing ongoing discussions on the FCA regulations to continue before putting strong requirements in primary legislation. Regarding point 3, Kjell confirms that the EU and UK TSOs are working together on responding to the Commission's questions. He notes that they are hiring a common consultant and expect to deliver their response in early July.

Rickard Nilsson (Europex) expresses concerns regarding hedging aspects. He states that the concept is about the combination of LTTRs and definition of proxy hedges. He believes that it is still a lot to be assessed and a question mark if it is workable to put it into a legal text at this stage without having had any impact assessment of how it would really work.

To the various concerns raised by some MESC members about a leaked version of the EC's proposal, Mathilde Lallemand (EC) explains that she cannot comment on the leaked document.

2.2 Update from the EC on the new DSR rules

Mathilde Lallemand (EC) informs that the European Commission has sent a letter to ENTSO-E and the EU-DSO entity to mandate them to draft the new rules for Demand Response, that could be a NC or a GL. She highlights that the drafting committee will have an important role and proposes to circulate the letter to the MESC and put it on the website as a reference document.

Lorenzo Biglia (EFET) asks Mathilde about the timeline of the demand side response drafting.

Mathilde Lallemand (EC) explains that the clock starts to tick today with a timeline of 12 months including the PC. The drafting is led by EU DSO entity in cooperation with ENTSO-E.

Michael Van Bossuyt (IFIEC) asks the Chair under which Stakeholders Committee DSR will be tackled.

The Chair states that, for the time being, this topic will be tackled in the MESC. He expresses his intention to establish a demand response/Flexibility dedicated European stakeholder committee after the summer. This dedicated ESC will follow the development of the new rules and try to identify and promote the best practices.

Action: An update on this potential dedicated European Stakeholder Committee on DSR will be provided at the next physical meeting in Brussels.

Action: To share the EC's letter with the MESC members and put it on the ENTSO-E website.

2.3 Update from the EC on the EU-UK market arrangements

Mathilde Lallemand (EC) explains that the Member states' questions were sent to the TSOs, and they have 5 months to answer. The questions are available here: [EUR-Lex - L:2023:061:TOC - EN - EUR-Lex \(europa.eu\)](#).

Kjell Arne Barmsnes (ENTSO-E) confirms that the EU and UK TSOs are working together on responding to the Commission's questions. He notes that they are hiring a common consultant and expect to deliver their response in early July.

Rickard Nilsson (Europex) asks whether the letter of the EC could be shared with MESC members.

2.4 Extension of the IEM to Norway

Anne de Geeter (EFTA) presents the [slides](#) about the participation of Norway in the EU internal energy market. This participation will have a limited impact on market participants and will mainly be a formal exercise as most of the IEM's provisions are already implemented on a voluntary basis.

Davide Orifici (EPEX SPOT) mentions that Norway implemented the CACM guideline in August 2021. However, he also flagged the difficulties faced in Norway regarding clearing and settlement, as Norway is not yet part of the EU VAT regime, meaning that reverse charge mechanism is not implemented. This led to EPEX and ECC having to abide by the Norwegian rules when it comes to settlement setup and finance the VAT exposure in Norway. He mentioned that this resulted in increased costs, especially with the high prices in the power market over the last couple of months and requested that measures be taken at the EEA level to look into adopting the EU's reverse charge mechanisms for trading in power.

Rickard Nilsson (Europex) made a general remark about the compliance of Norway with the rules in the organised markets,

The Chair states that Davide's point is out of the scope of this presentation.

2.5 Extension of the IEM to the Energy Community

Lisa-Marie Mohr (Energy Community Secretariat) presents the [slides](#) on the extension of the IEM to the EnC. Legal framework sets target to integrate Contracting Parties in SDAC and SIDC as well as other EU projects such as balancing platforms.

Rafael Gómez-Elvira (All NEMO Committee Chairman) asks about the implementation of CACM in the different countries.

Lisa-Marie clarifies that the deadline for the transposition of the new package including CACM is the end of this year. There is also an obligation to designate a NEMO with a deadline of six months, which might be a bit complicated for some Contracting Parties, which did not take any steps in this direction yet.

Sven Kaiser (E-Control) asks about the notification of monopoly NEMOs and specifically about the status in Bosnia and Herzegovina as he is not aware of any entity that they could designate. Lisa-Marie responds that for Bosnia, there is not yet an entity in place which could be designated right away (no power exchange established/operational). However, the notification only says that the law has to provide for a monopoly of trading services in DA and ID, and it does not say that the entity has to be operational. The contracting parties would need to assess if there was a legal monopoly expressly mentioned in the national law at the time when the regulation entered into force, which was December 15, 2022.

Arben Kllloqji (EFET) reflects on the complexities of the legal framework and the setup's governance but expects that the evolution of the capacity calculation regions (CCRs) will reflect more on the technicalities of the systems in the future. Lisa-Marie Mohr (Energy Community Secretariat) thanks Arben and agrees that it may be legally complex but should work technically and bring social welfare.

Sven Kaiser (E-Control) asks if the transposition is by the end of this year and if it includes any implementation deadlines. Lisa-Marie Mohr (Energy Community Secretariat) responds that there are indeed deadlines mentioned explicitly in the legal acts adopted by the Ministerial Council. Lisa-Marie assures that they will publish all these deadlines, overviews, and roadmaps on their homepage soon (published [here](#)). She also states that there was a dedicated [webinar](#) on this in February.

Action: Overviews and deadlines will be published on the website.

Sven Kaiser (E-Control) additionally asks for clarification about the borders that are between contracting parties and EU members. Lisa-Marie Mohr (Energy Community Secretariat) explains that for the interfaces between EU MSs and Contracting Parties, if there is a requirement for decision or any arbitration, ACER was tasked to take a decision (package includes transposition of ACER Regulation).

Ondrej Maca suggests that the contracting parties should proceed together so that they can merge testing and use the synergies in intraday coupling or day ahead coupling. However, it is important for implementation and go-live to understand where they should treat them and how. Lisa-Marie agrees that it is an important issue that requires discussions among Member States and Contracting Parties. She believes that harmonisation and alignment between different Contracting Parties or regions could be beneficial.

André Estermann (MCSC TSO Co-Chair) finds this presentation as an opportunity to continuously report the progress made at the MESC meetings, especially in joint understanding between Energy Community countries and entering countries. He also thinks that everyone should be vigilant on what is happening and find constructive solutions going forward but being in the understanding that unfortunately certain developments take time.

Cosimo Campidoglio (MCSC DA NEMO Co-Chair) adds that it is necessary to know in advance not only if they are going to merge by border or by regions but also different timings for the intraday. He stresses the need to have stable information and a clear planning.

Mario Turcik (SEPS) raises practical questions about the transposition process and asks Lisa-Marie Mohr (Energy Community Secretariat) to elaborate on how this process will be done and the role of ACER. Lisa-Marie explains that for transposition there is assistance from the EU TAIEX and the EU4E to help the Contracting Parties in transposing and in their process of drafting.

The Chair mentions that the transposition is not a task for ACER but agrees to participate in the assessment if requested. Lisa-Marie Mohr (Energy Community Secretariat) emphasizes the need for good cooperation with ACER, acknowledging that this is not their direct task for ACER but would be valuable to do it together. Furthermore, she clarifies that the Secretariat is tasked to monitor the transposition and implementation of the legal framework in the EnC.

Action: Regular point on the agenda/ to stay in touch for July agenda.

2.6 Update on the prioritisation of implementation projects

Thomas Kawam (ACER) presents the [slides](#) on project prioritisation.

Rafael Gómez-Elvira (All NEMO Committee Chairman) welcomes the process and thanks for the presentation. He states that NEMOs are efficient, fully supervised by the NRAs and makes clear that their resources are not infinite. NEMOs work very hard in the NEMO Committee.

Marie Bourrousse (Eurelectric) asks what SIDC losses are and mentions that the term 'regulatory projects' is not defined in any regulation. She asks for the definition of a regulatory project and the meaning of '*better defining legal deadlines for implementation projects*'. Thomas Kawam (ACER) replies that SIDC losses are defined in the algorithm methodology. Regulatory projects are indeed not defined in Regulation, but he explains that regulatory implementation projects have a definition in the algorithm methodology and that they can be categorized as short, medium, or long-term projects. Thomas also mentions the potential need to ask for external support for estimating implementation timelines and the need to consider dependencies between different projects.

Lorenzo Biglia (EFET) expresses his disappointment for the update and explains that EFET expected more concrete results from ACER than general principles but he agrees with the involvement of market participants in the next steps during the process.

Benjamin Genet (ENTSO-E/Elia) emphasizes that this exercise is not about speed, resources, or governance. He suggests that the discussions on governance are controversial and unnecessary, and that resources are constrained by regulators. He suggests that the focus should be on the order of projects, and to not mix everything up.

Cosimo Campidoglio (MCSC DA NEMO Co-Chair) suggests that there should be guiding principles for the prioritisation process to avoid making ad hoc decisions which risk being obsolete after a year due to potential new pieces of regulation. He also asks for clarification about statements in the slides on "delays piling up and costing billion of euros", which is not easy to understand. With this regard it should be reaffirmed that lack of human or IT resources as mentioned by ACER is the consequence of the lack of a stable long-term framework, which affects NEMOs' and TSOs' ability to properly define resource allocation. NEMOs and TSOs are indeed allocating resources in order to optimize costs as requested by regulators but this is poorly fitting with the lack of a stable regulatory framework and goals.

The Chair makes clear that the table in slide 6 of the presentation just lists all the regulatory projects without any priority order. The prioritisation exercise is still ongoing with NRAs and once finalised, it will be shared and discussed with stakeholders.

Lorenzo Biglia (EFET) presents [the joint exercise of prioritization](#) of EFET, IFIEC and Eurelectric.

The Chair confirms that the slides are an excellent basis for discussion.

Marie Bourrousse (Eurelectric) compliments what has been presented by Lorenzo and what was said by Cosimo and Benjamin and agrees on common principles to assess the prioritisation. She would like to receive feedback from ACER on their principles. She expresses disappointment for ACER's presentation on prioritisation.

Sonia Saly (EFET) adds that resources are not infinite and that we should work together and concentrate on projects where we already agreed and finish them first. Projects in the red box need more discussion and explanation for all parties.

Martin Povh (ACER) shares that ACER will look into this list of priorities from stakeholders. He emphasizes that they cannot revisit legal deadlines and that they will remain compliant, mentioning that flexibility is there for the ones that don't have legal deadlines yet. He mentions that delays in the Core flow-based project have resulted in a loss of millions of euros per month. He also mentions that the co-optimisation is important because it allows for the optimisation of balancing capacity procurement, which can result in significant cost savings for consumers. He also points out that revisiting data transparency, at least in the Core region, is important to determine which data is really needed and which data is used by all stakeholders. This will allow for the freeing up of resources and focusing on new projects. He calls for better organisation and structuring of work, and better management of multiple projects at the same time as projects are piling up, NEMOS and TSOs are not responding as responsible entities.

Benjamin Genet (ENTSO-E/Elia) states that the blame game is not helpful and suggests focussing on the prioritisation exercise. He also mentions that this is more complex than what they all try to say and that they need to discuss resources and speed.

Ondrej Maca (OTE) states that they take the situation seriously, and they need the prioritisation activity to be done constructively. He mentions the importance of understanding the opinions of EFET and Eurelectric associations and legal deadlines. Ondrej emphasizes that they have a big plan to improve many things on NEMO/TSO side, and they will manage projects more efficiently. However, they need to know which project should get the priority and where resources should be allocated. He reminds everyone that they don't have unlimited resources and they are taking the situation extremely seriously.

Lorenzo Biglia (EFET) emphasizes that transparency has positive externalities that benefit the market and consumers. He highlights the need for a debate with all stakeholders to consider all aspects. We will need to be flexible and open to have joint discussions.

Rickard Nilsson (Europex) questions the inclusion of certain aspects in the SDAC. He also points out the complexity of Co-optimisation and the need for a cost-benefit analysis for the affected DA and ID markets to weigh the potential advantages and drawbacks of co-optimised allocation process of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves.

André Estermann (MCSC TSO Co-Chair) emphasizes the importance of being factual and honest while acknowledging diverging views from the NRAs. He also mentions the need for due diligence and re-prioritisation of certain aspects in the future.

Marie Bourrousse (Eurelectric) highlights the significance of the green box on slide 3 of their presentation, and kindly asks for feedback on the paper detailing the projects from ACER.

IFIEC wants to state for the minutes that it agrees to most of the points of EFET/Eurelectric but, due to time constraints, has not been able to collaborate on a joint position.

The Chair says they will react on all the boxes in EFET/Eurelectric's presentation.

Pierre Milon (EPEX) confirms the importance of the prioritisation exercise in their presentation.

Michael Van Bossuyt (IFIEC) aligns with what is on the slides mentioning that co-optimisation might bring a lot of value, but there are still a number of issues to be discussed and tackled before that value could be delivered.

The Chair thanks market participants for the presentations and mentions that it will be helpful to focus the discussion especially on the principles and the priorities.

Action: The Chair will get back in the coming weeks and organise an ad hoc meeting as soon as possible.

3. CACM

3.1 Update on SDAC & SIDC

André Estermann (MCSC TSO Co-Chair) makes a [presentation](#) on the completion of SDAC and SIDC. Cosimo Campidoglio (MCSC DA NEMO Co-Chair) presents the SDAC high level Roadmap. Ondrej Maca presents the SDIC 2022-2023 high level summary.

The Chair states that we can be proud of all the important achievements made over the last 10 years.

Marie Bourrousse (Eurelectric) thanks for the presentation and mentions that it is elaborated, clearer and more technical than previous presentations. She asks for more information on the three months' time window for the go-live and how it will work.

Ondrej Maca explains that they expect several rounds of testing in mid-February 2024, but it depends on how successful the testing is and whether members are satisfied with the results. He adds that the go-live preparation window includes regional and local approvals, and they plan to have at least one month of testing before the go-live date, which may extend based on the requirements.

Mathieu Fransen (ACER) comments on the outcome of the non-linear pricing simulations, which sounds counterintuitive.

Cosimo Campidoglio (MCSC DA NEMO Co-Chair) responds that they had the same expectation initially, but after a long set of analysis, they realized that the outcome was indeed not as expected. He adds that they will finalize the work and put it on hold for the time being, surrendering to the outcome, which showed a negligible improvement.

Marie Bourrousse (Eurelectric) requests the final results of the topic and the studies made so far to be published, as it will be helpful and a good starting point for future work, considering that there is no stop on further work.

Cosimo Campidoglio (MCSC DA NEMO Co-Chair) confirms the publication.

The Chair states that the outcome of the NUP simulations is a good input for the prioritisation discussion.

3.2 Second auctions in SDAC – survey

Mathieu Fransen (ACER) presents the [survey](#) and invites the market participants to fill it in by 16th March.

André Estermann (MCSC TSO Co-Chair) asks about the next steps regarding the survey and if there are plans for a workshop or an assessment in addition to the feedback from market participants. Mathieu Fransen (ACER) responds that the legal framework needs to be amended, which is part of the CACM revision. They want to assess the current status, benefits, and drawbacks gathered from the survey.

Lorenzo Biglia (EFET) asks about the legal background of the survey. Mathieu Fransen (ACER) clarifies that the survey is being done because of recent changes to second auctions happening across Europe, and they want to assess its status and be clear about the future. They see it as part of the future framework around the day ahead market coupling and the backup procedures.

Helene Robaye (Eurelectric) expresses her approval of the survey but asks why the deadline is so short. Mathieu F. explains that they can give a bit more time.

Cosimo Campidoglio (MCSC DA NEMO Co-Chair) emphasizes the importance of assessing the potential operational risk of the second auction becoming more constrained as the computation time is prolonged within the same amount of time available between the two gate closures. He suggests assessing how to fit it in a change of overall market design and if a solution is local, country by country, how to do it and at which cost.

3.3 Update on the BZR process

Marta Mendoza-Villamayor (ENTSO-E) provides an [update](#) on the Bidding Zones review. She mentions that six additional months have been added to the deadline, pushing it to February 2024.

Marie Bourrousse (Eurelectric) asks about the economic efficiency indicator and its importance in the computation. She notes that some parameters in the optimisation of remedial actions module may not be transparent, which can have major impacts on the results. She inquires whether all parameters will be published and listed in the methodology, particularly those related to redispatch. Marie also raises concerns about the calibration of historical data and its potential impact on future results.

Marta Mendoza-Villamayor (ENTSO-E) responds by suggesting that the consultative group will discuss the matter further, and that it is being considered with ACER.

4. FCA

4.1 Update on ACER's policy paper on FCA GL

On 13 March, there will be a dedicated workshop on these issues. The Chair strongly recommends not to give the same presentation today and next week.

Martin Povh (ACER) presents the [problems](#) pertaining the EU forward markets and the cross-border hedging.

Jim Vilsson (ENTSO-E) presents ENTSO-E'S first views on ACER's policy paper on forward markets.

Helene Robaye (Eurelectric) presents the EFET and Eurelectric [slides](#) for the same topic.

Marie Bourrousse (Eurelectric) provides feedback on ACER's policy paper and raises concerns about the mixing of different things. She also highlights the need to avoid pre-empting any conclusion on the virtual hub concept.

Rickard Nilsson (Europex) shares common views with EFET and Eurelectric. He mentions that the EMD Article 9 proposal by the EC, namely the combined regional virtual trading hub and LTTRs concept is not like the pre-existing Nordic forward market solution, and that the latter concept of proxy hedging via a regional reference price supplemented by contracts for handling of Bidding Zone basis risks via e.g. EPADs has existed freely in the markets for many years. Europex will engage in the coming workshop.

Martin Povh (ACER) states that the hub can be used as a proxy. He also explains that it is not possible to have a secondary market with 80 products, it needs to be simplified. He notes that this is the focus of their proposal and explains that the hub becomes more attractive when it's liquid and accessible. He acknowledges the concerns about lack of consultation with stakeholders and invites stakeholders to explain their views further in the workshop.

Helene Robaye (Eurelectric) is of the opinion that the hub to zone won't work. If there is no additional cross-border capacity made available, then the hub to zone concept doesn't make sense.

Peter Scheerer (ENTSO-E/TransnetBW) suggests fixing the framework in the primary legislation framework, without the need for an impact assessment. He highlights the fear of complexity.

4.2 Update on SAP decisions

Zoran Vujasinovic (ACER) presents [slides](#) on ACER's decisions on SAP, CID and FRC.

4.3 Update on HAR and FBA

Jim Vilsson (ENTSO-E/Energinet) presents the [update](#) on HAR and FBA. He explains there is very good progress in meeting the deadlines.

Thomas Kawam (ACER) informs that in June there is going to be the second submission of the HAR, as well as a public consultation around the same time, aiming for a decision in October.

Helene Robaye asks for more explanations as there was not enough information shared.

Thomas and Jim will work it out specially for the PC and will come back with more material.

Christian Baer asks if there is an active exchange between ACER and The European Securities and Markets Authority (ESMA). It is important for a coordinated support.

Martin Povh (ACER) replies that ACER is not involved in this topic and discussion concretely.

5 Balancing

5.1 Update on balancing platforms

Ulf Sebastian Kasper (ENTSO-E\Amprion) and Dominik Schlipf (ENTSO-E\TransnetBW) present the [overview](#) of the status of the European Balancing Platforms – driven by the electricity balancing GL and amended by CEP.

Lorenzo Biglia (EFET) expresses his support for the time prioritisation and the transparency and asks about the delays faced by Belgium and the Nordics, and the possibility of accession to the platform.

Dominik Schlipf (ENTSO-E\TransnetBW) acknowledges the challenges in the Nordics, where the technical system still needs to be set up. The TSO accession of the Nordic TSOs is a huge challenge, as two synchronous areas have never been connected before. For Belgium, there are some technicalities to be resolved in the market, but it is almost to connect.

Benjamin Genet (ENTSO-E\Elia) shares that there were extensive discussions with the market participants in Belgium, and it was decided to postpone the go-live.

5.2 Update on forthcoming decisions (HCZCA, regional procurement and sizing of reserves)

Mathieu Fransen (ACER) presents [ACER'S decision](#) on HCZCAM and RCC tasks. The RCC tasks will be jointly submitted and subject to a common PC for the three proposals. The PC will take place at the end of March with a public Workshop mid-April and legal deadline on 16 June.

Lorenzo Biglia (EFET) refers to the ongoing discussions on prioritisation and appreciates all the next steps provided mentioning that co-optimisation will have huge impact. He proposes to discuss it together rather than rushing.

Mathieu replies that co-optimisation was a decision took in 2020. In the algorithm it was a requirement on the NEMOs and therefore they have to develop it. The development of the algorithm has changed because of the new requirements. He expects the algorithm to remain unchanged, but indeed the algorithm methodology deadline as such could be longer and further in the future. The Market based approach is separate because it doesn't relate to the day ahead algorithm, it would allow TSOs start balancing operations separately from the DA Market. The current approach will look at the revision of the market-based methodology.

6 Transparency platform

6.1 Summary on the last ETUG discussions

The Chair confirms that there is no presentation from ENTSO-E on the topic. No specific topic but the [agenda](#) of the last ETUG was shared and MoM will be shared with the MESC members.

Marie Bourrousse (Eurelectric) states that Transparency platform is one of the priority topics. She would like to see improvements on the data, welcomes the last ETUG and mentions that there are no frequent meetings on the topic. She will provide more details on the next Balancing Stakeholder group.

Sultan Aliyev (ENTSO-E) replies to Marie that two meetings were organised last year according to ToRs. Last year there were two meetings as well as this year. He also addresses the concerns raised about the balancing data items that were raised in previous meetings and asks for clarity on the specific concerns from Marie. The minutes of EBCG will be circulated also to the MESC once they are publicly available.

Marco Pavesi (ACER) makes a statement about the JAO publication and utility tool. It is planned that all CWE CORE flow-based data since 23 May 2015 will be taken away from JAO tool on 9 June 2023. CWE TSOs and NRAs had some meetings but there is not yet a way forward to keep the data after the 9 June. Marco asks the Market participants if there is a common agreement in favour to keep this information available after 9 June because it adds value.

Lorenzo Biglia (EFET) says that he will check with their members and come back with the feedback.

The Chair requests Eurelectric and IFIEC to also check with their members.

Benjamin Genet (ENTSO-E) asks about the purpose of keeping the data now that we have moved to a completely different approach, ie flow-based. Benjamin expresses the concern on the cost. Marco Pavesi (ACER) explains that it could still be useful for academic publications and for comparing CWE flow based versus core flow-based performance with respect to 70%. Could be relevant for calculations.

Peter Scheerer (ENTSO-E/TransnetBW) suggests that if it is only historical data, it should be manageable.

7 AOB

Update on ACER's assessment on barriers to new entrants and smaller actors

Cristina Vazquez Hernandez (ACER) provides a [presentation](#) about the barriers to demand response and asks for assistance from stakeholders to identify some indicators to measure barriers and to fill some data gaps, in the event these gaps would materialise.

Michael Van Bossuyt (IFIEC) asks Cristina to clarify the expectations with respect to these data gaps and explains that TSOs should be providing the data. Cristina responds that even if market participants can only provide one piece of data, it would be helpful in filling potential qualitative data gaps. She emphasizes that for quantitative indicators, the TSOs are expected to provide input data.

Michael Van Bossuyt (IFIEC) expresses that industrial consumers cannot fill the gap for entire Member States as the responsibility should fall on the TSOs, who do not always have the required data. Cristina agrees and reiterates that any qualitative data on the presence of BSPs aggregating small actors (e.g. batteries) would be helpful.

Lorenzo Biglia (EFET) asks Cristina about her target group in filling the data gaps and if it targets SMEs.

Cristina responds that ACER is eager to collect data on the effects indicators, which is more difficult to assess. She invites any market participant who can contribute to the data collection to do so.

End of the meeting.

8 Next meetings dates:

- 5th July (physical, ENTSO-E's premises)
- 18th October (online)
- 7th December (online)