



European Union Agency for the Cooperation
of Energy Regulators

Project prioritisation framework

MESC

Thomas Kawam

- **Context**
- **Why is a project prioritisation and planning framework needed?**
- **Framework description**
- **Project list overview**
- **Next steps**

-
- Delays are piling up – millions of Euros of consumer’s savings are being lost every month.
 - ACER and NRA started the work on a framework for addressing delays by improving the prioritisation and planning of regulatory implementation projects. In parallel, enforcement framework will need to be strengthened.
 - The exercise, stemming from a discussion in the December MESC session, will target CACM deliverables but, can be extended to the deliverables of other regulations.
 - The objective of this presentation is to propose a first framework as well as to define the next steps.

The CACM implementation pipeline is congested

- NEMOs and TSOs raise three type of constraints that limit their implementation pace:
 1. IT infrastructure (e.g. testing environments)
 2. Human resources (e.g. expert resources are limited)
 3. Algorithm performance (e.g. Euphemia for the SDAC)

TSOs/NEMOs seem not to work on solving these problems

- ACER and NRAs consider that constraints 1 and 2, which are exacerbated by the current MCO governance, can be addressed by deploying additional resources, which is not prevented by the CACM Regulation.
- Constraint 3 can be solved by simplifying or reducing the optional products accommodated by the algorithm, which is supported by the Algorithm Methodology.

Proposed way forward

- Define an approach that allows to:
 1. Define what NEMOs and TSOs should be able to deliver, assuming their efficient behaviour
 2. Prioritise projects under the assumption of efficient behaviour (some projects can be done in parallel, but not all)
 3. Improve the estimation of the project implementation work by relying on benchmarking of similar projects

The objective of this exercise is not to modify existing legal deadlines!

Framework description: definition of three interlinking processes

To achieve the proposed objectives, 3 different processes can be defined:

1. The project prioritisation process

This recurrent process aims at producing a « project portfolio » containing:

- all projects, ordered by priority (defined based on Regulation objectives),
- an estimation of their implementation efforts (potentially relying on external support), and
- dependencies between them.

Inputs from MPs, NEMOs, TSOs and external experts will be taken into account.

2. The set-up of delivery pipelines process

This process aims at identifying the different delivery pipelines (e.g. SIDC, SDAC, ...) and their current capabilities in terms of number of projects that can be implemented in parallel.

Existing and new projects will be put into these pipelines.

Inputs from MPs, NEMOs, TSOs and external experts will be taken into account.

3. Improved definition of legal deadlines

This process aims at better defining legal deadlines for implementation projects by considering the outputs of processes 1. and 2.

This process is performed as part of the existing decision making processes.

With the outputs of those processes, a portfolio roadmap will be built to provide visibility over the next years.

Based on the identification performed by ACER/NRAs and the input received by TSOs/NEMOs, the following list of regulatory projects is part of the first prioritisation exercise:

CACM SDAC	CACM SIDC
Non-Uniform pricing	ID flow-based CA
15' MTU implementation	Pan-EU IDAs
MRLVC with UK (CA)	Introduction of Core ID Flow-based CC
Nordic flow-based DA	Introduction of Nordic ID flow-based CC
Advanced hybrid coupling for DA	SIDC losses
Merger of Core & Italy North CCRs for DA CCM	
Integration of Swiss borders in DA CC	
Implementation in SDAC of co-optimisation	
PUN phase-out	
Scalable complex orders	

Mid-March: ACER and NRAs will perform a first prioritisation exercise. The outcome of this exercise will be shared with MPs, TSOs and NEMOs.

End of March: Exchange with TSOs and NEMOs in PCG on the priorities shared by ACER and NRAs as well as on the identification of the delivery pipelines.

April: Organise an ad-hoc MESC meeting to exchange on the views of the MPs on the priorities shared by ACER and NRAs.

End of April: Finalisation of the process