

1st Market European Stakeholder Committee (MESC) on Project Prioritisation

Friday, 19 January 2023, 09:30-11:00
Online

Draft Minutes

Participating Members		
Marco	Pavesi	ACER Chair of the meeting
Mathieu	Fransen	ACER
Gianluca	Rimini	DR4EU
Anne	Radermecker	EC
Thomas	Kawam	EC
Rickard	Nilsson	Europex
Michele	Stretti	Europex
Zeynep	Alpman	EPEX SPOT
Arnold	Weiss	EPEX SPOT
Davide	Orifici	EPEX SPOT
Donia	Peerhossaini	Eurelectric
Helene	Robaye	Eurelectric
Selim	Boussetta	Eurelectric
Jerome	Le Page	EFET
Lorenzo	Biglia	EFET
Sonia	Saly	EFET
Ellen	Beckstedde	FSR
Catarina	Augusto	SolarpowerEurope
NRAs/ NEMOs/ACER/ ENTSO-E representatives		
Barbara	Zwinka	BNetzA
Amaury	Salauze	CRE
Clement	Poet	CRE
Johan	Roupe	EI
Anna Veronika	Kiraly	JAO
Cosimo	Campidoglio	MCSC DA NEMO Co-Chair
Andre	Estermann	MCSC TSO Co-Chair
Ondrei	Maca	OTE
Rodrigo	Escobar Rodríguez	OMIE
Lisa-Marie	Mohr	Energy Community
Pavlos	Natsis	ENTSO-E
Marta	Mendoza-Villamayor	ENTSO-E
Oliver	John	ENTSO-E
Daniel	Costa	ENTSO-E
Sarah	Maier	ENTSO-E
Tore	Granli	ENTSO-E
Jim	Vilsson	ENTSO-E
Benjamin	Genêt	ENTSO-E
Martin	Povh	ACER
Heni	Radanovic	ACER
Zoran	Vujasinovic	ACER

1. ACER's introduction: Background, context and planning

Marco Pavesi (ACER) welcomes the participants to the extraordinary MESC meeting. The agenda primarily includes a general presentation to provide context and initiate discussions. The main objectives of the meeting are twofold: firstly, to gather views on the regulations considered focal for the year, beyond the commonly discussed CACM projects. Secondly, participants are encouraged to share their top three priority projects for the year - other regulations that should be given some attention for this year's exercise. He also emphasizes the importance of input from market participants in shaping the agenda for the coming years and extracting lessons for improvement.

Jerome le Page (EFET) expresses his reservations about the ad hoc processes (slide 3) and the altered project timelines (slide 5), seeking clarification on their management. Marco Pavesi (ACER) explains that ad hoc processes are initiated when ACER decisions are required, distinct from the regular process. Regarding timelines, he clarifies that projects from the second semester of 2025 will be prioritized, impacting initial assumptions.

Oliver John (ENTSO-E) refers to slide 3 regarding the issue of deadlines defined in TCMs, questioning how unexpected delays or unforeseen issues would be resolved. Marco Pavesi (ACER) replies that the process's goal is to incorporate inputs from all relevant stages and that unforeseen issues would be addressed on a case-by-case basis with the inputs and the views from NRAs and ACER, if needed.

Lorenzo Biglia (EFET) suggests broadening the focus beyond CACM projects and including all timeframes, FCA, and ensuring consistent involvement of NEMOs and TSOs if not involved.

Selim Boussetta (Eurelectric) and Benjamin Genet (ENTSO-E) emphasize the importance of flexibility to reshape deadlines based on changing priorities.

Mathieu Fransen (ACER) highlights the long-term objective of establishing a sensible and stable regulatory implementation process. He expresses a desire to avoid endless reprioritization and ensure that efforts are concentrated on the most crucial aspects. Flexibility in reshuffling deadlines while recognizing the unpredictability of unforeseen events is also mentioned.

2. NEMOs' and TSOs' views

Andre Estermann (MCSC) presents the slides of NEMOs' views on the prioritisation discussion.

3. Discussion

Cosimo Campidoglio (MCSC) emphasizes the structural condition of considering service providers, urging budgeting and preparation. He highlights the need for continuous updates to the prioritisation exercise, aligning it with future requirements. Prioritization should provide with what should be set as higher priority and what should be delayed in order to secure room for what was originally intended as most relevant. He identifies two potential benefits: prioritizing amendments and ensuring awareness of the existing prioritization when introducing new requirements. He underscores the challenge of balancing local, regional, and political projects (e.g. MRLVC). He also mentions that it is not fully clear how MRLVC should be considered, since it does not derive from a Regulation or different kind of legal provision like the ones for EnC or co-optimization.

Marco Pavesi (ACER) clarifies that MRLVC is currently not considered in the scope of the exercise due to its uncertainty. He distinguishes between R&D and operational pipelines, emphasizing their interaction in prioritization. Cosimo Campidoglio (MCSC) expresses concern about decisions on MRLVC affecting timelines and asks to avoid that in the future any decision on MRLVC is considering a go-live within this pipeline.

Jerome Le Page (EFET) discusses priorities, including advanced hybrid coupling and flow-based in intraday. Marco Pavesi (ACER) emphasizes the need for forward-looking views in the draft list. Mathieu Fransen (ACER) notes ongoing work and invites further input.

Donia Peerhossaini (Eurelectric) raises a question about the potential interaction between ongoing or upcoming projects and the market design reform. The question focuses on the impact of deadlines and projects related to the reform, such as the shortening of intraday gate closure time or order book sharing, on the prioritization exercise.

Jerome Le Page (EFET) mentions the collaboration with Eurelectric on priorities. He raises concerns about advanced hybrid coupling, flow-based in intraday, and the need to incorporate them into the analysis for added value, project needs, and planning. He also raises a question about the Core-Italy North merger and its inclusion of Swiss CNECs (Critical Network Element and Contingency) in Core, proposing the possibility of separating it from that project.

Marco Pavesi (ACER) emphasizes a forward-looking approach, considering what is expected in the next few months, including the market design reform.

Mathieu Fransen (ACER) commits to reviewing the information and asks for further input.

Marco Pavesi (ACER) responds to Jerome's query about the Swiss CNECs, suggesting two separate implementation projects with potentially different deadlines. He clarifies that he sees them as distinct but interacting, emphasizing that they are mostly TSO projects. However, one is a 'technical' project whereas the other one is more a 'political' project.

Donia Peerhossaini (Eurelectric) expresses support for Jerome's points and seeks clarification on the inclusion of regulations in the prioritization exercise. She specifically mentions the need to address how MCSC, that is not covering regulations in their presentation, will involve NEMOs and TSOs in decisions related to forward and balancing topics.

Marco Pavesi (ACER) clarifies that the projects in question are mainly TSO projects, with limited NEMO involvement. He sees different pipelines, split by different CCRs, but emphasizes the focus on implementation projects following legal or regulatory texts. He does not exclude the possibility of expansion to FCA and balancing and system operations in future exercises.

Benjamin Genet (ENTSO-E) recommends starting the prioritisation with a focus on MCSC projects, considering the complexity of various pipelines and potential discussions with NRAs. He suggests beginning with a reasonable focus and expanding based on experience in future exercises.

Jerome Le Page (EFET) emphasizes the importance of considering all timeframes and guidelines in the prioritization exercise to avoid potential overlaps. He stresses the need to ensure that projects don't share resources or testing facilities, especially with varying timelines and processes. For FCA, he suggests a cautious approach, as the market design reform will bring up changes to future markets and transmission allocation, delaying any future projects post-2025.

Mathieu Fransen (ACER) echoes the purpose of the process, focusing on regulations and the choice within their implementation projects. He highlights the absence of prioritization between regulations and proposes concentrating on the CACM as a prominent example. While acknowledging the need to keep an overview of all projects, Mathieu emphasizes that prioritization is currently focused on CACM.

Gianluca Rimini (DR4EU) asks about the inclusion of the future network code on demand response in the prioritization exercise.

Marco Pavesi (ACER) replies that, as of now, there is no specific project linked to NEMOs and TSOs.

Mathieu Fransen (ACER) clarifies that everything preceding a regulation is not within the exercise's scope. He distinguishes between regulation and implementation projects, emphasizing that the exercise focuses on the actual building of regulatory projects. He emphasizes a focus on the actual implementation on the ground.

Oliver John (ENTSO-E) mentions the challenge of de-prioritization and asks if there is an agreed approach to this.

Marco Pavesi (ACER) explains the scoring system, indicating that projects can receive negative scores, possibly leading to discarding a project. While he does not foresee any project receiving a negative score, different levels of priority, from very high, to high, medium and low, are expected.

Jerome Le Page (EFET) suggests considering the impact of redispatch and countertrading methodologies on Core IDCC. He recommends taking into account these methodologies when conducting the prioritization exercise, recognizing that this adds a level of complexity.

Marco Pavesi (ACER) responds, explaining that Core redispatching and countertrading methodologies are approved, with ongoing implementation and a tentative go-live in 2025. He discusses separate evaluation criteria and the interplay between Core-Italy North merger and the approved redispatching and countertrading methodology, aiming to capture linkages for scoring.

Selim Boussetta (Eurelectric) inquires about the importance of quantitative criteria and impact assessments, expressing concern about projects like the merger of Core and Italy North lacking a quantitative analysis.

Marco Pavesi (ACER) clarifies that a comprehensive CBA is not part of the exercise's scope. He mentions that CBAs, if any, should be conducted before approving methodologies. He explains that the focus is on prioritising what has been already approved rather than assessing benefits.

Selim Boussetta (Eurelectric) questions how the process will handle projects without a current CBA, especially those scheduled for 2028, asking if deadlines will be set without a CBA and updated later.

Marco Pavesi (ACER) explains that deadlines will be set in the ad-hoc workstream, emphasizing the focus on implementation time. He reiterates that CBAs are not in scope for this process due to time constraints.

Mathieu Fransen (ACER) discusses the qualitative and quantitative assessment approach, acknowledging challenges in exact support for complex projects. He emphasizes the role of benefits in regulatory decision-making.

Jerome Le Page (EFET) stresses the importance of quantifying added value for certain projects within the prioritization process.

Mathieu Fransen (ACER) underscores the qualitative and quantitative nature of the assessment, acknowledging a grey area between the two.

Cosimo Campidoglio (MCSC) highlights governance aspects and the need for technical feedback on feasibility and complexity, particularly for projects like CACM. He emphasizes the demanding nature of improving decisions.

4. Wrap-up and next steps

Marco Pavesi (ACER) informs the participants about upcoming discussions with TSOs and NEMOs for a meeting in February. The topic will also be on the agenda of the next MESC meeting on 28 February. Following this, a targeted consultation of MESC members is set to be launched tentatively from 4 March to 29 March, as previously mentioned in the morning presentation. He expresses gratitude to the participants and announces the sharing of meeting minutes in the following days.