

## 37<sup>th</sup> Market European Stakeholder Committee [MESC]

Thursday, 13 June 2024, 10:30-16:00  
(Online)

### Draft Minutes

Participating Members		
*Christophe	Gence-Creux	ACER Chair
*Anne	Radermecker	EC
*Thomas	Kawam	EC
*Rickard	Nilsson	Europex
Michele	Stretti	Europex
*Arnold	Weiss	Europex
*Anje	Stiers	Europex
*Rickard	Nilsson	Nord Pool
*Zeynep	Alpman	Epexspot
*Davide	Orifici	Epexspot
Capucine	Tesniere	Epexspot
Annette	Jantzen	EUGINE
*Donia	Peerhossaini	Eurelectric
*Helene	Robaye	Eurelectric
*Selim	Boussetta	Eurelectric
Jerome	Le Page	Energy Traders Europe
Lorenzo	Biglia	Energy Traders Europe
Sonia	Saly	Energy Traders Europe
Torsten	Knop	EUDSO
Emma	Menegatti	FSR
*Michael	Van Bossuyt	IFIEC
*Simon	Dupond	SolarpowerEurope
Laurent	Schmitt	SolarpowerEurope
*Catarina	Augusto	SolarpowerEurope
*Guro	Grøtterud	SmartEN
Vidushi	Dembi	WindEurope
*Ellen	Beckstedde	European University Institute/Florence School of Regulation (EUI/FSR)
<b>NRAs/ NEMOs/ACER/ ENTSO-E representatives</b>		
Sven	Kaiser	E-Control
Lisa	Dallinger	BNetzA
Barbara	Zwinka	BNetzA
Michael	Pülke	BNetzA
David	Allmann	BNetzA
Maarten	Klijn	ACM
*Simon	Dubbeling	ACM
Amaury	Salauze	CRE
Clement	Poet	CER
Fabien	Monti	CRE
Johan	Roupe	EI

Participating Members		
*Rafael	Gómez-Elvira	All NEMOs Committee Chairman
		NEMO Intraday Steering Committee Chairman and Market Coupling Steering Committee Co-Chair
*Ondrej	Maca	
*Oleksandr	Havva	CEO – Oree UA
		Deputy CEO for business development – Oree UA
*Daniil	Petrenko	
*Andrii	Chaichevsky	Deputy CEO for trades – Oree UA
		Head of Regulatory Department – Oree - UA
*Maryna	Kotliarenko	
		Senior Lawyer, Legal Department – Oree UA
*Oleksandra	Verheles	
Viktoria	Sipos	JAO
*Emiel	Busse	JAO
*Cosimo	Campidoglio	MCSC DA NEMO Co-Chair
Andre	Estermann	MCSC TSO Co-Chair
Ondrei	Maca	OTE
Igor	Chemisinec	OTE
Rodrigo	Escobar Rodríguez	NEMO
Lisa-Marie	Mohr	Energy Community Secretariat
Jasmina	Trhuulj	Energy Community Secretariat
Carlos	Castel	EUDSO Entity
Pavlos	Natsis	ENTSO-E
Sultan	Aliyev	ENTSO-E
*Marta	Mendoza-Villamayor	ENTSO-E
Oliver	John	ENTSO-E
*Lelian	Georgious	ENTSO-E
*Tore	Granli	ENTSO-E
*Ludivine	Marcenac	ENTSO-E
Fabio	Genoese	ENTSO-E
*Jim	Vilsson	ENTSO-E
*Katrín	Protard	ENTSO-E
David	Steber	ENTSO-E
Dominik	Schlipf	ENTSO-E
Benjamin	Genêt	ENTSO-E
*Nino	Vakhtangishvili	ENTSO-E
Mário	Turčík	ENTSO-E
Otter	Ruud	ENTSO-E
Javier	Barrantes	ENTSO-E
*Daniel	Costa	ENTSO-E
Steve	Van Campenhout	ENTSO-E
Ruud	Vrolijk	ENTSO-E
Ana	Luna Hierro	ENTSO-E
Gerard	Doorman	ENTSO-E
Václav	Pflanzer	ENTSO-E
*Mareike	Willems	ENTSO-E
*Mathieu	Fransen	ACER
Heni	Radamovic	ACER
Ignacio	Muniozguren Garcia	ACER
*Zoran	Vujasinovic	ACER
Martin	Povh	ACER
Cristina	Vazquez Hernandez	ACER
Athina	Tellidou	ACER
Alwan	Mahmoud	ACER
*Martin	Viehhauser	ACER
*Marco	Pavesi	ACER

Participating Members		
Christina	Brantl	ACER
*Patrick	Luickx	ACER
*Francesco	Rossetto	ACER
Gilles	Bertrand	ACER

\*Registered.

## 1. Opening:

### 1.1 Welcoming address + Approval of minutes + Draft Agenda

The Chair, Christophe Gence-Creux, welcomes the participants to the 37<sup>th</sup> MESC meeting. Minutes from the last MESC meeting were approved with no objections.

The Chair thanks Volha Veramyeva, ENTSO-E MESC coordinator, for her support in the last years of the MESC and welcomes Lelian Georgious as the new one.

### 1.2 Update on recent developments (recent and upcoming decisions, reports and Public Consultations, etc...)

The Chair outlines recent decisions, upcoming public consultations and events as presented in the [slide](#). He highlights that the current hot topic is the balancing related decisions that ACER must take shortly.

### 1.3 Recap of the main conclusions of the Florence Forum, link to conclusions is [here](#).

The Chair outlines the three key highlights from the Florence Forum:

- NC Demand Response: ACER will have more time to finalise DR NC recommendation. (Till March 2025).
- JRC study: the study showed that even with the most optimistic grid scenario, the cost of redispatching will explode from 2040. The study calls for locational investment and operational signals. EC will reflect on these findings with Member States.
- EC requested to ACER and NRAs to strengthen the regulatory framework to reduce the Network codes implementation delays. Using all the tools at their disposal. There is a need to work on this and stakeholders will be involved.

## 2. Internal Electricity Market:

### 2.1 Update from the EC (EMD reform, Planning of NC&GL amendment process)

Anne Radermecker (EC) presents an update:

- Electricity Market Design Reform: next step will be its publication in the official journal, and its entry into force 20 days later. No clear dates but expected by the end of next month.
- CACM amendments: The first Electricity Cross Border meeting took place and the next one is expected by Q4 this year. The updated CACM text will be available by then or before. On the content, there are three main topics:

- Governance: during the revision of the Electricity regulation, Member States tasked the EC to analyse different governance options. The main shortcomings identified related to severe delays in project implementation, complexity of current organisation, lack of level-playing field among NEMOs, reduced ability to exercise regulatory oversight and cost regulation, increased number of incidents and inappropriate handling of local incidents. Looking forward, the decarbonisation trend will have an impact on SDAC and SIDC (15MTU, complex products, BZ offshore or reconfiguration of BZ, new projects), together with additional new challenges such as the enlargement to third countries, cyber-security risks, etc. Therefore, it is crucial to ensure the robustness and resilience of market coupling organisation.
- Capacity Calculation and
- Congestion management.

All NEMOs Committee and Europex highlight that there shall be a recognition of the excellent work achieved with the current governance, and the need to perform a cost benefit analysis on the different options.

Several stakeholders (Energy Traders Europe, Solar Power Europe, Eurelectric) request more involvement of stakeholders in the current CACM amendment process. Anne (EC) takes note on the request and remind that the involvement from all stakeholders took place on the public consultation, and that a draft will be available in Q4 with the updated text for all.

- FCA Network code review: will not follow the usual process as the Electricity Market Design Reform requests an impact assessment. There will be a call for evidence and a targeted consultation. The targeted consultation will be announced through the MESC mailing list. EC will then prepare an evaluation report (backward looking) and an impact assessment of the possible solutions (forward looking approach). An impact assessment process is a Commission process.
- Network Code Demand Response: ACER thanks ENTSO-E and the DSO Association for submitting the draft. On the content, the high-level feedback has been already shared in the Florence Forum. On the governance, too much is left at national level and ACER calls for more ambition at EU level. The EC encourages ACER to tackle this point during the current phase.
- EU UK Cooperation- Multi Regional Loose Volume coupling: A [non-confidential version of the report](#) drafted by EU and UK TSOs received in July 2023, is now published together with ACER opinion on this report. OFGEM opinion cannot be published yet.

The meeting of the Specialised Committee on Energy took place in November, and its recommendation is still on the making. It is expected that there will be new tasks for TSOs on 2 areas: integration of MRLVC in the DA process of EU and UK and the compatibility with offshore development. On the 16 May Partnership Council, it was agreed to work on a long-term view roadmap on MRLVC.

On a question about the integration of the MRLVC in SDAC, and the fact that it is incredibly challenging, Anne answers that the preliminary order book option has been discarded and further work is needed on the Common order book option. On a question about the impact of MRLVC on SDAC, Anne answers that the EC is committed to implement MRLVC and that TSOs will perform further work to study how to best implement it. She also clarifies that the Partnership council is a large meeting not only focused on energy.

- Regarding the integration of Switzerland, due to the sensitivity of the file, no further news can be shared.

## 2.2 Update on the EnC

Jasmina Trhulj (EnC Secretariat) thanks the parties for their active participation in the Athens Forum. She explains that there are not many updates on the transposition, and no party has finalised it yet. Market coupling will only take place after the full transposition. The Athens Forum urged parties to speed up the transposition and do it no later than the end of this year. Parties are actively working to make it possible.

EFET questions the CBAM regulation and its impacts, the EnC Secretariat replies that the topic is overly complex and will be addressed in the Ministerial Council on the 7 July.

[See slides](#) with further information and the main conclusions of the Athens Forum.

### 2.3 Update on the NC DR

Athina Tellidou (ACER) presents an update on the Demand Response Network Code and next steps ([slides](#)). She highlights that affected stakeholders will be also involved in the current process led by ACER.

Stakeholders welcome their involvement in the process of drafting the DR code and were surprised by the number of documents finally submitted. They also welcome ACER's intention to involve all affected parties in the next steps. Solar Power Europe advocates for the same level of transparency in the joint group for the implementation act on data interoperability.

### 2.4 Update on the prioritisation of projects

Marco Pavesi (ACER) provides an update on the status of the prioritisation project exercise that is now at the end of the process. See [slides](#).

ACER explains that the goal of the exercise is to clarify where to focus efforts from TSOs and NEMOs, as not all the projects have the same benefit. It has specially interest for those projects that do not have a clear deadline for implementation, so the process is for future projects, not for the ongoing ones.

The main purpose of the exercise is to put together legal deadlines, priorities, and the inputs from the ones who implement them. Priority is not the same as order.

ENTSO-E, Eurelectric, NEMOs committee among others, question the practicality of this exercise and how this exercise goes together with legal deadlines, national priorities, and interdependencies,

They request more clarity on the next exercise and highlight the need to agree on the list of projects to be considered from the start of the process, even beyond CACM. On the consultation, Market parties were consulted about the criteria, but not on the list of projects and actual implementation deadlines and how do they interact with each other.

ACER explains that they still see value on the exercise as it provides an overview and allow to provide some order on the projects in the regulatory phase. ACER asks TSOs and NEMOs to submit the planning of the projects beyond 2025 on time.

The Chair recognises that the purpose of this exercise would be much clearer with a credible enforcement framework in case of delays. He highlights the conclusion of the Florence Forum on the need to have proper incentive scheme and clear enforcement framework and welcomes ideas on how to design credible incentives for NEMOs and TSOs to deliver on time.

### 2.5 Update on 70% Report

Christina Brantl (ACER) presents the upcoming ACER report on transmission capacity for cross zonal trade of electricity on congestion management and ACER Opinion to the European Parliament and the Commission published last 19 April 2024. ACER report will be published in July 2024. ([see slides](#))

Oliver John (ENTSO-E) welcomes that ACER and ENTSO-E reports have converged much more in this year.

Katrin Protard (ENTSO-E) presents ENTSO-E report on the 70% monitoring. [See slides](#).

Anne Radermecker (EC) highlights that 70% is not an absolute target, but a minimum threshold that applies for all timeframes, so also for ID. Anne points out to the conclusions of the energy Council of 30 May 24 on "Advancing Sustainable Electricity Grid Infrastructure", which "*HIGHLIGHTS that a fully integrated, interconnected, and synchronised European power system can only be achieved if the EU's electricity grid infrastructure is deployed and used as effectively and efficiently as possible for exchanges of energy*". With regards to derogations, she explains that the criteria for granting a derogation should be strictly on the grounds of operational security and should avoid discrimination between internal and cross-zonal exchanges, in accordance with Art 16.9 of electricity regulation. The EC expects that from 2026 onwards, derogations will go back to their original intent as set out in the legislation, meaning avoid being granted where there is discrimination between internal and cross-zonal exchanges. She also points out that in 2024, ENTSO-E is mandated to deliver the 3-yearly report on congestions, explains EC expectations on improvements compared to the previous version and calls for a technical report based on a unique methodology.

Several stakeholders (IFIEC, Energy Traders Europe, EURELECTRIC...) question TSOs concerns on the implementation of the 70% on both DA and ID and highlight again that the 70% is the minimum capacity target and already a compromise, Levels of capacity are not where there shall be.

Solar Europe requests more transparency on the curtailment of RES in the EU. Katrin (ENTSO-E) informs that this information is already available at least for Germany.

The Chair concludes that ENTSO-E will deliver the Bidding Zones Review by the end of the year and that we will have time to discuss this topic again.

### **3. CACM:**

#### **3.1 Update on SDAC and SIDC (including SIDC products)**

Andre Estermann, Cosimo Campidoglio and Ondrej Maca (MCSC) presents [the slides](#) on the status update on SDAC and SIDC projects.

The Market Coupling Steering Committee Co-Chair highlights that today is the go live of the IDA at 3pm for the first auction, delivering tomorrow.

Eurelectric notes the go-live date for the 15 min in Day Ahead. It is seen as a good date, there is still a need to check as it is in the middle of the month to see if there is any operational impact. The final information on the timings will be given in September.

#### **3.2 Update on SDAC Products**

Alwan Mahmoud (ACER) presents the ongoing decision making on the SDAC products methodology. [See slides](#)

Ondrej Maca (MCSC) provides an update on the SIDC products Methodology. The changes are connected to the introduction of the IDAs. Consultation currently on going on NEMOs website. [See slide](#)

Jerome Le Page (on behalf of Energy Traders Europe and Eurelectric) presents the slides on Ensuring visibility on SDAC products and indices for the market – [see slides](#)

Cosimo Campidoglio (MCSC) takes note of the presentation and informs that it will be further followed up.

Helene (Eurelectric) highlights that she discovered that not all mandatory products are mandatory and available in all Members states as, for example the 60 min products. She requests to have the full transparency and visibility about the availability of the products per NEMO in a centralised manner. Request to have 60' products and indexes.

#### **3.3 Update on the Algorithm amendment for Co-optimisation**

Marco Pavesi (ACER) presents [the slides](#) on the study on co-optimisation. He explains who performed the study and the objective of the co-optimisation.

Andre Estermann (MCSC TSOs co- Chair) explains that work is ongoing to understand the expectations from the different parties, while moving to the next phase following the plan.

Jerome Le Page (Energy Traders Europe) reiterates his scepticism with the whole concept, and the input/results of the study. He explains that they will respond to the consultation to provide more details on this position.

#### **3.4 Update on the BZR process**

Marta Mendoza (ENTSO-E) updates on the timeline of the BZ review. The Public consultation will take place in summer for 4 to 6 weeks and the final delivery of the review is expected by the end of the year for both regions. [See slides](#).

Eurelectric asks about the consideration of the comments regarding the criteria. ENTSO-E informs that there is no decision on the sensitivities, communication will be done.

#### **4. FCA:**

##### **4.1 Update on Core LTFBA**

Jim Vilsson (ENTSO-E) provides an oral update on the status update on the Long-Term Flow Based Allocation project (LT FBA). Both regions, CORE and Nordic shall, according to two ACER decisions, implement LT FBA. Different methodologies have already been amended for this purpose, the last one, Harmonised Allocation Rules, in the beginning of this year. Since the last updated methodologies include substantial number of changes, which requires IT development, the legal deadline of November 2024 will not be met. TSOs continue the work, with the ambition of implementation by the end of 2025.

Zoran Vujasinovic (ACER) expects that TSOs shall continue working and delivering before the end of 2025.

Helene Robaye (Eurelectric) asks for the next steps, especially regarding some of the issues already identified as, the lack of long-term capacity on some borders and the collaterals issue. She expressed her disappointment for not considering these issues in the amendments of the different methodologies and delaying further the implementation on those solutions. She asks to clarify how the parallel track is organised on these different issues. Jerome (Energy traders) shares her disappointment and the concerns raised.

Martin Viehhauser (ACER) explains that implementation shall not stop. The deadline of November of this year will not be met and different process are ongoing in parallel.

The Chair concludes that, the different workstreams are not in a parallel track, as implementation shall not be stopped, but additional efforts from ACER will be made to consider these issues.

##### **4.2 Update on the PPAs Expert Group**

Francesco Rossetto (ACER) explains that there are two workstreams ongoing: one related to the EMD (ACER assessment on the market needs) and second one on REMIT (ACER voluntary template for PPAs).

Public consultation will start next week. All stakeholders are invited to participate.

Links with relevant info (e.g. minutes, members, etc.): <https://www.acer.europa.eu/electricity/market-monitoring/expert-group-power-purchase-agreements-ppas>.

#### **5. Balancing:**

##### **5.1 Update on aFRR IF and pricing amendments**

Gilles Bertrand (ACER) presents an update on the final stage on the decision making by ACER of the aFRR implementation framework and the pricing methodology. See [slides](#).

##### **5.2 Update on Balancing Platform**

Dominik Schlipf (ENTSO-E) presents an update on the balancing platforms. [slides](#).

The Chair asks the relevant NRAs to ensure that their respective TSOs will access the platforms by the end of the year and expect to take them to take enforcement measures should this not be the case.

The IDGCT 30 min is under investigation by the platforms.

Mathieu Franssen (ACER) highlights that there may be a transition from the Terre to Mari platform.

##### **5.3 Update on HCZCAM**

Kristoffer Linnet (ENTSO-E) presents the [slides on the CZCA](#) Harmonised methodology. On the answers received on the public consultation.

## **6. AOB:**

The Chair thanks the participants and announces the next meeting will be a physical meeting in ENTSO-E premises in Brussels on the 8 October.

The Chairs informs that there will be at least 2 physical meetings next year.

## **7. Next meetings dates:**

- 8 October (Physical) in ENTSO-E premises.
- 3 December (Online).