

# ENTSO-E Market Committee Meeting

Date: Tuesday, 2 July 2024

Place: [Online] MS Teams

## MC Minutes

### 1. Introduction, attendance, approval of agenda and minutes of previous meeting

The MC Chair welcomes the participants, opens the meeting and declares the quorum is met (94,12 % of MC Members are present or represented). He asks if the MC members have comments regarding the agenda, or the minutes of the last meeting. No comments are raised.

#### Decision

1.1 The MC approves the agenda.

1.2 The MC approves the Minutes of the MC meeting of 23 May 2024 for publication.

### 2. Update on internal/external developments [No decisions]

The MC Chair informs about the main outcome of the Assambly. He highlights that the Assambly approved the key ENTSO-E messages for the Copenhagen Energy Infrastructure Forum.

He also informs about the Florence Forum Meeting outcome, where ACER made a balanced presentation on the 70%, JRC Study on Redispatch and Congestion Management has been presented and there was an special focus by the EC on the implementation time and enforcement of the current legal obligations.

The MC HoS Deputy presents the main outcome of the Market Stakeholders' Committee that took place on the 13 June. She highlights the main outcome of the Florence Forum as presented by ACER, the heated debate on the 70% with EC and market parties and EC invitation to reach them to discuss CACM 2.0 topics.

The MC vice Chair proposes for the next MESC, to collect ENTSO-E and TSOs achievements. MC members support the proposal.

### 3. Working Group Market Integration (WG MI – MC Part)

The MIWG co-convenor presents the advocacy note and informs the audience about the upcoming targeted consultation process and of the key messages in the advocacy note.

A member proposes to introduce an amendment on collateral in the note.

The MIWG co-convenor and some other members highlight the importance of getting the note approved and published and remind everyone of the future possibilities to raise points during the targeted consultation.

## Decisions

3.1. The MC approves the advocacy note on forward Markets and its publication.

## INTERNAL ACTIONS

The proposed wording is shortened and inserted in the advocacy note (see amendment in bold below).

- “Collateral requirements which would be imposed on TSOs in case of Virtual Hubs raise major concerns for TSOs. These concerns are also present in ‘Model 2’ if secondary trading is organised through a clearing house. TSOs would need to secure large amounts of liquidity (up to several billion euros) via credit lines, which could come at high cost for TSOs and, consequently, for tariff payers. Lastly, collaterals would strongly increase TSOs’ debt ratio, leading to a risk of degraded credit rating and therefore reducing the possibility for TSOs to invest in the grid.”).

## 4. All TSOs Meeting

The meeting of All TSOs is the subject of separate minutes.

## 5. Working Group Ancillary Services (WG AS) – MC Part [No decisions]

WGAS Convener presents the recent developments on Balancing in Offshore and informs on the roadmap developments foreseen over the summer period as well as next steps.

## 6. Technical Report

### Decisions

6.1. The MC delegates the approval of the survey templates and the launching of the data collection to the technical report TF.

## ACTIONS

### TOP 6. Technical Report

- Each TSO is asked to ensure that the data for the technical report is provided with quality on time during this period (8 July – 9 September).

## 7. Project Team Sea Basins Cost-Benefit Cost-Sharing (PT SB CBCS)

The PT SB CBCS Convener presents a high-level assessment of the EC Guidance on offshore cost sharing. The EC Guidance was published on 27 June in line with TEN-E legal mandates. The Convener presents the scope of the Position Paper being developed by the PT SB CBCS and the proposed way forward.

### Decisions

7.2. The MC takes note of the status of work on offshore cost sharing and asks to continue working on the development of a Position Paper during summer focussing firstly on offshore while leaving the option open on extending the scope, depending on future developments and internal discussions.

### ACTIONS

#### TOP 7.2. ENTSO-E Position Paper on Offshore Cost Sharing

- PT SB CBCS to continue working on the development of a Position Paper during the summer focusing firstly on offshore while leaving the option open of extending the scope depending on future developments and internal discussions.
- Secretariat to launch call for nomination for new PT SB CBCS convener with the objective to appoint a new convener in at the next MC meeting in September.

## 8. Working Group Economic Framework (WG EF) [No decisions]

The WG EF Convenor presents the key highlights from the 2023 Congestion Revenues Overview. He explains that the Drafting Team has completed the data collection on congestion revenues and finalised the report, which details the congestion revenues generated by each border and country, as well as the utilization of congestion income figures for 2023.

### ACTIONS

#### TOP 8.1.

- The MC approves the final CRO Overview 2023 for internal use.

The WG EF Convenor presents the main conclusions of the recent Copenhagen Energy Infrastructure Forum, notably on the new benefit-sharing scheme proposed by ACER. He further outlines that while the new scheme is highly appreciated by TSOs, it is expected to face several challenges. Therefore, the WG EF aims to develop a more detailed position on the proposed scheme after the summer. The MC Vice-Chair also shares his takeaways from the Copenhagen Energy Infrastructure Forum.

## 9. Market Design and Renewables (MD & RES)

The Secretariat representative and the WG MDRES convenor present a summary and preliminary assessment of the JRC Study on Redispatch and Congestion Management. The need to clarify some of the modelling assumptions and scenarios is highlighted. It is also proposed to further work on the topic of congestion management assessing the different policy options and longer-term market design solutions.

### Decision

9.1. The MC takes note of the summary and preliminary assessment of the JRC Study on Redispatch and Congestion Management.

### ACTIONS

#### TOP 9.1. JCR Study on Redispatch and Congestion Management

- WG MD & RES and WG MI to present a proposed way forward for further ENTSO-E work on Market Design and Congestion Management at the next MC Meeting.

### ACTIONS

#### TOP 9.2. Streamlining of Capacity Mechanisms Introduction

- WG MD & RES to develop short advocacy material linked to the upcoming EC proposals for streamlining the introduction of Capacity Mechanisms for MC approval in September.

## 10. Inter-TSO Compensation (ITC) [No decisions]

The WG EF Convenor presents the updated timeline of the mini audit of Ukrenergo. At the moment, the mini audit is in the fourth phase, which means that requesting parties are asked to confirm whether the responses received from Ukrenergo are satisfactory or not. Therefore, he presents the preliminary values regarding the vertical load and cost of losses, as well as the new ex-ante spreadsheet.

In the light of Ukrenergo's accession, he gives an update on the VAT issue. Furthermore, he outlines that Ukrenergo is identified as a net payer and that the issue will arise in a limited number of cases. Nevertheless, ENTSO-E is currently working on solving the VAT issue.

Lastly, he presents the final report on deliverable 3.2 regarding increasing the number of snapshots. He outlines that the results from the analysis are highly valued, despite the MC's decision during the last MC meeting not to increase the number of snapshots.

## 11. Task Force Demand-Side Flexibility (TF DSF) [No decisions]

The TF DSF advisor presents the status on the NC DR updated ACER process for Q4 2024 and Q1 2025. He specifies ACER's public consultation from 5 September to 31 October 2024, and the submission to the European Commission on 8 March 2025. He also presents the planning for the preparatory work on the ENTSO-E side for the public consultation and indicates clear dates for the MC and cross-Committee processes from 5 September till submission of ENTSO-E response to ACER's consultation on the 31 October 2024.

One MC member questions whether the points of improvements from ACER side on the submitted package are known. The TF DSF advisor mentions that ACER indicated in the Florence Forum that they will focus to ensure more compliance with the framework guideline, work on the volume of the submission and on the elimination of options from the legal text. Moreover, it is mentioned that the amendments on existing regulations will also be a part of the consultation.

### INTERNAL ACTIONS

- Secretariat to send to MC members calendar blockers for July and October.

## 12. Working Group Market Information and Transparency (WG MIT) [No decisions]

WG MIT Convener informs the MC on establishment of a new Task Force within WG MIT which will address all data quality related topics and implement TP Vision 2030 strategic actions. He shares the scope of activities foreseen for this group, and indicates that the MC is welcome to provide feedback at any point by reaching out to the Conveners and Advisor in charge. He then discusses implementation timeline and continuous interactions with ACER, Market Participants and users via the dedicated groups on data quality issues. The MC Chair recognizes the importance of data quality and looks forward to future updates on this workstream.

## 13. Working Group Reporting on Market Integration (WG RMI) [No decisions]

## 14. AOB

The MC Chair informs the members on changes of MC membership.