

ENTSO-E Market Committee Meeting

Date: Thursday, 12 September 2024

Place: [Physical] ENTSO-E Premises

MC Minutes

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

Decision

The MC approves the agenda.

The MC approves the Minutes of the MC meeting of 2 July 2024 for publication.

The Market Committee (MC) Chair welcomes the participants, opens the meeting and declares the quorum is met (92.31 % 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.

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

Decisions

2.5. The MC approves the MC Meetings dates for 2025 and invite MC Members to propose alternative locations for the meetings before the end of the year.

The MC Chair highlights the main points of interest for the Market Committee raised in the last Assembly and Board meetings.

The MC Chair presents the main points in ACER-CEER recommendation for the next EC/EP mandate related to market design, governance and balancing and congestion management among others.

The Market and Operations Head of Section presents an update on the project group Ukraine-Moldova, in sight of the upcoming winter, and the status on the implementation of new auctions in different borders.

The Market Head of Section deputy presents the current All TSOs and MC decision making process also in sight of the upcoming CACM 2.0.

The MC Chair presents a short update on the main outcome of the Convenors workshop that took place the day before, and highlights once more the important role of the convenors in ENTSO-E work.

The Market and Operation Head of Section (HoS) presents a short summary of the outcome of the Members survey performed last spring at Assembly level, focussing on the Market Committee related topics. He highlights that the Market Committee has the highest rate of satisfaction among all ENTSO-E bodies.

The CEO and Chairman of the Management Board at JAO, special guest at the Market Committee meeting, presents the main challenges ahead of the Joint Allocation Office (JAO) in the next few years.

The MC Chair proposes the dates for the Market Committee meetings next year:

- Tuesday: 28/01/2025
- Wednesday and Thursday: 12-13/03/2025 Strategic WS and MC
- Tuesday 13/05/2025
- Tuesday: 1/07/2025
- Tuesday: 25/09/2025
- Thursday: 27/11/2025

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

Decisions

3.1. The MC takes note of the progress on the Position Paper on Offshore Cost Sharing.

The PT Convenor presents the on going discussions on the OffShore Cost sharing position paper. The goal of the position paper is to be able to express the common positions of all TSOs, looking for the common ground in evaluating different options to address cost-sharing. To ensure a balanced representation of views and a maximum consensus, the position paper will therefore discuss the pros & cons of potential solutions, along and beyond the ECs guidance, without necessarily recommending one option over the other. The MC members support the proposed approach. Some members remind the need of building on previously approved key messages while avoiding including political statements.

The Secretariat representative informs members about the outcome of the call for nomination for PT convenor. Only a candidate for co-convenorship was put forward. The MC Chair reminds MC members that it will be essential to find a second co-convenor as soon as possible.

4. Working Group Economic Framework (WG EF)

Decisions

4.1.2. The MC approves the use of the current findings from the G charge memo for the ACER Workshop on “Designing Electricity Network Tariffs to Fit the Energy Transition” taking place on September 30 in Brussels.

The Convenor of the WGEF presents the current status and content of the G Charge memo. Furthermore, he informs the MC about the upcoming ACER workshop on “Designing Electricity Network Tariffs to Fit the Energy Transition.” In this context, he requests the MC's permission to use the current content of the G

Charge memo for a ten-minute panel presentation at the workshop and for further discussions with ACER on the topic.

The MC mandates the WGEF to engage in the ACER workshop on 30 September.

Decisions

4.3. The MC approves the answers to the EC Survey on Anticipatory Investment.

The Convenors of WGEF present the context of the survey issued by Directorate-Generale for Energy (on behalf of European Commission) and the aim of the survey. The Convenors explain that even though the survey has to be answered from an individual TSOs perspective, they have been asked to propose a common ENTSO-E answer. The Convenors explain why ENTSO-E answers only the questions relevant for a common ENTSO-E position. The Convenors emphasize the key messages highlighted in the answers to the survey and the deadline to submit answers (25 September). The MC acknowledges the answers to the survey and approves the answers to the European Commission survey on Anticipatory Investments.

Decisions

4.5. The MC approves the use of the letter regarding the development of a new International Financial Reporting Standard (IFRS) on rate-regulated activities externally (outside of the TSO Community).

The Convenors of WGEF recall the context of the letter that was requested by the Assembly in March. The convenors explain the reasons why the usage of this letter could be adequate.

The MC approves the use of the letter regarding the development of a new International Financial Reporting Standard (IFRS) on rate-regulated activities externally (outside of the TSO Community).

5. Market Design and Renewables (MD & RES)

Decisions

5.1. The MC notes the approach of MD RES WG and MI WG to assess policy options in the area of redispatch and congestion management.

The WG MDRES Convenor presents a proposed way forward for ENTSO-E to assess different solutions to address increasing congestions and related costs. Due to resource constraints and current priorities, it is proposed to start this work in 2025. Building on such proposed approach, also agreed with MIWG, a precise workplan will be presented at next MC meeting for discussion and decision.

Decisions

5.2. The MC approves the advocacy note on streamlining the introduction process CRMs to be shared with the EC.

The WG MDRES Convenor briefly explains the goal, scope and main messages of the note on Capacity Remuneration Mechanisms 'introduction process. The document welcomes the recent changes introduced

by the EMD Regulation 2024/1747 and provides some recommendations based on TSOs' experiences at national level. The objective of the note is to contribute to the EC upcoming work on the streamlining and simplifying the application process for Capacity Mechanisms. The note is approved without further comments.

6. Task Force Demand-Side Flexibility (TF DSF)

Decisions

6.1. The MC supports the proposal to send a joint letter with the DSO Entity to ACER regarding the draft Network Code on Demand Response currently in public consultation.

The TF DSF Convenor presents the status update on the work done during the summer and informs about the timeline for ACER process and the ongoing public consultation launched by ACER (5 Sep to 31 Oct). He also provides the preliminary assessment on the consulted NC DR package by highlighting the most important changes ACER made on the NC DR package. MC members mention that the ACER's proposal to make market-based redispatch obligatory and no distinction between active and reactive power for voltage control should also be mentioned as critical change. Another MC member comments on the shorter implementation timelines in ACER's NC DR proposal. This is deemed as very challenging implementation deadlines considering that there has not been a TSO-DSO implementation before. Moreover, MC members request an updated NC DR implementation map as well as lessons learned from NC DR process. The TF DSF Convenor agrees to present an updated implementation map in the next MC meeting and mentions that the lessons learned exercise will be conducted after the end of ACER process.

Finally, the planning of the work foreseen for September and October is presented to the MC. The MC members are informed about the dates for cross-Committee review, voting and the webinars. The approach of collaboration with the DSO Entity is also presented to the Committee mentioning that common TSO-DSO issues will be included in a joint letter to ACER.

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

7.1 Long-Term Assessment [for decision]

Decisions

7.1. The MC approves the response to the EC targeted consultation on Forward Markets and its submission to the EC.

The MIWG Convenor provides an update of the project. He clarifies that the responses to the consultation were drafted, when possible, based on the advocacy note. Otherwise, the group tried to reach an agreement. The MIWG Convenor explains that the EC has launched two initiatives: the "targeted consultation" and the "call for evidence". The proposed response was prepared for the former, and no response is expected for the latter. He adds that the ENTSO-E advocacy note will be attached to our response.

The Market HoS Deputy explains the difference between the "targeted consultation" and the "call for evidence". As part of the impact assessment, the EC is obliged to consult also on the process via the call for evidence, where the EC is open to receive comments on the five pages that set the context for the

assessment. She also clarifies that despite being called “targeted consultation” and being addressed to some dedicated stakeholders; the consultation remains public.

7.2 Response to EC consultation on the priorities for the development and amendment of network codes [for decision]

Decisions

7.2. The MC approves the response to the EC consultation on the priorities for the development and amendment of network codes.

No discussion.

8. All TSOs Meeting

All TSOs meeting is the subject to separate minutes.

9. Working Group Ancillary Services (WG AS) – MC Part [No decision]

9.1. Offshore Balancing – WG AS and MD RES [for information]

WG AS Convenor presents the recent developments with regard to the Offshore Balancing Work Plan and resources situation in the Offshore Balancing Taskforce. WG AS Convenor notes that there are now enough participants in order to launch the work of the Taskforce, however, the Taskforce would benefit from more TSOs participating and, therefore, other TSOs are encouraged to join the group.

10. Inter-TSO Compensation (ITC)

Decisions

10.1.1. The MC approves the report on the 2023 ITC Mini Audit for Ukrenergó.

Decisions

10.1.2. The MC approves the audited losses costs for Ukraine.

Decisions

10.1.3. The MC approves the updated Schedule T, Schedule X and Schedule O (EX-Ante Spreadsheet for H2 and Perimeter fee).

The WGEF Convenor presents the report on the 2024 mini-audit for Ukrenergo, including vertical loads, loss costs, and the new perimeter fee, which will be applicable for the second half of 2024. The MC acknowledges the mini-audit report and approves it, along with the new schedules P, T, X, and O.

Furthermore, the Convenor of the WGEF presents the current status of the APG Vertical Load Case. APG will soon reach out to the Parties that approved the optional settlements.

Decisions

10.4. The MC approves the external use of the report on increasing the number of snapshots.

In light of the ACER data requests, the Convenor of the WGEF asks the approval to use externally the report on increasing the number of snapshots, which was presented at the last MC meeting. There are no objections.

Decisions

10.5. The MC approves the drafted response to the ACER Data Request with the additions discussed at the MC meeting.

The Convenor of the WGEF presents the drafted response regarding the annual ACER Data Request, while focusing on the two extraordinary questions which were raised by ACER.

Decisions

10.6. The MC approves the publication of the ENTSO-E Transit Losses Report 2023.

The Convenor of the WGEF requests MC approval for the annual publication of the ENTSO-E Transit Losses Report 2023. There are no objections.

Decisions

10.7. The MC approves the use of the new ITC Harmonisation Manual.

The WGEF Convenor provides a brief update on the ITC Harmonization Manual, which was submitted by the ITC Data Administrators. The adjustments concern the format, filename, and email subject line. No comments or objections are raised.

The WGEF Convenor informs the MC about the ongoing work of the PT ITC.

11. Technical Report

Decisions

11.2. The MC confirms the approach, timeline and communication towards EC and ACER as proposed by the technical report TF.

The secretariat presents the current context and the expectations from EC and ACER on the Technical Report. The MC confirms the approach proposed by the TF on the identification of the top severe congestions in line with the EC and ACER requests and on the presentation of the results on the fulfilment of the 70% requirement emphasising the need to keep transparency, focus on facts and present the full picture.

12. Working Group Market Information and Transparency (WG MIT)

WG MIT Convenor presents the updates on TP Redesign and TP Vision projects. He stresses the delays by the supplier in intermediate deliveries, and mitigation measures introduced (a new team on supplier side for support; pro-active management by ENTSO-E team).

WG MIT Convenor then discusses the public consultation organized by ACER on REMIT Implementing Regulation. He explains that the answers have been prepared by the REMIT Expert Group and reviewed by all relevant parties, including the MC. He shortly presents main take-aways from the common answers.

Decisions

12.2. The MC approves the consolidated answers to ACER's Public Consultation on REMIT Implementing Regulation.

Finally, he presents status updates on the TP Vision 2030 workstreams, namely TP App Reinvention, TP Data quality and TP User engagement. Following the approval of technical requirements by the MC in August 2024, TP team is currently preparing for the Implementation phase of the project. For user engagement, a new task force is established. For data quality, the dedicated sub-group is continuing the works as planned within the context of Discovery phase, which will soon be supported by an external supplier.

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

14. AOB

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