

3rd Market European Stakeholder Committee

Wednesday, 3 February 2016 from 10:30 to 17:00

CEER, Cours Saint-Michel 30a, 1040 Brussels

Draft Minutes

Participants			
Christophe	GENCE-CREUX	ACER	Chair
Matti	SUPPONEN	European Commission	
Mathieu	FRANSEN	ACER	
Rodrigo	ESCOBAR RODRIGUEZ	ACER	
Matthias	Rützel	ACER	
Mark	LANE	ENTSO-E	
Zoltan	GYULAY	ENTSO-E	
Marta	MENDOZA-VILLAMAYOR	ENTSO-E	
Kjell	BARMSNES	ENTSO-E	
Marco	FORESTI	ENTSO-E	
Corne	MEEUWIS	ENTSO-E	
Stela	NENOVA	ENTSO-E	Secretariat
Cristina	COTINO	ENTSO-E	
Marius	FUGLERUD	ENTSO-E	
Athanasios	TROUPAKIS	ENTSO-E	
Jean	VERSEILLE	ENTSO-E	
Sonia	SALY	EFET	
Paul	GIESBERTZ	EFET	
Jerome	LE PAGE	EFET	
Arnaud	DUVIELGUERBIGNY	COGEN Europe	
Steve	WILKIN	Europex	
Andrew	CLAXTON	Europex	
Christian	BAER	Europex	
José Javier	GONZALEZ	Europex	
Rickard	NILSSON	Europex	
Marcel	CAILLIAU	EURELECTRIC	
Ruud	OTTER	EURELECTRIC	
Charlotte	RENAUD	EURELECTRIC	
Victor	CHARBONNIER	EWEA	
Peter	CLAES	IFIEC	

1. Opening

1.1 Welcoming address + Approval of minutes + Draft Agenda

The draft agenda was approved with items 4. FCA and 5. TP brought first before balancing and CACM.

1.2 Update on recent developments: ACER

1. ACER published the Regional Initiatives Status Review Report. It will be the last progress report as we enter now into the formal monitoring of NC implementation. NC implementation reports will replace the RI Status Review reports.

2. Notification platform in the gas sector: ACER set up jointly with ENTSG a notification platform to collect stakeholder concerns regarding gas NCs implementation. The platform will be in trial phase as from mid-February onwards. Feedback on the added value of a similar platform for the electricity sector should be sent to ACER. Further discussions will continue at the next MESC.

3. ACER's opinion on the congestion management on the DE/AT border. On 22 January 2016 ACER received a letter from the involved NRAs and TSOs that there were no unanimous commitment to implement capacity allocation on DE/AT border. ACER will send a letter to the EC to inform them that in ACER's view the current situation is not compliant with the regulation.

4. CACM guideline: ACER has submitted to ENTSO-E a preliminary list of data to be collected by ENTSO-E in order to allow the Agency to perform its monitoring duties based on Art. 82. The list is currently under discussion between ACER and ENTSO-E. The list includes data from third parties (as PXs data). ACER will not disclose the data request list for the moment, but will inform the Committee members at the next meeting.

Zoltan Gyulay (ENTSO-E) informed that ENTSO-E has received the letter and will reply to ACER request. He also encouraged ACER to share the list of data with the other affected parties.

Paul Giesbertz (EFET) also asked about the mandate of ACER to provide a binding opinion on CCRs in case regulators in the region don't agree and about the role of the Board of appeal in such case. ACER explained that the role of the BoA is to assess decisions of ACER. As long as there is no binding decision on this issue, there is no role for the BoA. He clarified that an all-NRA approval process is now ongoing (CCRs) and only if NRAs fail to agree, ACER will be able to take a binding decision.

Paul (EFET) asked for more clarification on what the implications of the CCRs proposal submitted by all TSOs on the bidding zone configuration are and whether the CCR proposal is preempting the decision on the new bidding zone border between Germany and Austria. He also asked for the relation between the Bidding Zones Review, the CCRs and the future of the DE-AT border in all of these processes.

Marta Mendoza (ENTSO-E) explained that the all TSOs proposal on CCRs includes not only the existing borders but also all future borders expected until 2018, which means that it also includes all interconnections currently under construction, as well as the DE-AT border.

Zoltan Gyulay (ENTSO-E) stressed that TSOs are legally bound to come up with a CCR proposal, and are committed to implementing it if the NRAs (or ACER) approve it.

The Chair (ACER) explained that ACER believes the absence of a capacity allocation mechanism on the DE/AT border is not compliant with the regulation now so ACER can't wait for the bidding zone study in the future to solve the non-compliance issue that currently exists. The EC is informed, and they could launch an infringement procedure.

Marta pointed out that ENTSO-E is launching a public consultation on CGM and data provision in the next 2 weeks. Everyone is encouraged to participate.

Javier Gonzalez (Europex) asked if ACER is doing direct monitoring on art. 82.1. (for monitoring of regulatory authorities – NRAs and ACER regulatory monitoring regarding MCO & NEMO functions). The Chair explained he will check if ACER's list includes this.

2. Forward Capacity Allocation: Update from the FCA Stakeholders meeting (20 January) regarding the early harmonisation of the HAR and the early launch of the single allocation platform

Jerome Le Page (EFET) expressed satisfaction with the good meeting with ACER and ENTSO-E on 20 January 2016. EFET welcomes the willingness of TSOs and NRAs to start developing updated HAR to align them as much as possible with the FCA Regulation by September 2016 for the 2017 allocations. EFET expects market participants to be involved at an early stage in the implementation process. Further information is expected from TSOs and NRAs on their expectations regarding the potential for early implementation and potential issues by mid-February.

The FCA Regulation is expected to be adopted by July 2016 which means a legal obligation for the updated HAR to comply with FCA Regulation by Q3 2017.

EFET pointed out that a pre-implementation project would be necessary to ensure that 2017 allocation rules are in line with the FCA GL with a target date for retro-planning mid-September 2016.

EFET noted that if EU HAR v.2 is sufficiently in line with the FCA GL, the rules can be quickly updated. This would require less effort for the TSOs and NRAs, and limit market disturbances in case of mid-year implementation.

EFET noted that certain controversial elements can be left aside until the final HAR approval after entry into force of the FCA GL, such as FTR obligations and discussions on new product designs – which requires a decision on the CCRs. Following the SEM decision of 15/12/2015, detailed rules on FTR obligations can be left aside for the pre-implementation project. Both the EC and ACER seem to be fine with a lighter regime of FTR.

Regarding CCRs, EFET is wondering whether the process can be blocked and what the impact of this can be on product design. The conclusion is to go along with existing products instead of redefining new ones, upon agreement of TSOs and NRAs.

EFET explained that for them the focus should be on the long-term firmness deadline (art. 58 and 59 HAR), the introduction of caps (art. 59.2 HAR) as well as on operational security (art. 56.1 and 59.1 HAR). NRAs should ensure that improved firmness does not lead to lower allocated volumes of forward rights by the TSOs. EFET concludes that the pre-implementation phase depends on TSOs' and NRAs' willingness to implement and that EFET supports fast answers to consultations, in order to implement FCA rules as fast as possible.

Jerome Le Page (EFET) presented EFET's feedback on the recent launch of JAO and pointed out that the setup of JAO and the JAO platform within such a short timeframe was a serious challenge. Some delays were observed in the organisation of the Dutch auctions, with registrations affecting all market participants, late communication of the specifications of the auction tool, and delays in the testing for daily auctions. EFET recognizes that some of these difficulties are linked to lengthy NRA approvals, but that it would have been more sensible to postpone the launch of the platform while using CASC & CAO longer. Jerome pointed out that EFET observed underperformance of the platform in a number of areas, such as cancelled auctions in CEE, mismatching contract IDs, rejection of bids initially marked as accepted by the platform, slow technical performance of the auction tool, and lack of documentation disclosure compared to CASC/CAO standards, resulting in costs for market participants and sub-optimality of the allocation process (negative effect on social welfare) and the fact that traders can't rely on the current platform. EFET would welcome better stakeholder engagement here.

FCA: reply by TSOs and NRAs

Regarding the topic of FCA implementation, Mark Lane (ENTSO-E) presented the key conclusions of the stakeholder meeting on Jan. 20. He explained that market parties request the early implementation of FCA compliant HAR, which implies some key changes to current HAR related to the firmness regime (Articles 53, 56, 58, 59): annual caps, no references to LTFD, no references to Emergency Situations and ensuring system security. The expected timeline is to complete this process by early October 2016 at the latest (depending on the approval time required by NRAs) in order to allow for smooth preparation for the 2017 annual auctions.

ENTSO-E and TSOs are willing to anticipate and shorten the HAR drafting timeline in order to submit the final version to NRAs by beginning of July 2016. Mark Lane (ENTSO-E) pointed out that early implementation may not be possible for all borders within this timeframe due to ongoing projects and that this should be covered in specific border annexes, to be agreed with competent NRAs. Mark Lane noted that market parties, ACER and ENTSO-E agree that FTR obligation rules should not be included in early HAR implementation. The EC understands also that FTR obligations are not a priority and that detailed rules can be excluded for now.

Early implementation for SAP could be linked to JAO as well. Mark Lane pointed out that some open issues remain: more certainty is needed on types of products. In conclusion, he explained that TSOs will try to make HAR fully FCA compliant but this may be difficult and require some additional time and resources as there are competing tasks on CACM and on FCA. Early stakeholder input is welcome to ensure higher process efficiency.

On the NRAs' side, Rodrigo Escobar explained that NRAs have concerns related to the efficiency of the process and the resources available as there are both a voluntary track and a formal process coming later in time for the same issue. NRAs have various positions towards the review of rules to improve compliance of the firmness regime with the approved FCA GL, and early implementation in 2016 results in different review rules for different borders. Some NRAs (more than 9) are keen to review rules for their borders in 2016 if they have at least 3 months for approval process.

Rodrigo Escobar explained that at least 5 NRAs (PL, NL, Italy, Greece, and GB) deem inappropriate to review rules for all their borders in 2016 for several reasons. They agree that amendments to the EU HAR should be made once the current version (setting new firmness regime in some borders) has been implemented and tested. The PL NRA is unwilling to approve the new rules as long as the DE/AT issue is not solved; on the NL-UK side, BritNed also has an existing project to comply with current HAR underway, similar to IFA for FR-UK; Ofgem with FR-UK interconnector finds it inappropriate to review rules as early as this year; the IT-GR interconnector consider that as the firmness regime changed, they need some months and will not review rules so early. Some NRAs have not stated a clear position yet. The way forward could be either changing main body and HAR annexes separately or only changing border-specific annexes where TSOs and NRAs can voluntarily move to make them compliant with FCA GL.

Mark Lane (ENTSO-E) reiterated TSOs and ENTSO-E commitment to draft the HAR and submit it for NRA approval by summer 2016, so they can be used for 2017 capacity transmission rights (to be formally confirmed in the all-TSOs meeting of Feb 11). Early implementation would mean to update the main body of the HAR to ensure EU-wide coordination and pave the way for subsequent FCA legal implementation (6M after e.i.f.). The regional aspects would be kept in the regional annexes as these might take longer. Border specific annexes would be required in limited specific cases where early implementation is not considered feasible by NRAs and TSOs. Possible reasons for exceptions include: Adaptability of existing regional platforms within the short timeframe, existing implementation projects for the current HAR, as well as ongoing market redesign projects in some countries.

Andrew Claxton (Europex) requested if it would be possible to have a border by border plan on what is expected to be achieved and when.

Rodrigo Escobar (ACER) explained that the NRAs did this assessment for firmness regimes and long-firmness deadline removal. Already 2 borders are complying with FCA now, and others are close to compliance. NRAs can present the assessment in next MESC.

Jerome (EFET) supported the TSO approach, i.e. amending the main body of HAR and then amending regional annexes where exceptions are still needed. The solution would be cleaner from a legal perspective and would facilitate the transition towards the final EU HAR once the FCA GL enters into force.

The Chair concluded that ACER will provide a more detailed overview of what can be expected border by border at the next MESC.

Rickard Nilsson pointed out that it would be a good idea to continue the existence of the group from 20/1 with regular meetings to push the agenda as this was deemed to be a good platform for cooperation. Europex should be invited to this Forward NC WG as exchange platforms could help secure efficient secondary trading of LTTRs.

Marco Foresti (ENTSO-E), following Rickard's suggestion, will propose dates and times for meetings of this type compatibly with drafting workload and deadlines.

He pointed that as the EC agrees on the exclusion of FTR obligations from early implementation scope, ENTSO-E will require confirmation from all NRAs that these products will not be introduced on any border for 2017. He also asked the EC for clarity on the level of details expected for formal HAR implementation.

ACER welcomed the suggestion. ENTSO-E and NRAs should continue to organise stakeholder meetings. ACER will ask the EC for further clarification on FTR obligations and clear instructions/expectations.

Marcel Cailliau (Eurelectric) pointed out that Eurelectric fully supports EFET's request to align HAR as much as possible to the FCA Regulation by September 2016 to be on time for the 2017 allocations. The MESC should be informed about the problematic borders that might delay the process and why. Discussions on FTR obligations should be left aside for the moment

Mark Lane (ENTSO-E) concluded that all stakeholders are on the same page: early implementation of FCA in the HAR, and excluding FTR Obligations from that process.

IAO:

Corné Meeuwis (JAO) apologized for the recent incidents with the newly launched JAO platform. He clarified the history of the establishment of the JAO as an advanced version of the combined and improved capacities of the previously used CASC and CAO. A new tool was selected as the most efficient way to go forward. The JAO project is a merger between the two previous allocation offices providing one platform, harmonised auction rules, one system for financial securities, and centralized market data availability.

The development of Auction Rules (AR) was set up in parallel with the development of the Auction Tool. Some delays were due to late approval of AR by some NRAs (ex. FTRs on the BE border) and some borders were excluded from Version 1 of EU HAR due to missing NRAs approval. Registration could only start after final approval of the AR by the NRAs. A new auction tool was needed since the 2 old tools were not compliant with the new AR and the former auction tools could not be used as fallback options either. Go-live issues with the platform resulted in wrong results in auctions, errors in bid processing and problems with contract IDs. Unfortunately this last issue was not signalled by anyone during the integration tests. Due to wrong results, the CEE auctions had to be cancelled on the 31 Dec and January 1.

Corné Meeuwis explained that the system has been stabilised after that and is providing correct output with workarounds in place by Software supplier/JAO. There will be a period of “cool down” for 2 weeks without changes, updates or patches, and the provider will deliver the final patch to solve all open issues, removing workarounds. A full integration test with all parties is to follow in the next 2-3 weeks to restore confidence in the system.

Paul Giesbertz (EFET) asked whether JAO has a clue or plans to make an assessment of damages caused by the issue with the platform as market participants were obliged to rebalance positions and market prices were affected. He recommends that JAO publish a report and provide externally a transparent assessment on what the issues were, the size of the problem, and the lessons learned as well as next steps. MESC is also monitoring the DA allocation etc., so this is a good opportunity to make such a report so that all can learn from it. Paul Giesbertz (EFET) encouraged NRAs to discuss the matter with their TSOs and provide some explanation on what happened & lessons learned in a transparent manner.

Corné Meeuwis (JAO) explained the difficulty of calculating the direct damage of cancelling an auction and underlined that that JAO is working currently on a report for internal use primarily towards its Supervisory Board and Shareholders. Based on it and the lessons learned, JAO will go for full integration test.

Rodrigo Escobar (CNMC) explained that NRAs have discussed that the SAP needs proper regulation and scrutiny also in the FCA guideline. TSOs have to ensure that SAP is functional. JAO is indirectly supervised through the TSOs that participate (each NRA to its TSO). He suggested that the issue could be addressed through the set up of a new framework involving ACER to assess in an organized manner this issue and learn some lessons.

Andrew Claxton (Europex) requested further clarification on who is responsible for the capacity allocated – JAO or TSOs – and noted that there seems to be a mismatch with NRAs and TSOs.

Corné Meeuwis explained that JAO allocates capacity on behalf of the TSOs but in the name JAO: as JAO is hired to do a service on behalf of the TSOs, the liability lies with JAO. Supervision works through harmonized auction rules based on which JAO has to comply.

Jean Verselle (ENTSO-E) explained that TSOs are taking this very seriously and assessing the issue, with questions to JAO and action requests internally with governing bodies. There will be further communication on the origin of the problems, the lessons learned and the way forward.

Corné Meeuwis (JAO) explained that JAO is in a special situation as it performs a task that regulators gave to TSOs. Regulators are aware that TSOs have given the task to JAO which then reports to TSOs and TSOs use this information to report to their respective NRAs. JAO is now working first to solve all issues and to ensure adequate reporting to shareholders who will provide further information to national regulators (2nd report to supervisory board of JAO sent on 3 February).

Chair (ACER) requested for next MESC meeting to have an update on JAO and lessons learned as well as to look at the issue of ensuring proper governance of this kind of entity (currently missing in the FCA). This could also be solved in the market design legislation by the EC.

Marcel Cailliau (Eurelectric) pointed out that discussions around JAO performance should not be used as an excuse to postpone the implementation of the FCA code. He added that regulatory oversight of JAO is important, as there could be similar issues with other central functions (ex. MCO). In the context of the upcoming EC market design initiative, it is urgent to reflect how the oversight will be done also in other similar central functions in Europe and how they should be regulated and managed.

3. Transparency Platform (TP)

The Chair (ACER) provided a brief update on the Transparency Platform development and latest actions undertaken. ACER has asked ENTSO-E to provide a detailed overview on where data was missing on the platform and received ENTSO-E's report in October. ACER expects ENTSO-E to deliver the second part of the completeness report on the other 3 data categories (balancing, redispatching/countertrading, outages). ACER used this report to liaise with the relevant NRAs, and expects ENTSO-E to complete the report with missing data (by Feb/Mar). ACER will continue to monitor this.

Cristina Cotino (ENTSO-E) explained that almost all of information that was requested was provided apart from event triggered items (such as outages). The ENTSO-E help desk is the only way to inform data providers about data issues.

Ms. Cotino explained that IT functionalities of the TP is one aspect for ENTSO-E to solve and this is being addressed in the ENTSO-E Transparency User Group (ETUG). Some of the quick improvements on the TP UI based on the User Group's recommendations include remembering country and time-settings, browser compatibility etc. These developments will be available in the first release of the Platform for 2016 (late January/beginning of February). At the same time, ENTSO-E is assessing the opportunity to build a new user interface (UI).

ENTSO-E has introduced further improvements in the TP Data Extraction Functionalities, including some operating efficiency developments and deliverables such as a data repository for load, generation, transmission, and balancing data, ad-hoc access to data repository through API, subscription module etc. A step-wise approach on the implementation of download facilities will be taken with an upgraded subscription module by end-april 2016, delivery in June 2016 and implementation by Nov. 2016.

Ms. Cotino explained that regarding data quality and completeness, 2 reports were submitted to ACER. She stressed that ENTSO-E is working on achieving 100% completeness. ENTSO-E has registered as RRM for reporting under REMIT IA and started reporting to ACER on 7 October. The technical issues encountered in the first phase of reporting seem to be solved. The provision of data to the Platform reached 90% in Q4 2015. A significant limitation is the fact that some of the data providers are external providers, beyond the control of TSOs. ENTSO-E is currently revising the Manual of Procedures (MoP) and taking into account all requests and recommendations of users/ACER/stakeholders with regard to the Detailed Data Definitions document and will involve all relevant parties in the entire process and keep the ETUG informed of ongoing developments.

Steve Wilkin (Europex) requested further clarification on the links with data providers and the expected timelines on finalizing requirements for data providers. Rickard Nilsson (Europex) pointed out that if new definitions need to be implemented, this can be a huge task. Europex requests to have clarity on this for data providers as they will need time for adaptation and implementation. Jerome Le Page (EFET) underlined that they welcome the planned improvement to the downloading functions foreseen for June 2016 and that they are ready to help on the data completeness/quality aspects but need to know what data is missing and what kind of gaps are observed so far. He added that EFET and its members already provided significant feedback on data gaps and poor quality data, so the disclosure of the ENTSO-E report would help EFET to provide appropriate feedback where still needed.

The Chair (ACER) concluded that ENTSO-E can decide if they want to share the completeness report with stakeholders. ACER has invited ENTSO-E to put in place a notification platform to receive all complaints on the TP but ENTSO-E explained that resource constraints would not allow for proper management of this platform and stressed that, according to regulation 543/2013, data owners are responsible for delivering data with the level of quality required by the regulation itself and that, according to regulation 1227/2011, NRAs are required to carry out the monitoring tasks. In any case, ACER invites all stakeholders to send all concerns regarding data issues to ACER who will liaise with NRAs and address any issues.

Cristina Cotino (ENTSO-E) underlined that data providers have been included in the early stage of the MoP revision process and that all contributions, even from stakeholders and users are very important for ENTSO-E for improving data quality; such contributions should be channelled into the ETUG.

Zoltan Gyulay (ENTSO-E) explained that ENTSO-E has developed a dedicated access on sharepoint for the TP users.

Conclusion: Stakeholders are invited to send all concerns regarding data issues to the sharepoint developed by ENTSO-E for the TP users. ACER will liaise with NRAs and ENTSO-E to address the issues mentioned.

4. Balancing

4.1 Update from the Balancing Stakeholder Group meeting (15 January) (CBA-ISP, Balancing products and other elements of the Balancing NC)

Kjell Barmsnes (ENTSO-E) provided an update on the last Balancing Stakeholder Group. He pointed out that more clarity is needed on whether standard products should be for synchronous areas or for a single control area.

A study is under progress on aFRR products and technical aspects with commercial aspects still up for development. Results will be evaluated and discussed with a view to making proposals for different types of products based on further investigation of the relation between specific and standard products. An update will be provided in the next BSG.

Regarding mFRR and RR products, a lot of work was done to reduce the number of products from more than 100 down to 6 and less. The next steps will be to find an agreement on FAT, min/max delivery period and ramp settlement principles and to define what is possible and what not for further reduction to streamline some products. A survey and a map on the use of regional products demonstrated that standard products are beneficial even if regional

Regarding CoBAs, at the last BSG meeting in 2015, a number of options and maps were discussed. It was agreed that stakeholders will come up with ideas and maps for CoBAs by 26 February. The aFRR study will be taken into account in this discussion. EURELECTRIC noted that missing parts of the aFRR study should be made available shortly in order to allow feedbacks from market parties. For the Explore project, stakeholders requested close involvement.

EFET noted that the aFRR study would be helpful and is happy to provide input by the 1st week of March. There will be an ENTSO-E meeting on 1st March on this topic. EFET will provide feedback on this.

On CBA for ISP, 85 answers were received from 21 countries (many on costs and less on benefits). Further stakeholder involvement will take place in early March.

On the Explore project, Ruud Otter (Eurelectric) proposed a regional approach with also regulators in the lead. The NRAs replied that the next meeting on 29 March will involve stakeholders and that they will assess the suggestion on a joint NRA-TSO approach.

Steve Wilkin (Europex) underlined that stakeholder involvement is important: the CBA was seen as very long and complicated with very tight deadline for replies. Stakeholders would appreciate more time and more clarity on the questions next time. Rickard added that data has been limited or not available to answer some questions, with very short deadlines, and that could have resulted in the limited participation. Peter Claes (IFIEC) also agreed the process has been difficult.

Kjell Barmsnes (ENTSO-E) explained that the process has been complex, with many questions and only 2 months time but also partly because on the EC side first conclusions to the EC are needed by March. ENTSO-E did 2 webinars and a document with FAQs to explain the survey better. The BSG in early April and a planned webinar in early March will provide further opportunities for stakeholders to react.

At the last BSG, different activation purposes were discussed and further clarification and criteria for application are needed. If reserves are activated for other purposes than balancing, it has to be specified why (based on the code, this should not set the imbalance price). Kjell Barmsnes clarified with regard to balancing purpose that since there is one set of resources, this should be used in the most optimal way, but that the bid should not set the balancing price. Mathieu Fransen (ACER) clarified that this approach has been also discussed with the EC.

Conclusion: Chair (ACER) noted that unless some big issue on balancing comes up in the meantime, which the BSG could not address, balancing will be in the agenda of the next MESC only as an information point (not a discussion item). ENTSO-E or market participants should inform ACER if balancing needs to be discussed at the next MESC and in any case provide background material for the next meeting (even if not in the agenda).

4.2 Discussion on the co-optimisation principle:

Marcel Cailliau (Eurelectric) raised an issue related to co-optimization. EURELECTRIC considers that the target model in the CACM GL proves to be very efficient, when it is associated with UIOSI rules needed to avoid hoarding and when it optimises all the available cross-border capacity through the market. However, Eurelectric considers that co-optimisation in the Balancing GL is in conflict with the CACM target model and that any TSO reservation is an intervention in the market and TSOs should rather facilitate co-optimisation through countertrade schemes.

Re-optimisation should first be further developed through closer cooperation between TSOs, where recalculations should increase the available capacity from DA to ID, without additional risks for the system, with the same process applying then between ID and balancing. Eurelectric would like to see more frequent update on the available capacity as well as faster calculation and coordination process. Eurelectric proposed to further discuss this in an ad-hoc working group.

Kjell Barmsnes (ENTSO-E) explained that this is not TSO intervention, and a methodology needs to be approved by regulators. Some pilots are promising results, and no conflict is seen with CACM but more work is needed.

Mathieu Fransen (ACER) explained that the objective of EB is to optimize welfare: an assessment whether EB is more valuable than ID & DA is not easy since the whole market is affected by a decision. This should be taken into account in the EB code.

Rickard Nilsson (Europex) pointed out that the key principle shall be to allocate all capacity on DA and then in ID and what is then left for Balancing, and that any TSO pre-reserving of capacity for Ancillary (Balancing) Services will lead to price and competition inefficiency in the competitive (Long Term, Day Ahead and Intra Day) markets and is an intervention in the market. Further clarity is needed and market parties' interests should be taken into account.

Kjell Barmsnes (ENTSO-E) explained that there are markets for reserves, and therefore there are tools to compare the value of reserving capacity for the balancing timeframe vs using it in the DA. Mechanisms should be market-based. TSOs fully support further work together on this.

Mathieu Fransen (ACER) clarified that TSOs are the buyers of balancing capacity as they are obliged under the directive: they need to buy it, organize platforms. The new element is whether a mechanism to exchange balancing capacity should be introduced and whether it is beneficial.

Andrew Claxton pointed out that TSOs want the market to balance but there is a danger if there is no appropriate incentive that all will be left to the balancing market.

NRA's clarified that in order to solve this issue, contracts need be reduced to shorter terms as this is the best way to optimize the market and make sure there's enough balancing capacity to keep the system. However within the 15min TSOs still need to do the last part of balancing and this obligation will not disappear.

Ruud Otter (Eurelectric) would like to see a dedicated meeting on this issue to discuss all pilots and the Nordic experience. Further clarification on the issue would be needed.

NRA's key question is how to do co-optimization of balancing capacity and not optimize DA/ID: the main open question is on optimization of balancing. The codes say that a methodology for this still needs to be developed.

Chair (ACER) pointed out that if EC received input from this group before June, it can still be taken on board. The issue should be discussed further under the umbrella of BSG at a separate meeting which ENTSO-E will organize.

5. Capacity Allocation and Congestion Management Guideline

5.1. NRA's update on CCRs:

Matthias Rützel (BnetzA) provided an update on NRAs' behalf on the CCR proposal and the state of play. He explained that there are several options on the table: 1) proposal to be considered OK and approved; 2) NRAs can request amendments; or 3) in case no common position is found on the CCRs, then ACER steps in. Currently, NRAs' direction seems to be that amendments could be possible. There are however issues with the language and translations of the proposal. As TSOs propose the English version to prevail while Germany can only accept a German-language version, the current agreement is that TSOs can proceed with work without waiting for adjusted translations into national languages.

Matthias Rützel (BnetzA) explained that NRAs are now focused on making the CCR proposal better even if not all NRAs can decide unanimously on it. They still hope to get a decision on time but the DE/AT issues is still very difficult. If NRAs can't agree, there is always an option to involve ACER but NRAs are keen to reach an approval although it might take more than 6 months if amendments are proposed as well.

The merger of CWE – CEE is on the table and NRAs expect to receive information on it by mid March. Once they get it, the key task is to find out what governance is most suitable. Some NRAs do not want other ongoing projects to be harmed by this, but they are waiting for the roadmap to see whether they should call for a merger or can accept the current roadmap on 2 regions.

Zoltan Gyulay (ENTSO-E) explained that TSOs have done their job by preparing on time the CCR proposal. The focus remains on the methodology, starting in the 2 regions and going for unified methodology further in time.

The Steering Committee, comprising CEE and CWE representatives have agreed to use a coordinated flow based methodology (FBM) across both regions initially and to ultimately merge the regions. This is in line with the CCR proposal for two regions CWE and CEE. There will be a joint project plan (roadmap) for the merger to be submitted to NRAs and ACER in March 2016. CWE will provide CEE with detailed information on their FBM. A joint project plan to develop and implement a concept for coordinated CEE and CWE FB DA will be prepared. The outstanding issues are the DE/AT border and the Croatian and the Romanian borders.

Sonia Saly (EFET) asked whether the decision to merge the CWE and CEE regions and apply one FB methodology is linked to the decision on the DE-AT bidding zone. ENTSO-E confirmed that the current merger plan is based on a split of the DE-AT zone, otherwise the CEE region would apply FBMC with the Security Oriented Option.

Jean Versaille (ENTSO-E) explained that regarding Remedial actions, in CWE these actions are based on manual analysis but as the number of borders increases, a more automatized system will be needed, and a common methodology should be developed with regard to allocating remedial actions.

Andrew Claxton (EUROPEX) expressed his worry that as the joint CWE/CEE project is starting very soon, the enlargement might be too big and the solution too complicated.

The Chair (ACER) agreed a step-wise approach would be better and asked if there is a way to have a high-level agreement on a common methodology but to separate the methodology from the implementation aspect with step-wise implementation in order to avoid any „big bang“.

Zoltan Gyulay (ENTSO-E) agreed that in theory this could be an approach but once the software and the methodology are there, there would be no point to wait too long for the others or to discriminate between regions that are not connected and lag behind. However, everyone should be allowed to/able to join if they like.

Matthias Rützel (BnetzA) explained that NRAs are expecting the roadmap with the timelines and with all borders; if some can join earlier, then step-wise approach is ok; the expectations are that the whole region will join ASAP.

Mathieu Fransen (ACM/ACER) explained that CACM is different from other codes as first a method needs to be proposed, then NRAs have to approve, then it can be implemented.

Stakeholders requested more clarification on the extent to which PXs are involved (Marcel Cailliau) and whether improvements are already done on FB in this process before the extension because NRAs did require a number of improvements that were conditional to allowing CWE-FBMC to start (Paul Giesbertz).

Jean Verseille (ENTSO-E) explained that in the CEE FB project, PXs are also involved. There are experts and workshops working to figure out the best methodology applicable. The idea is to keep the 2 regions at the beginning, then follow the roadmap, discuss with the regulators and continue with the workstream.

Conclusion: the item will be on the agenda for next MESC.

5.2. NEMOs designation:

Mathias (BnetzA) provided an update on the NEMO designation process and explained that the BE regulator, CREG, will provide news by the end of the week as the Ministry is working on the task. However, there has been no information from Bulgaria.

Christian Baer (Europex) noted that Ibex, the Bulgarian power exchange, has started functioning on 19 January regarding DA Coupling since from that date Bulgarian Bidding Zone hourly prices are formed as part of the daily MRC DA process based on the PCR solution. Chair (ACER) will check with the Bulgarian NRA.

5.3. Update from the CWE region regarding the re-calculation of ATC for intraday capacity allocation pending introduction of the SOB

Jean Verseille (ENTSO-E) explained that since the Go Live of the Flow-Based Market Coupling the 20th of May, intraday available capacities (ID ATC) in the CWE area have decreased while market players are more and more active on intraday markets. CWE TSOs launched a FB ID capacity calculation project but this project will not be implemented in the short term.

CWE TSOs have defined an ATC ID assessment process in order to propose additional capacity to the market in a shorter timeframe based on the BE-NL and DE-NL borders. The new ID process extends the ID ATC increase to the full CWE area (DE-FR and BE-FR borders) and brings increased coordination between TSOs. TSOs have submitted an approval package to NRAs. National approval is pending. TSOs are technically ready for a target go live in Q1.

Matthias Rützel (BnetzA) confirmed that NRAs are expected to approve the proposal by mid-Feb.

Jean Verseille (ENTSO-E) explained how the ID ATC process works in practice: Requests are sent by each TSO individually based on a local analysis of the available ID ATC after FB market coupling and consolidated in the CWE TSOs common system. Each TSO performs an assessment with a local methodology which consists in a grid security analysis to check if the request is compatible with security constraints. This local analysis can be performed using updated D-1 inputs if the network of a specific TSO is limiting. Requests have to be accepted by all CWE TSOs and increase requests can be fully or partially accepted following the joint assessment.

Ruud Otter (Eurelectric) raised concerns on the lack of stakeholders involvement in the elaboration of the approval package by TSOs: several elements would indeed require market parties' feedbacks/views. He pointed out that more transparency of the methodology is required, in particular on how the recalculation of the ID capacity will be made, and how often this will happen.

TSOs use as a basis the request based on past days and anticipate market needs. This can be both price expectations or a forecast based on market parties in the past days. The target remains a full Flow Based capacity recomputation after D-1 market coupling, and the process will be subject to continuous improvement.

Jean Verseille (ENTSO-E) explained the key differences between ATC full recomputation and FB recomputation. He pointed out that for a full capacity calculation, a number of steps are required whatever the methodology. This includes updated ID input files (grid model, remedial actions, outages etc.) by all TSOs based on common quality standards; a common methodology then has to be applied at regional level for capacity domain optimization (including remedial action coordination), a new IT system needs to be developed and implemented to manage these processes.

Therefore, an intermediate step with coordinated ATCs does not represent an efficient alternative in terms of approach, planning and costs. This means that all developments for this potential temporary solution would have to be redeveloped for ID FB, no synergies with FB DA are possible regarding IT and operational processes, and lots of uncertainties remain regarding the expected capacity out of this ATC computation compared to the level of efforts required. Working on such an ATC step would require high investment from all TSOs resources and will delay the delivery of the target FB solution for a limited added value. In this context, the FB ID solution might take about 2 years to be delivered.

Jean Versaille (ENTSO-E) explained that the method does 1 calculation for 24 stamps for next day and no recalculation during ID. The first step is to introduce methodology, then improvements can be done to move to more frequent recalculations. An automatic process would need a completely different tool. The proposal is designed to support FB computation but for ID recalculation a system must be designed to enable all TSOs to collect new information from all other TSOs/entities. Automatization for FB as a process implies that at a given time each TSO sends its updated grid model for after DA for the ID, all the IGMs are collected into a common grid model (CGM) which is used as a basis for FB calculations (done for D-2).

Matthias Rützel (BnetZA) explained that CWE and ACER started a discussion on the methodology. Recalculation is one of the criteria (at what time and which way). Recalculation once or twice a day is possible but the FB time is quite tight. Further discussions with TSOs on how recalculate will follow.

Jerome Le Page (EFET) pointed out that the full ATC and FB recalculation and the process is not clear yet to EFET and inquired more information. He pointed to EFET's intervention at the last Committee meeting, highlighting that since then full ATC recalculation has been abandoned, and that no timeline is set for FB calculation. He expressed EFET's support for the solution presented by the TSOs but indicated that it can only be seen as an interim step considering the very serious situation and the requirements set by the regulators back in March 2015. Ruud Otter (Eurelectric) added that market participants can't anticipate the actions of TSOs and it is hard to see what will be delivered, asking about the ambitions for ID level playing field creation. He pointed out that if the speed is not good, this can result in discrimination across borders.

Jean Versaille (ENTSO-E) explained that the FB recalculation is the solution. He added that on ID there is no internal constraint. As ID is only residual capacity, if capacity pricing/auctions are introduced, there won't be any ID capacity for continuous trading.

Rickard Nilsson (Europex) explained that such an assertion is not necessarily true on many occasions because there is often a lot of residual capacity left between DA and ID, and at the time of an ID Auction there might be limited need for CB as well as intra-BZ matching and therefore an ID Auction will not necessarily lead to any new congestions.

Mark Lane (ENTSO-E) explained that TSOs are trying to find a balance and an optimal solution for ID while having capacity. A hybrid solution could be optimal but this has yet to be seen.

Ruud Otter (Eurelectric) agreed that the non-discriminatory allocation of this capacity is the goal, the key question is how to do it.

Javier Gonzalez (Europex) explained that things happen in the network (internal issues) and the direction of flows may change on ID and not be the same as DA anymore which poses further challenges.

Chair (ACER) proposed that a separate meeting be organized on this issue to discuss transparency, ID recalculation and NRAs' expectations.

Jean Versaille (ENTSO-E) agreed that a separate Workshop on this can be organized. Ruud Otter requested from NRAs to publish the approval package on the ID ATC and that TSOs publish it as well. Jean replied that this has to be discussed among TSOs. Mathias noted that it was not discussed with NRAs but that NRAs are expected to approve it in mid-february, and then it can be published.

5.4. Update from the CWE region on Flow-Based transparency improvements (including CWE NRAs-TSOs meeting in January 2016)

Jean Verselle (ENTSO-E) presented some improvements in transparency as a result of exchanges between TSOs and Market Parties, related to pedagogical Information (CBCO drivers and coordination of phase shifters), provision of expected changes (creation of an operational process for FB parameters change management); a general approach for impact assessment for methodological/process changes management (based on co-creation between Market parties and TSOs), and information sharing (agreement for sharing information proactively and having up-to-date documentation).

Additional requests from Market Parties are currently discussed with NRAs as these were related to confidential data (e.g. grid topology related data). Further dialogue on transparency is taking place on a continuous basis between TSOs & Market Parties with regular CWE Consultative Group meetings in 2016 and dedicated workshops on transparency.

Jerome Le Page (EFET) explained that the request was sent to CCG end-January. Another meeting is expected in early March to progress on this. EFET hopes to continue the good dialogue with TSOs and calls for support from NRAs to progress faster on the package and enforce the transparency obligations of the TSOs.

5.5. PCR Euphemia performance

Javier (Europex) provided an update on the PCR Euphemia performance. PCR organised its first Stakeholder Forum with Associations, NRAs, TSOs, Market Participants, on 11 January 2016 in Brussels. The event was well-attended and was also featured online through webcasting. The focus of the discussions was the Euphemia Algorithm and challenges and limitations as well as ideas for further improvement. Current challenges include: increasing size of the problem and the number of orders, difficult and increasing number of “non-convex” requirements. The current limitation is that the optimality gap indicator has limited value due to the nonconvex nature of the problem. Further solutions will be developed together with stakeholders to explore how to develop the required transparency indicators, how to improve the optimality gap indicator, and what new products (Thermal Units Orders) can replace Orders that are currently in production.

Regarding the Euphemia Performance, Javier explained that the MRC includes 54 bidding areas and 68 lines. Functionalities include Hourly step and interpolated orders, regular, profile, linked, exclusive, flexible, and curtailable block orders, PUN orders, among others. The prices for all bidding areas are calculated during the same computation. Altogether between 2011 and 2015, in MRC, the number of block orders has doubled, bringing challenges to the performance. The increasing number and complexities of the products used have called for significant performance improvements of Euphemia and new improvements are continuously implemented. Problems with uniform prices have been solved, and PRBs are more or less stable. Discussions with stakeholders are also planned. Main releases in 2016 are planned for April (Euphemia 9.4 with local search improvement) and October (Euphemia 10 with multithreading). Testing of these improvements is ongoing and further system upgrades are also in progress.

Javier Gonzalez (Europex) explained that Polish PX TGE and Romanian PX OPCOM have joined as new full PCR members, bringing the total PCR Full Members to 7 contributing Parties (paying and voting) as of 1 February 2016.

The Croatian PX CROPEX, and the Bulgarian PX IBEX have joined as new PCR associate members (both serviced by Nord Pool). The Serbian PX SEEPX is presently completing its associate membership. The 4M MC use the same algorithm, i.e. Euphemia. IBEX has joined end-January into the MRC DA calculations but it is isolated with 0 capacity. Discussions are ongoing on how to include SEEPX; as of 1st semester only Euphemia will be used in isolated mode for only Serbia Regarding CACM implementation, PCR is on the same track as NEMOs to be fully compliant with CACM.

Matthias Rützel asked that all NRAs be invited for the next Euphemia performance discussion forum. Javier explained that the invitations to NRAs went through the exchanges and were supposed to reach all NRAs, and will do this process better next time.

Marcel Cailliau (Eurelectric) shared a few observations of Eurelectric as take-aways from the PCR workshop on Euphemia on 11 January. He pointed out that the workshop brought very valuable information to market parties and seems to have improved market parties' trust in the algorithm. Regular feedbacks on Euphemia performance to market parties would be welcome and should be ensured on a regular basis, for example through organizing a PCR forum every 6 months. Further expert workshops would be welcome to increase understanding on thermal orders, non-uniform pricing, etc. Marcel Cailliau presented some initial proposals on performance indicators on PRBs, timing, patches activation etc. and asked for an expert meeting with PXs for further discussions on this (for ex. WG on list of indicators). Eurelectric is preparing a paper on this topic.

Last but not least, Eurelectric supports the idea that the existing individual market designs should be first harmonise/simplify before implementing radical market design evolutions (e.g. market rules in terms of bidding process). Portfolio bidding in DA markets has a number of advantages and would need more time to understand the thermal orders. Nomination/scheduling should remain on a plant by plant basis while settlement should be done on a portfolio basis rather than plant by plant basis.

Javier Gonzalez (Europex) replied that Europex is in line with Eurelectric's thinking on Euphemia but pointed out that it is a national issue on how they organize their own energy market. Rickard Nilsson pointed out that some things might not be feasible on a PCR level as this type of sharing of information is not even possible to be shared between PXs themselves due to competition laws. Europex will get back to market participants on their information requests.

5.6 Update on the NEMOs-related governance aspects (NEMOs)

Andrew Claxton (Europex) gave an overview of the responsibilities of NEMOs under CACM. All NEMOs will be taking responsibility on key issues for DA/ID. An all-NEMO cooperation agreement (NCA) will be signed, as well as a DA operational agreement (revised PCR Cooperation Agreement) and an ID all-NEMOs operational agreement (XBID PCA). All operational NEMOs using the PCRs solution DA and the XBID solution ID respectively will need to sign these Operational Agreements, including the co-owners of DA PCR assets.

The DA Operational Agreement will be signed only by the NEMOs whose prices will be formed by DA common operation. The ID Operational Agreement (including Revised Cooperation agreement and the existing contract with DBAG) will be signed only by the NEMOs whose matched orders will be formed by ID-cooperation

Andrew Claxton (Europex) clarified that an interim NCA which will enter into force on 3 March 2016, establishes a NEMO Committee and provides a decision making framework for NEMOs to develop and propose the MCO plan and Article 9 methodologies. The NCA will first focus on key tasks and deliverables under CACM. An update of that contract later will address also more enduring tasks and responsibilities of the all NEMO Committee, once the Single DA and Single ID Coupling across all of EU IEM has been implemented. The general structure of the NEMO agreements will include an all-NEMO Committee, a DA/ID Operations Committee and a DA/ID incident committee. Some open questions for discussion with NRAs remain regarding coordination process with ENTSO-E, obligations for NEMOs to sign up to the contract, confidential contracts, ratification, escalation and voting principles, cost-sharing and cost-recovery etc. All the NEMOs jointly welcome further discussions with relevant parties on these developments.

Jerome Le Page (EFET) observed that there was no mention of stakeholder involvement in the presentation. EFET reacted to the Europex presentation on the subject at the Committee meeting in September but hasn't heard from them since. Andrew Claxton (Europex) indicated that stakeholder engagement rules will be included in their final proposal and that Europex would welcome written feedback before April.

5.7 Update on the XBID and LIP projects

Jean Versaille (ENTSO-E) outlined a few recent achievements and challenges with the XBID project. In terms of progress, the SOB and CMM Development are due to be completed by end February 2016; the review of the Functional Specifications for the Shipping Module has been completed, and significant progress was made in the negotiations for the Hosting and Maintenance contracts (an Agreement was reached on 18 Dec. 2015 for the provision of 3rd party support for the PXs developing their Local Trading Solutions). DBAG has installed the hardware for the Customer Test Environments. The Testing Phase is under preparation to start in March. Project financial control, review and audits are put into place. The EC formally confirmed and supported the Accession Stream proposal, and an invitation has been sent to non-NWE+ parties to join the Accession Stream in December.

Some challenges still remain with regard to securing the conclusion of the Hosting and Maintenance negotiations, agreeing with DBAG on the Shipping Module performance boundaries, and resolving significant issues (such as interface structure/fields between XBID and PX Local Trading Solutions and possible delays in the development timeline for the PX's Local Trading Solutions). This is currently being evaluated. PXs have also experienced challenges

accessing the Customer Test Environments provided by DBAG and this has a negative impact on the delivery of solutions for PXs.

Further challenges remain on how to balance TSOs' requirements to receive confirmed nominations soon after Gate Closure Time (GCT) against processing queues wherever possible that may have built up prior to GCT (between ID and balancing). It is also challenging to co-ordinate with the needs of the balancing projects as well as ensuring secure communication between XBID and PXs/TSOs and preventing external threats to the XBID CMM solution due to potentially insecure internet access. Further challenges still remain with regard to balancing the resourcing requirements for the Accession Stream against delivery of XBID.

Jean Verseille (ENTSO-E) clarified that the DBAG issue relates to access, liability, and performance, and these are under discussion with DBAG. Javier added that regarding the hosting & maintenance, DBAG committed to propose a solution but it is costly. In addition, risks for PXs are higher in ID than on DA as market participants connect directly with DBAG but PXs may have an issue if internet connection is insecure. Jean Verseille explained that according to the high-level plan on delivery which is under development, there will be first a testing phase, then acknowledgement of test results.

Concerning LIPs, Ruud Otter (Eurelectric) noted that it would be useful to have a realistic planning for the more problematic LIPs and better information on this project.

Jean Verseille gave a brief overview on the progress of LIPs. He noted that 10 LIPs have been established each with a lead (SPOC) and agreed members. A LIP Sub Group was established to ensure effective co-ordination, integrated planning and structured progress reporting, as well as to develop a LIP roadmap. The current status of each LIP was discussed with the User Group on 26 January. LIP roadmap is expected to be developed by spring/summer 2016 with readiness for LIP Testing and go-live by early 2017.

Jerome Le Page (EFET) expressed his hopes that delays in one project will not cause delays in other projects.

Regarding the update on the BE border, a CREG and CRE final decision is expected end-Jan/early Feb. after which the next steps on implicit capacity allocation will be taken on the FR-BE border using the same platform as the BE-NL border. The TSOs will use a common platform (ICS 9.4) to enable implicit allocation on BE-NL and the BE-FR borders. The go-live coupling of the BE and NL market with the EPEX markets in France and Germany, Austria, and Switzerland is expected around September 2016.

Ruud Otter (Eurelectric) expressed his satisfaction with the very good developments and improvements and encouraged TSOs to implement what's ready instead of waiting for an overall go-live.

Jean Verseille (ENTSO-E) gave a quick update on the accession stream for the non-NWE parties. After the invitation to join was sent in December, many parties replied positively. A request for an adjustment to the XBID Budget was sent to the NRAs to cover the first phase (Elaboration) of the Accession Stream, which should be formally mobilized in March. A first meeting for the Non-NWE+ parties is scheduled for 24th February.

Jean Verseille (ENTSO-E) explained that regarding the coordination between ID and Balancing Timeframes Post GCT, it is key to ensure that the closing events of the ID market each hour are coordinated with the timing and requirements of the balancing markets to ensure the respective needs are satisfied.

Javier Gonzalez (Europex) explained the time limitations related to procedures that happen post gate closure times to make sure that all requirements are respected with regard to processing orders, XB positions and settlement and nomination process completion in the price area.

The issue of coordination between ID and balancing time frames, post ID GCT and prior to starting the Balancing time frame, affects both time frames and requires coordination between both time frames. It is agreed that the Balancing Stakeholder Group will lead this process in coordination with the XBID project and report back to MESC.

5.8 Update on the interface between ID and balancing timeframes (and cut-off time)

Kjell Barmsnes (ENTSO-E) gave an overview of the timeline for the balancing and gate closures for ID at the last hour. In the first 15min of the last hour XBID results are computed, participants adjust schedules and update balancing bids, TSOs do security analysis in the CGM and determine TSO balancing needs. The XB capacity for balancing is also determined and submitted to the common balancing platform. In the next 15 min, the optimization function is activated, balancing results are communicated by TSOs and BSPs and confirmed by BSPs. In the next 30min to real-time hour XB capacity is updated. This is also the longest FAT and activation of balancing product (30min). The challenge is in the 15min between H-45 and H-30 where proposals have not been approved yet.

Ruud Otter (Eurelectric) suggested that the issue should be discussed in the BSG framework.

Rickard Nilsson (Europex) pointed out that the critical point for PXs is that they have to make sure that orders at GCT are processed and they won't get discarded orders.

Javier Gonzalez (Europex) explained that as there is a huge amount of bids and the queue need to be processed, the activity of computing requires time and some activities will happen in parallel and lots of bids come at the end and added that an open question remains to be seen whether times should be adjusted to be identical across borders.

5.9 Limitations of cross-border capacity

Chair (ACER) briefly presented the findings of the Market Monitoring Report which points out to a large room for improvement for efficiency of XB capacity. ENTSO-E is encouraged to provide feedback. ACER has identified a large gap possibly due to lack of coordination between TSOs and a problem of discrimination of XB vs internal flows: one resulting from zonal design (where bidding zones' configuration might help solve) and one due to capacity calculation methodology itself.

Zoltan Gyulay (ENTSO-E) objects the conclusions.

At the next MESC this will be discussed along with the issue on how to deal with the discrimination in the capacity calculation between internal and cross zonal flows.

6. AOB:

Stakeholders would like to have the meetings streamlined/recorded. ACER/ENTSO-E will investigate how this can be done for the next meetings.

7. Next meetings for 2016:

11th May 2016 (ACER, Ljubljana), 7th September (ENTSO-E, Brussels) & 7th December 2016 (CEER, Brussels)

Summary of decisions & actions:

-An update on the list of information requested by ACER to ENTSO-E to monitor the CACM GL based on Art. 82 will be provided by ACER and ENTSO-E at the next MESC

-ACER will provide an update on the HAR at the next MESC and a more detailed overview by NRAs of what can be expected for each border for next year or explanation of why it is not possible.

-ENTSO-E and NRAs should organize further stakeholder meetings to discuss FCA implementation as the one on 20 Jan on the HAR. ACER will ask the EC for further clarification on FTR obligations and clear instructions/expectations.

-Stakeholders are invited to send all concerns regarding data issues to the sharepoint developed by ENTSO-E for the ETUG. ACER will liaise with NRAs and ENTSO-E to address them.

-JAO will provide a report on the lessons learned from the incidents occurred for next MESC.

-ACER will check for further news from the Bulgarian NRA regarding the NEMO's designation.

-A separate meeting will be organized to discuss FBMC transparency, ID recalculation and NRAs' expectations before the next MESC.

-ENTSO-E or market participants should inform ACER if balancing needs to be put as a discussion item (instead of an information point) at the next MESC. In any case, background material of the BSG discussion should be provided for next MESC.

-ACER & ENTSO-E to investigate the feasibility of streaming/recording meetings.