

## 4th Market European Stakeholder Committee

Wednesday, 11 May 2016 from 9:00 to 15:00

ACER, Republike Trg 3, 1000, Ljubljana

### Draft Minutes

Participants			
Christophe	GENCE-CREUX	ACER	Chair
Christophe	CESSON	ACER	
Lea	SLOKAR	ACER	
Alain	MARIEN	ACER	
Mark	LANE	ENTSO-E	
Zoltan	GYULAY	ENTSO-E	
Marta	MENDOZA-VILLAMAYOR	ENTSO-E	
Corné	MEEUWIS	ENTSO-E	
Stela	NENOVA	ENTSO-E	Secretariat
Jean	VERSEILLE	ENTSO-E	
Jerome	LE PAGE	EFET	
Regina	MANDIC	EFET	
Steve	WILKIN	Europex	
Andrew	CLAXTON	Europex	
Christian	BAER	Europex	
José Javier	GONZALEZ	Europex	
Rickard	NILSSON	Europex	
Paul	DE WIT	CEDEC	
Pierre	CASTAGNE	EURELECTRIC	
Ruud	OTTER	EURELECTRIC	
Charlotte	RENAUD	EURELECTRIC	
Peter	CLAES	IFIEC	

### 1. Opening

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

The draft agenda and the minutes of the 3rd MESC meeting were approved.

As balancing is not on the agenda, Christian Baer, Europex, requested that further clarification regarding the relationship between the BSG and the MESC be discussed if time allows.

The Chair noted that as per procedures the Balancing Stakeholder Group (BSG) should report to the MESC and clarified that balancing is not on the current meeting agenda due to time limitations. He clarified that if the BSG is not able to tackle an issue or if there are questions on the relation between the BSG and the MESC, this can be discussed and solved in the MESC framework but the main forum for discussing balancing issues is the BSG.

Steve Wilkin, Europex, suggested that if the BSG is reporting to the MESC group, a written update should be provided every time. Zoltan Gyulay, ENTSO-E, agreed that a separate summary of the BSG progress would be added for each meeting.

The Chair noted that if time allows, the BSG relation with the MESC will be discussed in addition to requests to discuss intraday capacity pricing and NEMO committee slides and the algorithm.

Jérôme Le Page, EFET, added that EFET would like to see a discussion on the market aspects of the ER code (specifically regarding the chapter on market suspensions) in the MESC, as agreed at the creation of the MESC.

### **1.2 Update on recent developments: ACER**

- The System Operation Guideline received a positive vote on 4 May.
- The 1st Grid connection European stakeholder committee took place on 18 March. The System Operation stakeholders committee is expected to start once the guideline adopted (after the summer) and as per usual procedures, there will be a regular call for candidates. Andrew Claxton, Europex, enquired whether the market impacts of the SO Guideline would be discussed at the MESC in the future. The Chair said he would consider this request, especially considering the provisions affecting cross-border capacity calculation.
- Marta Mendoza, ENTSO-E, reminded about the 3 ongoing ENTSO-E/all-TSOs public consultations on CACM and FCA topics running from 18<sup>th</sup> April to 18<sup>th</sup> May: 1) DA firmness deadlines; 2) ID gate opening & closing times, and 3) HAR consultation (with a webinar on 6<sup>th</sup> May).

## **2. Capacity Allocation and Congestion Management Regulation**

### **2.1 Update on Definition of Capacity Calculations Regions**

Alain Marien, ACER, provided an update on the capacity calculation regions (CCRs) approval process. He explained that the NRAs received a proposal from TSOs for 11 regions, which the NRAs did not find satisfactory. An agreement between NRAs has not been found, and there is a high probability that the issue would be automatically transferred to ACER by 17<sup>th</sup> May, the official deadline. Alain Marien, ACER, explained that some of the issues discussed were linked to the merger of CEE and CWE, to language issues, and issues linked to the DE-AT border.

Jérôme Le Page, EFET, pointed out that according to the previous MESC discussion, there was an option to send the proposal back to TSOs, then to NRAs and only then to ACER.

Alain Marien, ACER, explained that 2 months ago, the expectations were that NRAs would agree and ask TSOs to adapt the proposal further, but the NRAs did not succeed yet to find an agreement. As of today, the most likely scenario is either an agreement to transfer the case to ACER or transfer it defacto. The Chair explained that it is highly likely that ACER will send a request to ENTSO-E for amendments to their proposal regarding the CWE/CEE merger; TSOs will need to come up with a revised proposal (with a 2-month deadline) and then 2 months to make a final decision. ACER intends to send any request for amendments to TSOs as soon as possible.

Marta Mendoza, ENTSO-E, asked whether there would be a notification that the NRAs transfer the process to ACER, and how this transfer would be acknowledged.

The Chair expects that they won't be officially notified by NRAs. If this is the case, TSOs can address the question to the EC.

### **2.2 Update from the CWE region (TSOs and NRAs) regarding the re-calculation of ATC for intraday capacity allocation and Flow-Based transparency improvements**

Alain Marien, ACER, provided an update from the CWE NRAs on CWE flow based market coupling (FB MC) process. Regarding the transparency of the FB market coupling process, Alain Marien, ACER, noted there was a recent agreement between all CWE NRAs to ask for full transparency on parameters impacting the price formation, including the timely publication of non-anonymous CBCOs and RAMs and noted that this is a very important milestone after discussions for 7 years.

Alain Marien, ACER, also noted one key issue regarding current external constraints applied by TSOs for which NRAs lack a good justification. As this may be seen as unjustified limitations to trade, NRAs recommend to TSOs to tackle any external constraints if related to uncertainty on the basis of FB principles.

Another issue of importance is the critical branch/critical outage (CBCO) selection. As a reaction to the TSO proposal, there has been no objection to shift the discussion on CBCO selection to the CWE-CEE level if this is more efficient.

CWE NRAs request a different interpretation of the selection criteria, excluding the situations where CBCOs with very low PTDFs (value to be defined) can be active constraints. NRAs are open to discuss the threshold value but the rule needs to be adapted and when a new threshold method is defined by TSOs, this should be applied to all CWE TSOs, including APG. Alain Marien, ACER, noted that no active PTDF can go below a given value as the PTDF of a critical branch has to be above a given value and 5% as a threshold seems to be applied differently by TSOs from an NRA perspective, and this may raise discrimination and efficiency concerns.

On Intraday (ID), in their position paper on Flow Based Market coupling from March 2015, CWE NRAs asked TSO to implement an ID capacity re-calculation. TSOs proposed a new method for capacity calculation in Nov. 2015 which according to NRAs is not entirely in line with the request made in the original NRA position paper. NRAs recommend TSOs to improve the current method in terms of possible max. increase of capacities, to introduce more, smaller and incremental steps between the maximum and zero capacity, and to provide a description of how to deal with capacity increase requests that are not simultaneously feasible.

Zoltan Guylay, ENTSO-E, requested if possible to receive an official notification on this.

### **FB MC project**

Jean Verseille, ENTSO-E, provided an update on the go-live of ID ATC after FBMC and current progress. On 29 March the Intraday ATC Capacity Calculation process (CWE ID ATC CC) has been successfully implemented by the TSOs. The first feedback after implementation has been positive, and TSOs will monitor further and perform an evaluation to determine possibilities for incremental improvements of ID capacities in the next months.

Results for first 12 days of operation in the table show for some relevant borders when a TSO requested an increase of capacity, and when ID capacity was increased on some borders.

Ruud Otter, Eurelectric, asked for further explanation on how this process works and whether one TSO requests capacity from another, and whether redispatch is taken into account in this process. He also asked whether the results can be anticipated given this process.

Jean Verseille, ENTSO-E, explained that TSOs use security analysis to establish this number. Some remedial actions can be taken as well, and each TSO applies its own security rules to make the calculations but there can be surprises in case of changes on wind forecast or other factors. TSOs use this process starting from DA and when ID is concerned, also accounting for uncertainties, and come up with the end result.

Ruud Otter, Eurelectric, noted that this is not a recalculation as NRAs say and that there is no way to do forecasting on what TSOs will bring in the ID market. Jean Verseille, ENTSO-E, clarified that as the result of the DA market is known at 13h00, based on this result all generators and suppliers adapt their positions, TSOs receive this information at 4pm and then take it into account to adapt the measures in order to ensure security for next day.

Ruud Otter, Eurelectric, asked for further clarification on whether, if real recalculation is done, it would be easier to anticipate what will happen on the next day. Jean confirmed and noted that TSOs are developing now the recalculation but this will happen at earliest by mid-2018 if only the CWE region is concerned. If CWE has to merge, additional difficulties can be expected.

Alain Marien, ACER, asked for further information on how TSOs decide to provide capacity to one border or to another, and how the arbitrage is done given the first results presented in the table.

Jean Verseille, ENTSO-E, explained that this decision is the result of the security analysis as there are critical elements that have to be taken into account to enable giving capacity to one border instead of another. This is the result of each TSO's security analysis, all TSO requests are gathered, a central matching tool consolidates the requests and notifications, based on the consolidated input, all TSOs analyse and evaluate the capacity increases on all bidding zone borders in CWE, each TSO makes its own capacity security analysis based on common principles to see if the requests are acceptable.

Christian Baer, Europex, asked whether TSOs share the methodology on the security analysis and noted that this should be a harmonized methodology. Jean Verseille, ENTSO-E, explained that TSOs are working on a method for common capacity recalculation as for the DA coordinated capacity coordination and are developing the same methodology for ID, but that it will take 2 years to have it in operation. TSOs are meeting with regulators in May to explain and discuss the methodology.

Pierre Castagne, Eurelectric, explained that they consider this as an improvement from the previous situation, and look forward to further improvements of this solution and towards proper redistribution. He asked whether there is any room for recalculation and improvements as it is not directly related to FB.

Jean Verseille, ENTSO-E, explained that the issue of having a 0 value for ID capacity is to some extent linked with FB as ideally TSOs maximize the capacity given away for DA but this may reduce what remains for ID.

Andrew Claxton, Europex, asked about how often there is a 0% capacity available in ID as it seems that currently it is not uncommon in CWE. Jean Verseille, ENTSO-E, explained that this information can be seen in the transparency platform.

The Chair asked Pierre Castagne, Eurelectric, to make a short assessment for the next MESC to show which border has close to 0% capacity and then to compare further the results and expectations.

Regina Mandic, EFET, appreciates the improvements in the methodology and asked for further clarification on how the situation is resolved in case different TSOs see different possibilities and how a decision is taken in the end as to which requests are accepted (whether this is still the old procedure of ATC and if there is any possibility to shift from one border to another).

Jean Verseille, ENTSO-E, explained that if one TSO objects, then the decision is not accepted and then the possibility to shift capacities to other borders is very limited.

José Javier Gonzalez, Europex, asked whether this dialogue can be published but Jean Verseille, ENTSO-E, explained that it is possible to only publish the results, not the information on which TSO and what is being requested and which TSO and what is being rejected.

Ruud Otter, Eurelectric, asked whether the impossibility for TSOs to recalculate capacity within 6-7h was linked to the common grid model (CGM) process and if yes, in what aspects. Jean Verseille, ENTSO-E, noted that it is linked and that TSOs need to set up a process for the CGM, consolidate the update of the data as this covers not only the CWE region but in order to have a process for ID capacity calculation, the model for the other region is needed as well.

Ruud Otter, Eurelectric, asked whether this is linked to the CCR and whether it can be started with the whole process before the final CCR decision is known. Jean Verseille, ENTSO-E, explained that the deadline is also linked to the CCR. TSOs have started to work with CWE but if the scope changes and CWE-CEE needs to be added, the process will have to be restarted. Jean Verseille, ENTSO-E, explained that for any methodology the TSOs make proposal, the NRAs approve it and then the implementation phase follows.

Regina Mandic, EFET, requested that the MESC is kept informed about the ongoing progress. Jean Verseille, ENTSO-E, noted that the next step is first exchange with regulators; further updates can be provided accordingly afterwards.

Alain Marien, ACER, noted that some recent improvements have been seen by TSOs and regulators will discuss about methods with TSOs but that they do not expect in the coming months big improvements.

Jean Verseille, ENTSO-E, explained that regarding further transparency improvements since the FB MC go-live, TSOs have intensified discussions with stakeholders and NRAs on the FB capacity calculation methodology and its future improvements through the CWE Consultative Group (CCG), by also providing regular answers to Market Participants' questions and requirements through the Q&A Forum platform on the JAO website. Since FB MC go-live, CWE experts have addressed 37 questions via this channel, in addition to the ones discussed in CCG meetings, and a group was set up with Market Parties to discuss further changes that can be applied to the methodology and significant adjustments as a standard process to communicate on and assess the impact of significant changes (SPAIC).

Some further improvements on the transparency and market efficiency were introduced for example through the publication of various information and indicators on CWE FB MC operations on JAO, PXs and TSOs websites such as: anticipated publication of non-redundant anonymized FB parameters, two days ex post publication of all FB parameters with fixed anonymized ID, static grid models and aggregated D2CF, disclosure of monthly market results reports (incl. Flow-Based Plain results), documentation sharing and updates, among others.

With regard to pending transparency propositions, Jean Verseille, ENTSO-E, noted that TSOs have discussed with the NRAs the limitations as to what information can be shared and confidential information rules regarding issues such as D2CF and CGM data, RAM and FRM margin, critical branches as per the MPP-EFET requests.

TSOs have sent a letter to CWE NRAs on April 4th 2016 explaining their various positions and current inability to share what is considered as confidential information. TSOs have received CWE NRAs guidance to progress on this request and are currently analyzing it.

Regarding the pending MPP-EFET requests on transparency requirements, CWE TSOs took the request seriously and provided feedback to MPP-EFET with a formal letter in response. TSOs are currently conducting an assessment whether there are potential measures that should be taken in order to answer the request with results expected by end of May.

Ruud Otter, Eurelectric, asked if there is any further justification for the data limitations and if regulators have any reaction to this. Jean Versaille, ENTSO-E, explained that some conflicting legislation in some countries on transparency and security is currently an obstacle to some data publication. To improve transparency, the most sensitive elements for the system security can be identified and used but values and sensitivity to that between countries and partners varies. This has been discussed and further input by regulators paves the way for TSOs to carry out additional analysis and take measures according to the feedback.

Alain Marien, ACER, clarified that among all CWE NRAs there was not a formal request for this transparency requirement, but this request for the timely ex-ante publication on CBCO was based on feedback of market players, as now with the FB, the link between maintenance on the lines and markets was not visible anymore and it was more difficult for market players, also due to some new elements (such as REMIT and the impact on prices) so NRAs arrived at this requirement.

Regina Mandic, EFET, asked if there are certain countries which have a problem, how many lines are concerned in CWE. Jean Versaille, ENTSO-E, explained that as the legislation on critical infrastructure is done at national level and varies from place to place, he can't answer this question, but based on regulators' input, TSOs aim to come to an agreement on necessary steps.

Christian Baer, Europex, proposed that ACER can perhaps help coordinate and speed up this process.

The Chair noted that, as there seems to be a conflict between national laws, TSOs can do an assessment on conflicting legislation, then each NRA concerned will take a position on this issue, and if the conflict is confirmed, then it should be addressed at member state (MS) level. The Chair noted that previously the transparency regulation was pushing for more transparency on these issues, but there was no full support of stakeholders at that time; however, this can be reopened now in case of enough support and upon an agreement in CWE based on a clear assessment.

In conclusion, Jean Versaille, ENTSO-E, will investigate the matter and gather more statistics on the ATC increase, and where the information can be published. On the issue of transparency improvement, the Chair encourages NRAs, TSOs, SHs and CWE parties to come to a common view on this. The item can be added to the next meeting agenda. The Chair concluded that if some borders are identified where developments can be improved and further used, this information should be provided to ACER.

Rickard Nilsson, Europex, pointed out that Balancing and DA timeframes are also relevant to this issue, and noted there could be an opportunity to have a discussion in the BSG group on this issue. As balancing is not isolated on its own, and it can be an opaque process on how CZ IC capacity will be allocated for Balancing and in each preceding timeframe and on what basis, and not least because capacities have an impact on pricing and positioning in all timeframes, a forum for discussing this in a more structured way should be developed. The Chair will pass this message to the BSG.

### **2.3 Update on ACER's data monitoring request**

The Chair explained that the list of data was sent to ENTSO-E 6 months after entry into force of the CACM Regulation; it was also shared for feedback with stakeholders, and the process is ongoing.

Marta Mendoza, ENTSO-E, explained that ENTSO-E is working on the list of items provided by ACER. She highlighted that there should be a clear distinction between the purpose of the list: monitoring or transparency. The objective of the list is to monitor CACM implementation which means at first that the methodology should be implemented, otherwise it is not possible to monitor this. Marta Mendoza, ENTSO-E, underlined that the list comes as a legal requirement due to CACM and the purpose of this list is to monitor the CACM implementation and so the scope has to be kept. The other use of this information for transparency is different and needs to be discussed separately from this list. ENTSO-E is working on this and will provide the necessary input to ACER; more discussion with ACER in end-May/ June will follow.

Zoltan Guylay, ENTSO-E, noted that the list of information contains some simple examples, where FB is not an obligation, and this is not calculated, as it is beyond what is legally permitted.

Ruud Otter, Eurelectric, pointed out that the list is there to deliver the information of relevance now as for some parts of Europe things are moving faster but it is relevant to understand what is happening on the market.

Jérôme Le Page, EFET, noted that regarding the monitoring vs. transparency purpose, ACER should be well placed to know what should be published on the list. EFET would like as much information as possible to be made available to stakeholders.

Rickard Nilsson, Europex, noted that NEMOs and exchanges are linked and are also on this list, and it is important to get clarity that it is the NRAs requesting the data, and that this data would go only for monitoring to ACER and NRAs and nowhere else. He pointed out an issue - some items that ACER preliminary has proposed that NEMOs should deliver are already part of REMIT and already provided by the market operators, and double-reporting on the same things should be avoided. In addition, several elements that are on the list do not exist in reality and/or there is no method to calculate them, and the merit of monitoring this type of data is limited, for example volume weighted average Bidding Zone price on the last hour before delivery. Europex would like further clarification on what the purpose of this list is; what its link with CACM is; and what it will be used for, since technically and legally (e.g. competition law restrictions) some of these calculations might not be possible, and may also cost a lot to develop and maintain.

The Chair noted that there will be a separate discussion with NEMOs on these data requirements. The list is for monitoring purposes only.

#### **2.4 Discussion on limitations of cross-border capacity in the capacity calculation process**

The Chair presented some results and analysis of the ACER MMR regarding cross-border (XB) capacity and the capacity calculation (CC) process based on ACER's preliminary assessments. He noted that the use of the transmission network can be improved further if TSOs apply better coordinated CC methods. Results from the 2014 Market Monitoring Report indicate a wide variety between the fulfillment of capacity calculation requirements from one region to another (with SWE to 46% while in SEE it is 20%). The two main axes for improvement concern 1) the geographical scope of TSO coordination (bilateral vs. regional) and 2) the recalculation of XB capacities in the different timeframes.

ACER also notes that, on a majority of borders, only a small fraction of the physical cross-zonal capacity is made available to the market. Apart from the problem of lack of coordination mentioned before, two other possible explanations (both boiling down to a problem of discrimination) could be put forward to explain this gap: 1) internal bottlenecks being shifted to the borders, 2) restrictions to avoid loopflows. In case of internal bottlenecks, as per regulation 714, TSOs should not be limiting XB cap because of internal congestions. In case of deviations from this principle, a detailed justification is needed. Regarding loopflows, for some borders, an increase of unscheduled flows has been observed, especially in the CEE region (highest increase of 24.9% compared to 7% in CWE, and 4% in CSE). Internal discussions are going on how to address this.

Alain Marien, ACER, noted that regarding the BE borders, on over a 10-15 year horizon there have been network reinforcements on connections with France, but that no increase of transmission capacity has been seen. With FB implementation nowadays a new method has been proposed but the commercial capacities offered to the market have not witnessed an increase.

Jérôme Le Page, EFET, insisted on the need to provide transparency on capacity calculation, use of internal networks and interconnections to all stakeholders, not only to ACER and NRAs as part of their monitoring role.

Ruud Otter, Eurelectric, wondered if CACM can help address this as it provides a framework for regional optimisation, but there seems to be a conflicting situation of TSOs focused on internal network security vs. maximising cross-zonal capacity. He noted that SOGL is also focusing on each TSO's own control area.

Andrew Claxton, Europex, noted that better incentives on parties are needed to find solutions to the problem, as it is an economic one and goes to the heart of Europe: it is a question of externalities with loopflows using resources with value but not paying for that. One possibility could be to pay for loopflows (base case reservations of XB capacity due to national schedules) based on the price of capacity i.e., the price differences in the market coupling.

The Chair suggested that given that the physical capacities are known, TSOs could be asked to allocate something close to the thermal capacity of the lines (taking into account the n-1 criterion) and that this could give a strong incentive to address the conflict of national vs. European level. In addition, more efficient rules to share the redispatching costs would be needed to provide TSOs with the right incentives.

Jean Verseille, ENTSO-E, pointed out that in light of transparency expectations, the figures provided by ACER should be clear and transparent on formulas, methodology and how it was applied etc. When the grid is developed, TSOs take into account the costs of losses (optimising the size of conductors for losses and construction costs) to come to optimal decisions, and based on engineering principles, the grid is optimal when lines are loaded on 40-50% of capacities in normal situations.

The Chair noted that the report used the public available data, ENTSO-E's reports etc. ACER clarified that the purpose was not to criticise TSOs' work but rather to better understand how XB calculation is done.

Rickard Nilsson, Europex, noted that market, not only from a grid optimization perspective, considered, and accordingly loading 90 or 95% could be the most beneficial (optimum) as long as it is within manageable synchronized grid security limits.

Jean Verseille, ENTSO-E, noted that the security of supply has to be taken into account and this may not be optimal on cross-border trade.

Peter Claes, IFIEC, asked if TSOs have a calculation to share regarding financing new investments and how much of the XB capacity goes to the market and what the impact of loopflows is. IFIEC insists that consumers and grid users who pay for this have the right to know about what happens with the tariffs and the money provided; some kind of justification on what happens might be necessary to keep the market integration process going.

Jean Verseille, ENTSO-E, pointed out that the grid faces a completely different situation compared to 15 years ago and a judgement can't be made given the numbers used as it is not clear how they were calculated.

Zoltan Gyulay, ENTSO-E, pointed out that this discussion has very far reaching consequences and as a conclusion the utilisation factor is not a very good indicator for the utilisation of XB infrastructure. The numbers can decrease if small uncongested bidding zones are made but there are many uncertainties due to European policies on RES, etc. and the methodology still needs to be approved.

The Chair agreed there is a significant problem of uncertainties but questions whether the most optimal level of XB capacities is currently offered to the market or if an alternative like XB redispatching instead of limiting capacity on borders could be more optimal still need to be answered. If TSOs are confident that the limitation of XB capacities is the optimal solution, further evidence to support this statement would be welcome.

Ruud Otter, Eurelectric, pointed out that the idea is not to blame TSOs but to get a better use of the system together in a European perspective and to deal with the increasing uncertainty. European policies and the transition to low carbon are there to stay and the only way ahead is to be transparent on this. As per the 3rd Package preamble, users and grid-operators are working together to optimise the system. The easiest way is to provide information to show that the calculations are done correctly. TSOs and SHs should work together and provide information to make the best use of the system. Redispatching is money used to manage congestion and similar to congestion rents so perhaps redistribution of money can help to manage this.

The Chair concluded that this is a very important issue for ACER and work will continue on this together with NRAs. The intention is to provide earlier guidance to TSOs and NRAs on how to address these issues. ACER hopes to publish this guidance soon and to have a debate with all SHs on the topic. **The next MESC will discuss again these issues.**

### **2.5 Update on the XBID and LIP projects**

Jean Verseille, ENTSO-E, provided an update on the XBID project as well as an overview on key challenges and risks ahead. He explained that the Shared Order Book (SOB) and Capacity Management Module (CMM) Development were

completed at the end of February 2016 in line with the project plan and the first set of tests was completed successfully, with a second phase underway. The Functional Specifications for the Shipping Module have been signed off and development is underway, and the contract for provision of the secure communications channel for the PXs has been agreed. At the next User Group on 29/06 LIPs will be presented and further updates will be provided on the development of the LIP roadmap.

The process for the formal adherence of GME and REE is underway as well as discussions with new parties, and the set-up of the accession stream etc. All parties (NWE+ and Accession) have signed electronically the Global NDA covering market coupling projects. Further discussions on cost-sharing and detailed knowledge sharing workshops are also undertaken.

Further challenges that remain include concluding the XBID Hosting negotiations and additional delays expected by 46 working days due to a delayed start of the 3<sup>rd</sup> party support by DBAG for the PXs using/developing Local Trading Solutions. The project plan is under review and ideas to mitigate this delay have been discussed. Work is ongoing with DBAG to find solutions and optimize planning and for an agreement on the Shipping Module performance boundaries, as there are outstanding issues linked to reliability and liability for imbalances issues. Another challenge was linked to the scenario of split path trades and how it affects the various Shipping Agents involved but that issue is now preliminary believed to have been resolved.

Additional challenges are linked to balancing resources requirements for the Accession Stream against XBID delivery and for parties to enter into the projects and to be sufficiently active. A set of requirements to enable handling of Loss Factors in XBID continuous implicit matching engine on applicable CZ ICs has been preliminary discussed at an internal XBID workshop with the supplier on 28th April, while such a feature is recognized as a future requirement not part of initial XBID go-live scope. Pending issues to solve are further linked to the needs of TSOs to receive confirmed nominations soon after Gate Closure Time (GCT) against processing queues that occur after closing of each trade period and subsequent generation of Trade Shipping/Scheduling information in XBID Shipping Module towards PXs, CCPs and Shipping Agents that is required to be timely co-ordinated with the needs of the balancing arrangements. Some emerging risks include the multi-NEMO situation in individual MS and LIPs as this brings additional complexity regarding technical and financial aspects.

The changing responsibility of NRAs (as the monitoring has been passed onto the ACER electricity group) for providing answers on cost recovery for additional costs (linked to Change Requests or activities such as co-ordination of LIP testing) is important to tackle the issues relating to cost sharing with Accession Stream parties. The XBID project is now in the phase of testing the solution and development of shipping modules (2<sup>nd</sup> phase) and a delay of 35 to 46 working days can be expected. Regarding the specific developments for LIPs, in addition to the activity in each of the LIPs, a wide range of centrally coordinated activities are ongoing but there is further need to fine-tune LIPs' monitoring.

A joint project role is needed to coordinate LIP testing across all LIPs. Further efforts to coordinate the Test environment requirements across all LIPs are ongoing. A roadmap is also currently developed, to include various aspects such as go-live scenarios and criteria, ensuring level-playing field between NEMOs, costs etc. The current XBID project preference is for a simultaneous go-live of all LIPs that meet the go-live criteria but if not possible, a gradual one might also be ok.

Regarding the accession stream, Jean Versaille, ENTSO-E, provided an update of the joint meeting with the EC and the NWE and Accession parties which was held on 11<sup>th</sup> April 2016. At the 2<sup>nd</sup> Accession management event it was discussed the need to address issues of cost sharing and retroactivity, with work on this underway to be submitted to the NRAs/ACER.

Further steps are taken to increase transparency and visibility of XBID with the Accession parties through further opportunities for observer positions from the Accession parties (PXs and TSOs) in XBID meetings.

Jean Versaille, ENTSO-E, noted that the challenge regarding cost-recovery is with power exchanges since the Local Trading Solution used by a given PX (NEMO) to connect to XBID SOB/CMM is used in all LIPs where this PXs is active. The challenge that remains is how cost determination and recovery are shared between the given MS and LIPs where multi-country NEMOs are active.

Ruud Otter, Eurelectric, asked whether the project has a one-off implementation or a step-by-step roadmap as earlier there were proposals with two quick wins – after September 2016 when all TSOs in the CWE have the same systems running but no explicit allocation on the DE-NL border but which can be done easily and costs nothing. He raised this issue at the XBID user group but did not have an answer. Andrew Claxton, Europex, clarified that this is to be under discussion with all relevant TSOs and designated NEMOs in the region.

Jérôme Le Page, EFET, asked for further clarification on how ID capacity pricing and related CACM work fits with this project.

Mark Lane, ENTSO-E, clarified that the relationship between the XBID project, the accession stream and ID capacity pricing is not entirely clear at present.

Steve Wilkin, Europex, agreed that this is an interesting difficulty and predicts that, as with balancing as well, stakeholder engagement from the start is needed to succeed on this.

Mark Lane, ENTSO-E, agrees that an answer to this question is needed but it is not clear when exactly it is going to be.

Andrew Claxton, Europex, noted that there was a letter sent by NRAs last year saying that once XBID is recognized as the single ID solution under CACM all parties in Europe should be asked to join. The understanding was that by approving the plan, the XBID solution would be approved as the SIDC, and CACM cost sharing and cost-recovery will then apply retrospectively as of August 2015.

The Chair confirmed this understanding and recalled that the NRAs' letter was endorsed by all NRAs, not just NWE parties.

José Javier Gonzalez, Europex, noted that regarding the MCO Plan, it is to be submitted as indicated, and cost-recovery is coherent with LIPs. If XBID is not approved as the SIDC, the cost-recovery option still covers all; if XBID is approved as the SIDC, then the rules should be followed.

José Javier Gonzalez, Europex, noted that as XBID project was under development, TSOs agreed in the past to the shipping and clearing solution named "Border by border" as the best interim solution to use the same solution which is applied already in the DA timeframe. With multi-NEMO, the question is if in ID the same is used as for DA solutions. For DA it is one party per border assigned, but for the ID timeframe it is not clear yet what solutions can be used or not. If the same DA solution can be also used for ID, then there is no problem.

### **Intraday capacity pricing**

Mark Lane, ENTSO-E, provided an update on the conclusions of the intraday capacity pricing workshop on 22<sup>nd</sup> February. Some of the key priorities were to address complexity and costs of implementation; to ensure CACM compliance, efficiency of the pricing mechanism and a level playing field.

Several design options were considered by the TSOs but they have preliminarily agreed that neither Continuous Trading (CT) alone, nor Implicit Auctions (IA) would be suitable for ID capacity pricing and compliance with CACM, so they therefore propose a hybrid model combining the two. A total of 8 models were originally identified by TSOs and evaluated against the main criteria, and in the WS stakeholders provided feedback on the 4 remaining plausible models as deemed by TSOs and also brought forward further points for discussion related to avoiding complexity, implementing of Single ID Coupling, e.g. continuous trading via XBID project, and preserving social welfare. Some stakeholders would like to see as well a limited number of regional/multi-regional Intra Day Cross Border Auctions (2 or less) per day because auctions can provide efficient price signals for scarcity and enable more ID capacity recalculations during the day with resulting ID CZ capacity to be used for, eventually, Single ID Coupling. Regarding hybrid models, a further aspect to be considered is the potential effect of IAs on CT (e.g. also on the XBID project) as there is a risk of not having enough capacity for XB CT, which may be problematic to ensure efficient and competitive price formation and liquidity in local/regional and pan-European ID markets.

The next steps include initial scoping work for the hybrid solutions, with a team in ENTSO-E working on that, and further SHs views to be collected. A subgroup will be set to work on the capacity pricing to deliver the requirements by 2017. ENTSO-E is looking at policy options and methodologies (Q3/16 to Q2/17), then NRAs' approval (Q3-Q4/2017), consultations and further SH engagement.

Rickard Nilsson, Europex, welcomed this plan given that SHs can engage in the process and therefore encouraged ENTSO-E to invite as soon as possible the SHs to take part in a WG and further workshops on the subject.

Mark Lane, ENTSO-E, noted that the intention is to have whoever was involved before to continue working. ToRs of the group will be set-up. The idea is to stick to one or two of the proposed models and to discuss options further once the group is established with further stakeholder feedback and regular SH engagement, in a similar way as the HAR was done.

Andrew Claxton, Europex, asked if there should be a link between capacity pricing and TSOs implementing a recalculation of capacity for ID.

Mark Lane, ENTSO-E, noted that there is a link, but once this group is established, it will decide on what is to be done. The legal output is the methodology and ENTSO-E will not be drafting it before the actual principles have been identified.

Jérôme Le Page, EFET, referred to the Eurelectric-EFET paper on ID capacity pricing published on 5 May 2016. He recalled that the two organisations see little rationale in ENTSO-E and the TSOs spending time on this work stream when other dossiers are pressing, such as the completion of the XBID project and full ID capacity recalculation in CWE. Jérôme insisted on ENTSO-E and the TSOs getting their priorities straight, and on ensuring the consistency of ID capacity allocation with XBID.

Jean Verseille, ENTSO-E, added that as per remarks from previous meetings, the introduction of ID capacity pricing could have a huge impact on the EU XBID continuous platform, e.g. on the effectiveness of the Single Intra Day Coupling based on continuous implicit trading as stipulated in the CACM GL.

The Chair noted that one way to address this is to distinguish the methodology from the implementation plan for it. We can agree on a methodology whose implementation is conditional on the EU XBID being implemented first.

### **3. Forward Capacity Allocation**

#### **3.1 Update on the early implementation**

Mark Lane, ENTSO-E, provided an update on the HAR process. ENTSO-E has prepared an updated version of the HAR and a public consultation is running until May 18, with a webinar on 6 May. Once FCA enters into force, an update will be necessary based on the legal requirements.

Regarding changes to the main body of the HAR, Mark Lane, ENTSO-E, noted that minor evolutions related to changes and removal of definitions, and application of auctions for LTRs with delivery date from January 2017, some changes in return and transfer chapters, and in curtailment and settlement chapters. Regarding the Long-Term Firmness Deadline, following comitology, this deadline was removed and all references to it are deleted from the HAR. Regarding caps and compensation, annual caps were introduced in the updated HAR for AC interconnectors, monthly caps are maintained for DC interconnectors, with settlement to be done with the first invoice after the end of the period of the cap.

At the HAR webinar on 6<sup>th</sup> May, some questions that came up included the compensation scheme proposed for the curtailments with regard to the annual cap, financial regulations and applicability to market participants; and the future alignment of most borders with the HAR. There will be a formal implementation process once the HAR enters into force as the current version is part of the early implementation of FCA. Comments from the public consultation are expected, then HAR will be adjusted and the submission of the proposal to NRAs is planned for mid-summer 2016.

Mark Lane, ENTSO-E, noted on the Single Allocation Platform (SAP), it was agreed by all TSOs to use an existing regional platform for the establishment and operation of SAP and this existing regional platform would be JAO as it covers most borders already. A Working Group was established to work on SAP deliverables under FCA, covering the functional requirements of the SAP, governance issues and cost-sharing.

Christophe Cesson, ACER, noted that TSOs have on the whole updated the HAR to be in line with the FCA GL but that a number of issues were still outstanding. He also said that there is specific point in the FCA GL about the governance to apply to the platform. TSOs should come up with a proposal for the governance of the SAP and give it to NRAs.

Rickard Nilsson, Europex, re-iterated Europex's points about the need to ensure that the SAP must provide non-discriminatory access for Exchanges and OTC platforms to enable such entities to efficiently engage in at least offering secondary trading of LTTRs, and among others, that will require an open registry of LTTR holders which Exchanges and OTC platforms can access to secure transfer of rights having been traded in the secondary market.

Jérôme Le Page, EFET, congratulated ENTSO-E for the good effort and for doing this in a very short time and noted some points can be further improved.

#### **3.2 Update on JAO's performance and lessons to be learned**

Corné Meeuwis, JAO, provided an update regarding the causes for some recent incidents with JAO's performance and the lessons learned. A bug in the algorithm which caused auction cancelations on December 31 and January 1. Bugs in the integration layer caused issues with pre-bids not processed correctly or not processed at all, gate "freezing" and delays in the auctions, and delays in sending files to stakeholders.

On 26/03, an exceptionally high traffic (more than 4 times higher than usual) in pre-bidding caused the system to slow down significantly. Since there is a hard deadline in the auction rules for providing the results, the auction in the CEE region and FR-Swiss border had to be cancelled. The simultaneous gate closure of the CEE gates and the FR-CH border caused a system freeze which was not solved before 10h15. This also blocked execution of shadow auctions. The system performance has been increased and can now be run with close to 1000 prebids, so every market participant can update their bids in the end with one set remaining, which is above the theoretical limit of no more than 250 prebids.

One issue seen after analysis is that the auction rules have a very harsh deadline – if no results are ready by 10h15, there is no possibility to delay the publication of results or for compensation. Regarding incidents management, there are some fallback procedures in place too. As for CEE, the current rule is with a deadline till 10h15. JAO is going to discuss with TSOs this and with PXs in that region how a consistent gate closure time can be proposed.

The User group's meeting has provided feedback with regard to improving support and features of the web services to allow for more automated bidding, improving the test organisation to ensure better participation, among others. JAO is looking for ways to optimise the system with the vendor through different services, and running a test to extend the web service in combination with release 3 (Autumn 2016) is under discussion with the vendor.

Some lessons learned include: the time scheduled for the development of the new auction tool seems to have been too short, with a very tight schedule in combination with the merger and new harmonized auction rules. In addition, tests should have been run more carefully. However, due to the fact that the old systems used in CASC & CAO were not compliant with the Harmonised Auction Rules, there was no possibility to have a parallel run with the new system; and more possibilities need to be seen to ensure sufficient time to test scenarios. Auction rules could be further improved through the introduction of a more flexible deadline in case of auction cancellations.

The GCT is especially important when it comes to DA and ID auctions, as for long term auctions the timeframe is flexible and GCT does not have an immediate impact even if auctions would be postponed by a full day. In the DA however, as timings and processes are very tight, if one step is delayed, this impacts the entire chain after that, so it is important to identify real deadlines in auction rules.

To discuss further actions, JAO had several Supervisory Board meetings, including an independent audit on the eCAT implementation undergoing, a high level meeting with Software supplier etc. 12 letters were received with complaints regarding system performance and were answered; user group meetings and discussions with TSOs were carried out. The User group MP meeting on 5<sup>th</sup> April provided feedback for JAO: to ensure that the system complies with the requirements of market parties, improve the support and features of the web services to allow for more automated bidding etc. JAO will work on ensuring the possibility for data download, but for now the focus is on ensuring that all historical data is on the website.

To improve JAO response time to emails, a ticket system for complaints will be implemented as a sequence of the current general inbox in use. JAO will look for solutions to closely monitor the performance of the system, especially from the market participant perspective and a market participant satisfactory survey shall be performed on a regular basis.

JAO and TSOs are working together to further enhance the service. In March, thorough tests with an external test provider led to new full integration tests (4 MPs joined), followed by a new release of eCAT on March 22<sup>nd</sup> fixed most of the bugs encountered since end 2015. Before going live with the new release, several tests with market participants were carried out in advance, but unfortunately only a handful market participants participated. More should join for the test next time. IT constraints and 2015 feedback have been taken into account in new HAR for 2017 auctions, and actions were taken to ensure that future tool delivery will be satisfactory. The lessons learned based on this experience and the audit by KPMG, also on internal organisation of the company, will be discussed with shareholders.

Regina Mandic, EFET, welcomed the JAO update but pointed out that the report describes the issue as an IT issue but is missing the market perspective which is very important. EFET would like to have more information regarding what the financial impact of the cancellations could be estimated at, whether some general information could be given regarding how many MWs were cancelled as also the report does not provide a description of communication (notifications) to market participants before the cancellations, of the effect of the cancellations of auction results on the market or of any liability and performance issues, as well as no reflection on the governance and oversight of JAO or reference regarding other incidents which happened since then. EFET is happy to see progress is being made but notes costs have been incurred.

Corné Meewis, JAO, stated that regarding the December 31st auctions, the focus has been to solve the issue at hand and cancelling this given auction after 12h was very inconvenient to all market parties. Therefore internal procedures have been made more strict, to prevent this from happening again.

Christophe Cesson, ACER, noted that the Agency has sent a request to JAO for additional information to better assess the impact of these bugs on the market and how the overall chain of responsibility between JAO and TSOs looks like. This information might also help assess the need for a better governance and oversight of other entities. Main questions to be addressed include: how long problems last, list of impacted borders, number of impacted participants (per timeframe/or border), volume in MWh not allocated (per timeframe/or border), if fallback is possible or not, how it is used and if yes, how often, how long before/after an auction market participants are informed, when is a fallback launched etc. ACER would like to have access to contracts between JAO and TSOs.

Corné Meewis, JAO, noted that it would be easier if there are clear cutoff rules and cancellation rules for auctions as nowadays there is no guidance on these rules, it is not clear what happens if/by given times, or if the cut-off time at 10h15 can be shifted or not. This has been a historical rule but it is unclear if in today's market this rule could be changed. This has to be analysed further to avoid further deadlocks due to such strict deadlines.

Christian Baer, Europex, noted that the responsibilities have to be discussed further and to clarify who pays penalties if something needs to be paid etc.

Andrew Claxton, Europex, underlined that strong operational measures are critical, with good quality assurance programs, back up procedures etc. We now have complex operational processes covering many parties/geographies, and these can go wrong. It is important to know how to manage it if something happens. The deadlines should not be so strict: that flexibility throughout the daily operation should be provided for so a delay in one step does not automatically lead to a decoupling.

Regina Mandic, EFET, noted that EFET would be happy to support through its members from SEE and CEE who can explain what steps are needed and to contribute to solve the problem.

ACER should provide the slide with requirements for JAO to Corné.

Corné Meewis, JAO, noted that JAO does not have information regarding outages and slowness of the auction tool and cannot currently provide further data.

The Chair noted that it needs to be clarified further if this information can be shared with SHs freely - the number of market participants can be provided but not the names of parties.

#### **4. Transparency**

##### **4.1 Update on progress**

Zoltan Guylay, ENTSO-E, provided an update on the 5<sup>th</sup> ETUG meeting on 27<sup>th</sup> April where 2 key issues were discussed: download solutions and MoP revision. If stakeholders would like to be part of the testing process, they should send an email to ENTSO-E. The download solutions' testing is now in sandbox. Documentation has been provided to the ETUG members, including implementation guide and interface specifications and a broader group of users will be involved once released on the IOP environment. The data repository will follow then; it is almost ready and testing can start ideally within 2 weeks with a subset of data items, most likely before mid-July.

Regarding the MoP revision, it is proceeding according to plan with a first workshop in January to kick-off the Detailed Data Definitions (DDD)s and implementation guidelines. DDDs were shared with ACER in February, and a 2<sup>nd</sup> MoP revision workshop in March focused on the Business Requirements Specifications (BRS) based on revised DDDs. Processing of ACER's comments is currently on-going regarding the revision of data items related to Load & Generation category. Any outstanding items will be addressed by TSOs/ENTSO-E in a forthcoming workshop. Zoltan Guylay, ENTSO-E, underlined that is very important to have the DDDs comments by June/July in order to ensure this gets included into the relevant budget. Upon ENTSO-E's internal approval process, to be carried out by end-July, the plan is to submit the revised MoP to ACER for opinion by end-July.

Regarding data completeness improvements, the provision of data to the TP reached 90% in Q4-15 and has improved further since then. ENTSO-E provided in mid-April the 2<sup>nd</sup> part of the 2<sup>nd</sup> report as per AESAG decisions, including also information on publication of outages.

On REMIT, ENTSO-E registered as RRM under REMIT and started reporting to ACER the DA data aggregated generation and DA wind/solar generation forecasts. The transparency platform (TP) is on track with lots of valuable input received through the users.

Rickard Nilsson, Europex, noted that there was an issue in the past regarding data property rights and asked if there are user agreements or some provisions in place to protect legitimate rights of data owners, who provide the data to the platform, linked to limits on re-distribution/feeding or downloading of such data from the ENTSO-E platform. Zoltan Guylay, ENTSO-E, pointed out that regarding the data property issues, based on the transparency regulation ENTSO-E is forced to publish it and make it available – it is not in the ToRs but the ENTSO-E legal section can check it again. For automatic download once it is done, it will be communicated machine per machine.

## **5. AOB:**

### **Update on Euphemia performance (PCR NEMOs)**

José Javier Gonzalez, Europex, provided a brief update on the PCR transparency monitoring as per previous discussions with stakeholders on performance indicators. He noted that an invitation will be sent to all to analyse each indicator proposed in terms of its reliability. PCR is working to develop the optimality gap indicator and to improve quality of the welfare indicator and, depending on the interest, a technical expert discussion will be organized on this. PCR also addressed the ACER request for data in order to be able to develop meaningful indicators for the performance of the algorithm. Further open discussion should follow on what can be done, what's technically viable etc.

### **Update on the MCO Plan (NEMOs)**

Andrew Claxton, Europex, provided an update on the NEMO committee developments and cooperation since the designation process in end-2015. CACM expects NEMOs to cooperate to manage some joint responsibilities (notably the MCO function), but does not provide a framework for this. On 3 March 2016, the INCA (interim NEMO Cooperation Agreement) was signed by all 19 designated NEMOs and entered into force. The INCA establishes an interim NEMO committee and a framework for developing the MCO Plan and methodologies as per art. 9(6). It will then be replaced by a more enduring structure end of 2016/start of 2017 which will have overall responsibility for the content in the DA and ID MCO functions.

Currently the MCO Plan submitted by NEMOs is under regulatory approval for 6 months and NEMOs are already working on DA/ID methodologies, which are expected to be put up for stakeholder consultations in October and for regulatory approval in Feb. 2017.

The MCO Plan focused on joint-NEMO responsibility, i.e. the MCO function under CACM and NEMO governance, but not addressing LIPs, shipping arrangements etc., or the joint NEMO-TSO governance of art. 10 which will be dealt with separately.

The MCO Plan builds on the existing PX governance arrangements for the implementation of the MCO functions for the Single Day Ahead Coupling (SDAC) and the Single Intraday Coupling (SIDC). The existing DA/ID governance will be opened to all NEMOs designated for DA or ID respectively, and shall be mandatory for all operational NEMOs. DA will be based on the current PCR cooperation agreement, and ID on the still evolving XBID contracts. The Plan assumes that cost sharing and cost recovery are addressed by NRAs in parallel with the MCO Plan approval. Regarding contracts with service providers, PCR Co-Owners will still provide the PCR assets (e.g. PMB and embedded Euphemia Algorithm) for DA MCO Function and DBAG is expected to do it for the ID MCO function by the time of XBID go-live. Some outstanding questions to the EC refer on how to interpret art. 9 (voting) of the CACM whenever individual NEMOs are not corresponding to MS. For DA, expectations are that main changes required to PCR are contractual which will be introduced in late 2016/early 2017, ready to become the single DA later in 2017 without major redevelopment.

José Javier Gonzalez, Europex, noted that in DA all is working, contracts will need to be adapted but liabilities and responsibilities are already decided; for ID a further agreement on these is needed with TSOs and this will take time. On DA the evaluation of the algorithm is still ongoing as it comes to how this will be established/monitored/regulated and how it evolves further. This will be discussed by July with the TSOs to be ready with a proposal for consultation in October. The principle issues on algorithms will be developed but Euphemia is changing as it is an operational system. Open questions still exist as to how it develops and what the trade-offs are, how the changes will be introduced and what the key performance indicators will be, so further feedback is useful.

#### **Update on balancing:**

The Chair noted there was no time to put balancing on the agenda. However, several members of the MESC had points to make.

Christian Baer, Europex, suggested that the BSG be formally adopted as a subgroup of the MESC as the relationship between the BSG and the MESC is unclear, even if balancing is a market code.

Jérôme Le Page, EFET, noted that BSG is a very technical group with ACER co-chairing so there are checks & balances in place. More reporting to the MESC could be good, and to make sure that balancing is the residual market and that interactions with ID are covered.

Steve Wilkin, Europex, noted that his presentation on behalf of Europex would not take long. On balancing pilot projects, Steve noted that it is important that TSOs work continuously with other stakeholders and that stakeholders are involved in early stage to design the systems and processes that will interface with TSO systems. Although he very much welcomed pilot project events for stakeholders, TSOs should involve stakeholders more often than once every quarter on this subject.

Steve Wilkin also noted that the stakeholder involvement in balancing pilot projects is unclear and not easy to cover with the current BSG set-up. He raised the question of whether the various association's Single Points of Contact (SPOCs) were being regularly informed of developments by the various balancing pilot projects. Jérôme Le Page, EFET, said that at least EFET's SPOCs were being consulted.

Steve Wilkin's last point was that the BSG and the development of details in the Balancing Guideline needed to consider and respect links towards, and needs of, the Intra Day (ID) Markets. The BSG should discuss this provided they take into account the needs of the ID market and discuss the interactions between ID Gate Closure, time needed to produce Schedule/Shipping information for reporting of ID trades and subsequent Balancing Market Arrangements. Mark Lane, ENTSO-E, noted that the TSOs need to consider this.

Rickard Nilsson, Europex, pointed out XBID views in last BSG since there might be inconsistencies between the needs of XBID and balancing. In XBID the conclusion is to process the results of trading to derive at the Shipping/Scheduling information needed by PXs, CCPs and SAs, based on Orders and Capacities available until the ID Gate Closure for given delivery period, and allow a number of minutes after ID Gate Closure to complete that process, but it was not clear and not perceived in the same way by some TSOs in the BSG. As this can have severe implications for market participants, PXs, CCPs and SAs, it has to be solved in a way that respects the needs of orderly ID Markets, not only the subsequent (near real-time) balancing processes.

**The Chair will liaise with the BSG convenor to clarify on the interaction between ID and balancing and will provide an update at the next MESC.**

Jérôme Le Page, EFET, raised the question of whether the market aspects of the Network Code on Emergency and Restoration should now be brought within the scope of the MESC. No discussion was held on the market impacts of the E&R Code.

**6. Next meetings for 2016:** 7<sup>th</sup> September (ENTSO-E, Brussels), 7<sup>th</sup> December 2016 (CEER, Brussels)

#### **Summary of decisions & actions:**

- An update on the FB MC project to be provided again at the next MESC.
- Jean Verseille, ENTSO-E, will gather more statistics on the ATC increase, and where the information can be published, for example through a regular discussion on a different platform (such as the CWE consultative group).
- On transparency improvement, CWE NRAs and TSOs should see if there is any conflicting legislation and see how to address these.

- Further information on the methodology used by ACER to apply the N-1 criterion will be provided regarding the MMR figures.
- The BSG should provide a written update on progress for each MESC. The Chair will liaise with the BSG convenor to clarify on the interaction between ID and balancing and will provide an update at the next MESC.
- Further update on the by ACER proposed data monitoring list to be shared once the list is finalized.
- ACER should provide the list of requirements for JAO to Corné.